

AHR Board of Director's Meeting – September 2012

TOPICS	DISCUSSION
	The September 12, 2012, meeting was called to order by president, Brian Mitteer, at 8:05 p.m. (EST). Attending were: Dave Kraus, Gary Leisure, Chuck Hendershot, Dean Baker, Bill Jameson, Emily Gibson, Kim Spann and Ruth Schwab (office consultant).
I. Old Business	
II. Office Update – Ruth Schwab	For the month of August 2012 we completed 49 foal registrations and 101 transfers. There are 187 stallions renewed so far for 2012. We currently have 1,013 members and 92 magazine subscribers.
III. Committee Reports	
1. AHR Youth	Rachel Cooper and Dave Wilson - Co-Chairs Members: Carolyn Sutton, Aileen Ayers and Sue Casseday (office consultant) Nothing new to report.
2. By-Laws	Bill Jameson – Chair Members: Willie Lehman and Christopher Miller Ballots are at the printer for the requested by-law change.
3. Classification	Bill Hendershot Members: John Dunkel, Jennifer Rousseau, Kim Spann, Robert Eicher and Chuck Hendershot The Classification Committee completed the inspection this year with a minimum profit of \$1,100. This amount could increase when all final expenses are received. We would expect to provide a final report with the closing of September's accounting records. Old Business: The investigation into an incident at one of last year's inspections has been completed. The committee will meet this month to review the report and recommend changes to the Board for specific actions related to the questions raised and rule and procedure changes for future inspections designed to improve our processes.
4. Disposition and Trainability Assessment Committee	Dean Baker – Chair Members: Bob Duvall, Steve Verhoff, Robert Eicher, Peg Brown and Lloyd Workman Nothing new to report.
5. Finance	Chuck Hendershot – Chair Members: Deborah Parker, Terry Schott, Robert Bade, Ruth Schwab (office consultant) and Sue Casseday (office consultant) The financial position of the organization remains stable as of July 31, 2012. We have over \$140,000 in cash on-hand, well exceeding our current liabilities. As we look forward to the remainder of the 2012 fiscal year we believe that the organization should exit the year with a stable balance sheet to fund operations in 2013 and beyond. However, operating results for the seven months-ended July 31, 2012 are not as good as we had hoped to achieve. AHR will report a loss for the seven months-ended July 31, 2012 of \$(4,108) versus a budgeted loss of \$(760) for the period and a profit of \$2,672 for the same period in 2011. The primary drivers for the shortfall are a shortfall in membership revenues, magazine advertising and the sale of products from the AHR store. Memberships for the seven month period are \$3,000 below budget, representing a decline from 2011 membership levels of nearly 10%. It appears this trend will continue for the remainder of the year leaving the organization with an annual shortfall of approximately \$6,000 and mark the fifth

	<p>consecutive year of membership declines. The magazine continues to experience less advertising activity and as a result revenue is nearly \$3,200 below budget for the period and over \$4,300 below the same period in 2011. Sales from the AHR store have declined significantly this year, with revenue being half of what was budgeted for the period and what was achieved in the same period of 2011. These shortfalls in revenue have been partially offset by revenue increases in DNA testing, classification and inspection, the spring sale and tack auction and stallion licenses. While steps have been taken to manage our cost structure while maintaining services and programs, the decline in revenue from memberships, the magazine and the AHR store have a direct impact of the net income associated with our organization.</p> <p>During the first seven months of the 2012, day-to-day registry operating expenses have been below the amounts budgeted for the year, with the only increase in costs over budget or prior year results coming in programs that generated more revenue and produced greater net income than anticipated for the year. These programs included classification and inspection, the spring sale and tack Auction and DNA testing. In comparing actual expenses to budget the primary driver of the higher reported expenses is the change in accounting to breakout the costs associated with the tack auction. This appears to increase the costs by nearly \$11,000; however, this amount was netted against income in the prior years. The accounting change will allow more visibility into the program in future years, as well as improve planning. The increased costs were partially offset by an adjustment to reverse the over accrual of sales taxes in the prior years. The net of these two major fluctuations accounts for the increase expenses for the seven month period over the budgeted amounts. All other operating and program expenses netted to be less than budgeted for the period. In comparing the first seven months of 2012 with 2011, the increase in DNA blood typing expense is offset by the sales tax accrual adjustment. The DNA blood typing also represents a change to report the DNA blood type revenue and expense as incurred and earned instead of the end of each year. The increase in tack sale Spring expenses over last year of \$3,000 is explained by the increase in the cost of items in the tack sale, which were more than offset by the increase in sales. Classification expenses increased \$2,278 which again is proportional to the increased revenue generated by the program in 2012. The spring sale auction costs increased \$2,680, again in conjunction with increased revenue and activity at the sale. The remaining \$3,000 of expense increase in 2012 over 2011 is the accrual of computer maintenance costs, which again is a change in accounting to accrue the costs each month under terms of our agreement with the computer services company instead of reporting the costs at the end of the year when the bill is paid. When you remove the expense increase which result from improved interim accounting and the costs associated with growing programs 2012 expenses are in line with 2011 expenses for the seven month period.</p>
<p>6. Futurity – SIP</p>	<p>Paul Sutton – Chair Members: Mahlon Miller, Bill Jameson and Ruth Schwab (office consultant)</p> <p>There are 80 horses entered into the futurity.</p>
<p>7. Judges</p>	<p>Chuck Hendershot – Chair Members: Bill Hendershot, Jacque Woodward, Lisa Schott, Bill Jameson, Karen LaBell, and Ray Miller</p> <p>Nothing new to report.</p>
<p>8. Membership</p>	<p>Dean Baker – Chair Member: Mike Williams, Emily Gibson and John Welk.</p> <p>Nothing new to report.</p>
<p>9. National Show</p>	<p>Lou Sutton – Chair Members: Bill Jameson, Steve Verhoff, Carolyn Sutton, Tara Biedenbach, Rachael Cooper and Ruth Schwab (office consultant and show manager)</p> <p>Preliminary reports indicate the show went well and should return a profit.</p>

10. Nominating	<p>Paul Sutton – Chair Members: Betty Miller, Judy Winkler and Kim Spann</p> <p>Ballots are at the printer and will be counted October 17th.</p>
11. Pedigree	<p>Brian Mitteer – Chair Members: Dave Kraus, Kim Spann and James Weaver</p> <p>Nothing new to report.</p>
12. Personnel/Office	<p>Brian Mitteer – Chair Members: Gary Leisure, Chuck Hendershot and Carolyn Sutton</p> <p>Nothing new to report.</p>
13. Points/Awards	<p>Dana Mitteer– Chair Members: Rachael Cooper, Steve Verhoff and Brian Mitteer</p> <p>Nothing new to report.</p>
14. Promotions/ Advertising/Regional Support	<p>Dave Kraus – Chair Members: Mike Williams, Mariana Abbott and Brian Vannarsdall</p> <p>A half page ad was placed in the <i>Massachusetts Horse</i> to be distributed at the East Coast Equine Affaire</p>
15. Publications	<p>Gary Leisure – Chair Members: Emily Gibson, Paul Sutton, Kim Spann, and Ruth Schwab (office consultant)</p> <p>Oct/Nov issue almost complete and ready to send to the printer.</p>
16. Sales	<p>Dave Wilson – Chair Members: Phil Greenisen and Andrew Yoder</p> <p>As of September 12th, 88 head have been consigned.</p>
17. Video Committee	<p>Gary Leisure – Chair Members: Paul Sutton and Emily Gibson</p> <p>Office has received more videos for consideration.</p>
18. Website	<p>Emily Gibson – Chair Members: Gary Leisure and Ruth Schwab (office consultant)</p> <p>2700 Home page hits vs. 3000 average.</p>
19. World Federation	<p>Chuck Hendershot – Chair Members: Jennifer Rousseau and Kim Spann</p> <p>Received the draft of the proposed by-laws for the new Haflinger World Organization. The regulations have been forwarded to committee members for review and a committee meeting is planned to summarize our questions and comments. The AHR Board will receive a copy of the regulations and the proposed comments and questions. The committee recommendations and other Board thoughts will require either a special Board call or email feedback and approval to provide our delegation guidance for the meeting in Austria the end of September.</p>
I. V. New Business	
	<p>Moved by Dave Kraus and approved that the meeting be adjourned at 8:47 p.m. The next meeting date is Wednesday, October 3, 2012.</p>