

**National Reining Horse Association
Minutes of the Finance/Audit Committee Meeting
Conference Call
February 1, 2019**

Present (all via conference call): Chairperson Mark Blake, Rob Curtis, Tom McCutcheon, and Tim Anderson, Rick Clark

Not Present: NA

Staff: John Foy, C.F.O.; and Chris Mossman, Sr. Director of Accounting

Guests: NA

- I. The meeting was called to order at 6:20 P.M. CST.
- II. Approval of April 24, 2018 meeting and conference call minutes. Approved as submitted.
- III. June 30, 2018 Audit Report. John informed the committee that the Audit Report for the Fiscal Year Ending June 30, 2018 has been completed and we have received an Unqualified Opinion.
- IV. IT Project – Reiner Suite. John updated the committee on the progress of the project. He answered questions from the committee concerning the project running over budget on both time and cost.
- V. Resolution #10-17 - Finance and Audit Committee Purpose. John asked the committee to read through the resolution and make sure the members understand the purpose and goals of the committee.
- VI. December 31, 2018 Futurity and Sale Financial Statements/Futurity Stats/Sale Stats. John presented the preliminary financials, statistics to support the financials, and answered questions. Most of the questions were over how the changes made affected the Sales. The committee asked John to share the statistics with the Eligibility and Aged Events Committees.
- VII. 2019 Proposed Rule Change Review. The committee reviewed and issued comments on the proposed rule changes having an economic impact to NRHA.
 - a. Rule 62-01-20 – Remove requirement to award a Lawson Bronze when \$2,000 or more in added money is offered. A Bronze is a difficult trophy to obtain. The pinnacle of Reining is to have earned a Bronze and there is a level of prestige that goes along with it. Removing the requirement would cause a loss of revenues. The Finance Committee unanimously voted to not support this rule change.
 - b. Rule 26-01-20 – Add rules on tail alteration. The committee feels this will have a huge negative financial impact. There could be a legal cost associated with this rule change. The committee did not issue an opinion but wants to voice their opinion of the potential financial costs associated.
- VIII. Show Manager Update. John gave an update on the change in Show Management and cash controls put in place.
- IX. Tax Return Update. John discussed the progress for the RHF and NRHA tax returns.
- X. John answered individual questions from the committee. Discussion mainly revolved around changes in sponsorships and the impact to the shows and NRHA financials.
- XI. New Business for next meeting: The committee would like a list of our current sponsors and their current commitments to NRHA. Arrange a meeting with Sammi over sponsorships at the Winter Meeting. Can we look into how much it would cost to man the entrances to the Coliseum overnight so only people with credentials can enter during schooling sessions?
- XII. Meeting was adjourned at 7:30 P.M. CST.

Respectfully submitted by Chris Mossman, Sr. Director of Accounting.