

**NCHA EXECUTIVE COMMITTEE MEETING MINUTES
OCTOBER 18-19, 2022
NCHA OFFICE – FORT WORTH, TX**

A meeting of the Executive Committee of the National Cutting Horse Association was held Tuesday and Wednesday, October 18-19, 2022, beginning 8:00AM central time daily.

All Executive Committee members were present: President Ted Sokol, President-Elect Toddy Pitard, Vice President Mark Senn, Kristen York, Rock Hedlund (via phone), Kirby Smith, John Lavelle, Sharon Overstreet, Tommy Williams, Skip Jones, Kathleen Moore, Ernie Beutenmiller, Cara Brewer (via phone) and Casey Green. NCHA Executive Director Jay Winborn, NCHA Treasurer Denise Seiz, Director of Shows Shianne Megel, Director of Membership Julie Davis and Cathy Marie Aleff were also in attendance for this meeting. NCHA Director of Judges Sam Rose and NCHA Stallion Foal/National Circuit Program Manager Allison Walker and the Chairman of the Finance and Audit Committee Steve Smith were also in attendance for a portion of the meeting.

TUESDAY – OCTOBER 18, 2022

The Executive Committee meeting was called to order at 8:11AM and roll call was taken.

President Ted Sokol welcomed the members of the Executive Committee and opened with a captivating prayer that extended gratitude for all the first responders and service men and women both at home and overseas.

At Large Director Ernie Beutenmiller addressed the members of the Executive Committee by reciting the NCHA mission statement.

Mission Statement

The National Cutting Horse Association promotes and celebrates the cutting horse, whose origin on Western ranches allows us to support ranching and its Western heritage. By establishing rules for the conduct of cutting horse shows, NCHA strives to give cutters a level playing field and a progressive class structure which accommodates everyone from the beginner to the advanced competitor. NCHA draws on the diverse talents and background of its members and encourages their participation in helping it achieve these goals.

PRESIDENT REPORT – TED SOKOL

President Ted Sokol addressed the members of the Executive Committee with his appreciation of how well the Executive Committee worked together through some concerning issues over the last couple of months. Decisions were made and amended all with the best interests for the association and its members. There are a lot of exciting projects ahead that warrant more decisions. Again, Ted thanked everyone for their time and efforts they have contributed on this committee.

EXECUTIVE DIRECTOR REPORT – JAY WINBORN

Executive Director Jay Winborn addressed the Executive Committee opening with details with the upcoming Futurity. Jay is excited to announce that this Futurity is on trend to be one of the largest this association has produced, with over 1500 horses entered. As exciting as that sounds, it has initiated challenges in the schedule and room for advancement. Cattle (heifers) has been secured for the 11,500 head needed for the Futurity.

A recent article in the Fort Worth Weekly announced an \$89M worth of improvements to Will Rogers Memorial Center by the City of Fort Worth of which a large portion will be focused to build a new Sheep/Swine Barn on the premises. NCHA looks forward to seeing the improvements as they develop that might support the equine events.

To touch on the finances, we were notified that we are being awarded 100% of the MERP applications which is close to \$2.2M for the Triple Crown events. Once again, as you will be presented in the finance section of the meeting, we had a positive FY2022 yearend before the MERP is applied.

The Weatherford project is still being discussed as a site survey was performed a few weeks ago to provide more details to this preliminary concept. The City of Weatherford continues to be supportive with this plan.

EXECUTIVE SESSION

President Ted Sokol placed the meeting into executive session to discuss the NCHA projects.

GENERAL SESSION

President Ted Sokol placed the meeting back into general session.

VICE PRESIDENTIAL SELECTION COMMITTEE – TODDY PITARD

President Elect Toddy Pitard presented the Executive Committee with his suggested list of 8 members for the 2023 Vice Presidential Selection Committee. In accordance with our Constitution and Bylaws, the suggested members must be comprised of four (4) Executive Committee members and four (4) Board of Directors with a limit of two (2) members per region. The proposed 2023 VP Selection Committee Members are as follows:

VICE PRESIDENTIAL SELECTION COMMITTEE	
POSITION	MEMBER
EC/BOD	Mark Senn
EC/BOD	Sharon Overstreet
EC/BOD	Kathleen Moore
EC/BOD	Kirby Smith

BOD/Governance	Dan Agnew
BOD/Past President	Lewis Wray
Board of Director	Robert Charles Brown
Governance Committee	Buddy Westphal

A **MOTION** was made by Ernie Beutenmiller and **SECONDED** by Casey Green to approve the proposed 2023 VP Selection Committee list of members as presented. **MOTION PASSED.**

The VP Selection Committee will be notified in the next few weeks to begin this election process for our incoming Vice President to be seated at the 2023 Annual Convention. A draft eligibility list of potential nominees was provided to the Executive Committee for review. The selection committee will be updated with the newly approved changes to the bylaws during this project.

REGIONAL REPORTS

President Ted Sokol welcomed the each of the members to report on their regional updates.

Region 1 – Kristen York reported that her region gained a Director in Oregon. Pioneer Circuit Finals just completed with a total of 359 works which was positive. The Big Sky is coming up with a concern for schedule as dates were dictated by use of facility. Canadian CHA also had a show that was well attended.

Region 2 – Rock Hedlund apologized for having to attend via phone as he is preparing to show in Ogden, UT. PCCHA had their Futurity in Las Vegas, NV which was down a little from last year but well received. PCCHA is looking at making a schedule change to accommodate cutters to be able to attend the Brazos Bash and PCCHA Futurity with enough time for travel in between. Redwood Circuit Finals was last weekend and well attended with about 130 works a day with potential to gain momentum in Fallon, NV. West Coast has been hit hard with the rising cost of cattle and fuel which has impacted some of the club cuttings.

Region 3 – Kirby Smith updated that they gained a Director in Nebraska with some newer members that are interested in applying for that seat. Cutting in the Heartland Circuit is strong. Missouri has had cutting the last four weeks with competition up chasing the yearend standings. Nebraska and Kansas have felt that competition as well with entries up. The high plains still have concerns with the circuit lines and look forward to any adjustments to make it better for all.

Region 4 – John Lavelle expressed the cuttings in Region 4 have been faced with some problems this year, especially in Ohio due to some conflicts. Kentucky, Michigan and Pennsylvania have had some well attended cuttings. Region Finals is coming up that last week of the point year and there are concerns with entries due to the fact that there is an USCHA World Show that weekend that trainers are having to decide between. Circuit Finals has had some challenges in setting the logistics with late paperwork being turned into the NCHA but is getting worked out. John also updated the members of the committee, with a recent call with the European Directors of which 3 of the 5 attended to provide updates of showing in Europe, Europe is still in the process of identifying which program is best for the cutters with their European Championships which is scheduled in Italy November 2-6, 2022, or a European Circuit

Finals. It was communicated that a list of the 2023 Circuit Program Rules would be provided for consideration and review. NCHA continues to support the European Championships with an annual stipend of \$20K which is up from the existing \$15K they have received in the past years. Region 4 will have a net increase of 5-6 Directors for the 2023 election which is exciting.

Region 5 – Sharon Overstreet reported that they had a very successful NCHA Day event which had to be rescheduled from June. The Sunshine Circuit Finals will be the first weekend in November which is on trend to be the largest in the program again this year. Weekend cutters in her region are enthusiastic with the circuit program and participation is strong. They are scheduled for over 80 shows next year which sounds great but may potentially create some disturbance between affiliates and clubs.

Region 6 – Tommy Williams updated that there has been quite a bit of action lately in his region. He recently attended a cutting in Forest, MS and it was a well-run show so Mississippi is good. Arkansas still seems to struggle with entries. A recent show provided a nice facility but for most hard to get to in the mountains. East Texas has gained a new Director.

Region 7 – Skip Jones provided an update on his region that cutting is going strong. Alamo and Oiler Circuit Finals are this coming weekend with an overlap, but entries seem to be good. South Texas has gained a director and his region is working on filling that spot in a timely matter.

Region 8 – Kathleen Moore reported that Region 8 has been strong with cuttings. There have been a variety of shows with no overlapping which makes it nice for participants.

At Large – Ernie Beutenmiller stated that he has attended a lot of weekend shows and spoke with affiliate producers. He raised concern that as they prepare for the 2023 point year, that expenses are rising which is impacting the shows. He encourages them to strategically plan for shows to have enough time between event schedules to allow for full participation. In speaking to the Directors, they are pleased to be heard and would like to see a better line of communication.

At Large – Cara Brewer was experiencing technical difficulties and unable to report at this time.

At Large – Casey Green reported that there are a lot of shows currently that are well attended. He agreed with Ernie that Directors would like to be involved in more communications from the office and the EC before decisions are made. Casey suggested that as there is more financial demand on the economy that we try to offer assistance to the smaller areas so that they can continue to cut.

Vice President – Mark Senn stated that although the Executive Committee has had to make some difficult decisions lately, that the Board of Directors had more conversations and feel a level of empowerment by working together to make a change. Their voices were heard and appreciate the BOD pamphlets that were distributed from the office.

President-Elect – Toddy Pitard updated the committee members with positive encounters amongst the members. Toddy appreciates the work being done on the National Circuit

Program Task Force and the continuing involvement that they encourage to reach out to the affected areas for feedback.

FINANCE AND AUDIT COMMITTEE – STEVE SMITH

Chairman of the Finance and Audit Committee Steve Smith addressed the Executive Committee with the FY 2023 Budget summary for approval.

Steve provided an update on some of the comments and concerns that the Finance and Audit Committee had while reviewing the proposed budget for FY2023.

From five years ago, when Steve first started to serve on the Finance and Audit Committee, the dynamic of the reports being offered and balanced along with the involvement of the committee has changed in the best possible manner for the association. Steve contributes this to the diverse group of people that serve on the Finance and Audit Committee and the leadership that Jay Winborn has provided in the office with his selected accounting team. Steve explained that some of the Finance and Audit Committee have strong personalities and might be considered forward when making suggestions to the Executive committee but are passionate about their fiduciary responsibilities for the association.

The past two years the budget has been approved with a zero balance and the association has been in the black before the MERP program, this year what the Finance and Audit Committee has recommended is a budget with a deficit of \$750,000 to support added money allocated to the Futurity. In addition, the Finance and Audit Committee is proposing a show fee increase at the Super Stakes, Summer Spectacular and the Eastern Nationals.

President Ted Sokol extended thanks to Chairman Steve Smith for taking the time out to present to the Executive Committee.

FINANCIAL REPORT – DENISE SEIZ

NCHA Treasurer Denise Seiz addressed the Executive Committee with our current state of the August, July and June financials for the association. Denise also provided a preview of the September year end results that were just completed and scheduled to be approved soon by the Finance and Audit Committee. Summaries for each of the month ends are provided below in order of latest results to prior months.

National Cutting Horse Association Finance Commentary September 2022

Statement of Position

The Association ended the month with total assets of \$20.9 million which represents an increase of around \$901K from the previous month. Below is a summary of what constitutes this increase:

Cash had an increase of \$608K in Operating and an increase of \$65K in Stallion Foal

The primary reason for the increase in operating cash is due to the receipt of futurity entry payments during the month. The primary reason for the increase in Stallion Foal cash is the receipt of foal nominations/stallion subscriptions during the month.

Accounts receivable increased by \$166K

The increase in accounts receivable is mainly due to the recording of our receivable from the Employee Retention Tax Credit of \$130K. The remaining increase is due to normal monthly activity.

Prepaid expenses increased by \$43K

The increase in prepaid expenses is primarily related to the recording of Angie Highland's quarterly payment (\$26K) as well as the purchase of circuit finals awards of \$16K.

Total liabilities increased \$1 million from the previous month. The majority of the increase was due to receiving 2022 Futurity entry payments which increased event deferred revenue \$921K. There was a slight decrease noted in Accounts Payable & Accrued Expenses due to normal monthly activity fluctuations. Sponsorship deferred revenue is up \$65K due to receiving a few show-related sponsorships during the month, the largest being Interpath (\$50K). Stallion & foal deferred revenue is up due to the receipt of foal nominations/stallion subscriptions during the month. The PAC fund payable was up \$34K due to the receipt of Futurity entry payments. Net assets decreased by approximately \$132K which represents the net loss for the month of September.

Statement of Activities

Through twelve months of FY 2022, the Association has posted net income of \$2,148,088 which is \$980,789 or 84.02% better than budgeted YTD income of \$1,167,299.

For the month of September, the Association posted a net loss of \$131,516 while the budget anticipated a net loss of \$182,271. As such, the Association's net loss for the month was more favorable than the budget by \$50,755.

The favorable position for the month was driven by a couple of things. There was a \$14K favorable variance noted in approved shows revenue due to higher activity than there was in the prior year. There was also a favorable variance of \$6K noted in membership revenue due to renewals in September that we had not anticipated. There was a favorable variance of \$12K in investment portfolio income largely due to the interest we are earning on the new sweep and money market accounts. Lastly, there was a \$131K favorable variance in other income due to the accrual of the \$130K employee retention tax credit we are expecting to receive.

From an expense standpoint, there were a few variations from budget. Awards expense was more favorable than budget by \$34K due to the timing of purchasing/recording of circuit awards. There is a \$9K credit to facilities & stalls expense relating to the write off of an accrual made for the Western Nationals facility contract cancellation which we are not expecting to have to pay. Show marketing expenses show an unfavorable variance of \$79K due to the timing of the

marketing department's marketing expenses. Personnel expenses are unfavorable to budget by \$32K which is due to Jay's commission which was not included in the budget as well as additional contract labor expense due to commissions accrued on the ERTC. Legal expenses show an unfavorable variance of \$24K which was due to budgeted expectations of reducing legal fees each month which has not happened. The remaining expense categories remained fairly consistent with our budgeted expectations.

**National Cutting Horse Association
Finance Commentary
August 2022**

Statement of Position

The Association ended the month with total assets of \$20 million which represents a decrease of around \$2.6M from the previous month. Below is a summary of what constitutes this decrease:

Cash had a decrease of \$995K in Operating and an increase of \$37K in Stallion Foal

The primary reason for the decrease in operating cash is due to the premium payouts at Summer Show as well as payment of various summer show related expenses at the conclusion of the show. The primary reason for the increase in Stallion Foal cash is the receipt of foal nominations/stallion subscriptions during the month.

Accounts receivable increased by \$620K

The increase in accounts receivable is mainly due to the recording of our MERP funds receivable of \$467K from Summer Show as well as recording the receivable for our Western Bloodstock commissions.

Prepaid expenses decreased by \$2.3 million

The decrease in prepaid expenses is due to the recognition of Summer Show related expenses.

Total liabilities decreased \$2.9 million from the previous month. The majority of the decrease was due to the recognition of Summer Show event revenue and sponsorship revenue. There was also a decrease noted in Accounts Payable due to not having as large of a batch of AP items at the end of the month as we had in the previous month due to the Summer Show going on at that time. There was an increase noted in Accrued Expenses which is mainly due to the recording of our facility accrual of \$374K as well as a few other Summer Show related accruals including awards and drug testing expenses. Stallion & foal deferred revenue is up due to the receipt of foal nominations/stallion subscriptions during the month. The PAC fund payable was down \$57,480 due to the movement of those funds from the operating account to our PAC cash account.

Net assets increased by approximately \$281K which represents the net income for the month of August.

Statement of Activities

Through eleven months of FY 2022, the Association has posted net income of \$2,279,604 which is \$930,034 or 68.91% better than budgeted YTD income of \$1,349,570.

For the month of August, the Association posted net income of \$280,978 while the budget anticipated net income of \$720,399. As such, the Association's net income for the month was less favorable than the budget by \$439,421.

The unfavorable position for the month was driven by a couple of things, but was mainly due to the performance of the Summer Show. There were unfavorable variances noted in entry & show fees due to there being less entries than in prior year. There was an unfavorable variance in sponsorship cash due to not getting as many sponsors for Summer Show as we had expected. There was also an unfavorable variance in the Western Bloodstock Commissions as the sale did not perform as well as it did in the prior year. Donations-General were down due to the youth department not receiving as many donations relating to youth week as they anticipated. Conversely, there were favorable variances in practice pen and stall revenue due to more activity than there was in the prior year. There was also a favorable variance in approved shows revenue of \$25K which is due to higher activity in approved shows than last year. Lastly, there was a favorable variance of \$10K in membership revenue due to more membership renewals that occurred in August than expected. The remaining revenue streams remained fairly consistent with our budgeted expectations.

From an expense standpoint, there were a few variations from budget. Premiums expense showed a favorable variance due to a lower number of entries from prior year. This offsets the unfavorable variance noted in entry fee/show fee revenue. Cattle shows an unfavorable variance of \$190K which is due to the increase in price per head to \$65/head as well as an increase in cost to feed the cattle. Show facilities expenses are unfavorable by \$61K which is due to our estimated facility bill being higher than what we had budgeted due to assumptions used when doing the accrual. Show marketing expenses show an unfavorable variance of \$46K due to the timing of the marketing department's show marketing expenses. Show operating expenses were higher than budget primarily due to judges expenses which were up due to running the Watt arena. Personnel expenses were up primarily due to a \$30K invoice from Angie Highland related to the Weatherford project. Legal expenses show an unfavorable variance of \$24K which was due to budgeted expectations of reducing legal fees each month which has not happened. Other expenses are higher than budget due to \$19K paid relating to the special meeting at Summer Show and the timing of projects related expenses for the marketing department. The remaining expense categories remained fairly consistent with our budgeted expectations.

National Cutting Horse Association Finance Commentary July 2022

Statement of Position

The Association ended the month with total assets of \$22.7 million which represents an increase of around \$1.5M from the previous month. Below is a summary of what constitutes this increase:

Cash had a decrease of \$162K in Operating and an increase of \$7K in Stallion Foal

The primary reason for the decrease in operating cash is due to the net effect of receiving entry fees for the 2022 Futurity/2021 Summer Show and starting to payout premiums for the Summer Show. The primary reason for the increase in Stallion Foal cash is the receipt of foal nominations during the month.

Accounts receivable decreased by \$488K

The decrease in accounts receivable is mainly due to the receipt of our MERP funds of \$462K from the 2021 Super Stakes.

Prepaid expenses increased by \$2.2 million

The increase in prepaid expenses is primarily due to premiums starting to be paid out for Summer Show. Additionally, expenses continued to be incurred for summer show, the largest being \$437K for cattle and \$114K for judges labor. The majority of the Association's insurance policies also were renewed and paid for in July for the upcoming year.

Total liabilities increased \$1.8 million from the previous month. The majority of the increase was due to entry fees being received for the 2022 Futurity and 2021 Summer Show. There was an increase noted in Accounts Payable and Accrued Expenses which is due to the posting of a large batch of AP items at the end of the month primarily for Summer Show related expenses. Sponsorship deferred revenue is up due to the receipt of various Bravehearts donations & the monthly 6666 sponsorship payment. Stallion & foal deferred revenue is up due to the receipt of foal nominations during the month.

Net assets decreased by approximately \$222K which represents the net loss for the month of July.

Statement of Activities

Through ten months of FY 2022, the Association has posted net income of \$1,998,626 which is \$1,369,455 or 217.66% better than budgeted YTD income of \$629,171.

For the month of July, the Association posted a net loss of \$222,343 while the budget anticipated a net loss of \$126,465. As such, the Association's net loss for the month was less favorable than the budget by \$95,878.

The unfavorable position for the month was driven by a couple of things. There was an unfavorable variance in sponsorship cash due to not getting two sponsorships in that month that we were expecting. There was also an unfavorable variance in approved shows revenue of \$20K which mainly is due to 2 major premier shows that were booked in July of last year that hit in different months this year. Lastly, there was an unfavorable variance of \$37K in investment portfolio income due to Frost selling off a position in the investment portfolio that they were selling across the board for all of their clients. The remaining revenue streams remained fairly consistent with our budgeted expectations.

From an expense standpoint, there were a few variations from budget. Show marketing expenses show an unfavorable variance of \$31K due to the timing of their promotion expenses. The biggest piece of that was a \$25K sponsorship for NHSRA that was not budgeted for. Legal expenses show an unfavorable variance of \$14K which was due to budgeted expectations of reducing legal fees each month. However, the amount paid is the same retainer we have been paying. The remaining expense categories remained fairly consistent with our budgeted expectations.

**National Cutting Horse Association
Finance Commentary
June 2022**

Statement of Position

The Association ended the month with total assets of \$21.1 million which represents a decrease of around \$181K from the previous month. Below is a summary of what constitutes this decrease:

Cash had a decrease of \$425K in Operating and an increase of \$18K in Stallion Foal

The primary reason for the decrease in operating cash is due to the payment of the Super Stakes facility bill. The primary reason for the increase in Stallion Foal cash is the receipt of foal nominations during the month.

Accounts receivable decreased by \$47K

The decrease in accounts receivable is due to normal monthly fluctuation of receivables.

Prepaid expenses increased by \$133K

The increase in prepaid expenses is primarily due to amounts paid for Summer Show. The largest being \$64K towards awards and \$47K towards dirt. The Association additionally purchased \$63K in awards for Circuit Finals and year end Circuit awards.

Total liabilities decreased \$22K from the previous month. The majority of the decrease was due to the payment of the Super Stakes facility bill which decreased accrued expenses. There were increases noted in Accounts Payable which is due to the posting of a large batch of AP items at the end of the month in preparation of Summer Show as well as increases noted in a few other liability accounts. Sponsorship deferred revenue is up due to the receipt of a \$21K Futurity sponsorship from Beechfork Ranch as well as various wall sign sponsorships. Event deferred revenue was up due to receipt of entry fees for futurity & summer show. Stallion & foal deferred revenue is up due to the receipt of foal nominations during the month.

Net assets decreased by approximately \$158K which represents the net loss for the month of June.

Statement of Activities

Through nine months of FY 2022, the Association has posted net income of \$2,220,969 which is \$1,465,333 or 193.92% better than budgeted YTD income of \$755,636.

For the month of June, the Association posted a net loss of \$158,240 while the budget anticipated a net loss of \$132,800. As such, the Association's net loss for the month was less favorable than the budget by \$25,440.

The unfavorable position for the month was driven by a couple of things, primarily the cost of the 2022 NCHA Convention. The cost of the convention exceeded budget by \$106K. This is due to not receiving a large sponsor for the Gala as well as convention registration being down. Additionally, expenses were larger than budget in total by \$55K which can be attributed to price increases as well as having to throw the Gala together last minute as we originally were not planning on having the Gala at convention. It should also be noted that the cancellation of Western Nationals and the cost of NCHA Days are reflected in the Statement of Activities and impacted the bottom line by \$45,500.

Additional factors include an unfavorable variance in approved shows revenue which is due to there being less shows than budgeted for during the month. Additionally, membership revenue was down but this is due to a budgeted assumption of an increase in membership as well as the effects of the free memberships. There was no advertising revenue as there was no Western Nationals program. We did see a favorable variance due to the gain on the sale of investments which was approved by the Investment Subcommittee. We sold some investments that had unrealized gains in order to try and offset the loss on sale of investments from the previous month. The remaining revenue streams remained fairly consistent with our original budgeted expectations. From an expense standpoint, there were a few variations from budget. There was no premiums expense due to the cancellation of Western Nationals. Awards expense showed a favorable variance of \$6K and cattle showed a favorable variance of \$129K due to the cancellation of Western Nationals. Show facilities expense was unfavorable by \$11K but this was due to having to pay out the contract for the facility in Reno. Show marketing expenses show a favorable variance of \$80K and show operating expenses show a favorable variance of \$50K due to the cancellation of Western Nationals. Legal expenses show an unfavorable variance of \$14K which was due to budgeted expectations of reducing legal fees each month. However, the amount paid is the same retainer we have been paying. There were no payments made to Morris Media due to not having a program for Western Nationals. The cancellation of the program for Western Nationals also contributed to the favorable variance in postage and printing under office expenses. Lastly, other than the unfavorable variance in convention/Gala expenses there was an unfavorable variance for producer subsidy expense which is due to the subsidies paid to the affiliates for NCHA Weekend that was not budgeted for.

JUDGES DEPARTMENT – SAM ROSE

Director of Judges Sam Rose addressed the Executive Committee with updates from the Judges Department. There are a total of 321 judges with 39 judges that have not attended a recertification yet.

Sam stated that the "R" (SAMS) system that was tested during the Summer Spectacular resulted in 9 reviews out of 527 runs with no changes. This system will continue to be reviewed and brought to the convention for discussion.

The Judges Department would like to recommend to the Executive Committee to require all Show Producers of all Monitored Events to pay the difference above the \$500 daily fee NCHA pays to reflect the judges' daily rate at each event monitored.

Our NCHA monitors are as valuable as our judges but have been at the same daily rate for over 12 years. Therefore, the Judges Department feels this is necessary because of their knowledge, hard work and dedication to NCHA.

A **MOTION** was made by Ernie Beutenmiller and **SECONDED** by Casey Green to approve the that all Show Producers of all Monitored Events to pay the difference above the \$500 daily fee NCHA pays to reflect the judges' daily rate at each event monitored. **MOTION PASSED.**

As Sam concluded his update, he introduced a new Judges Award, the "Arthur Jackson Memorial Award" that will be presented annually at the Futurity. This award will recognize a NCHA Judge with 25+ years of exemplary service and dedication.

JUDGES RULES COMMITTEE REPORT – ROCK HEDLUND

Executive Committee Liaison Rock Hedlund presented the Executive Committee with recommendations brought forth from the Judges Rules committee on behalf of the Chairman Tim Smith.

Judges Rule 10

1. Recommendation to remove (and the rider has put their hand down) out of Judges Rule 10, page 141.

Change to:

If a rider changes cattle after visibly committing to a specific cow, ~~and the rider has put their hand down~~, a five (5) point penalty will be assessed.

A **MOTION** was made by Ernie Beutenmiller and **SECONDED** by Rock Hedlund to APPROVE these changes as presented to Judges Rule 10. **MOTION PASSED.**

2. Recommend a change Rule 27, page 51-54. Remove 1A Judge rating and change the 2A qualifications: Changes in red:

STANDING RULE 27.

NCHA Approved Judges will be rated based upon their judging lifetime achievements. Their total lifetime judging credits will be divided by the number of valid protests to determine their rating. 4A - Lifetime credits divided by number of valid protests equals 50 or more and has been evaluated in a monitored aged event in the past 60 months. 3A - Lifetime credits divided by number of valid protests equals **25 to 49** and/or has not been evaluated by the Monitored System in the past 60 months. 2A - Pass judges' seminar and enter system as "2A." A judge who has been dropped to a 2A rating because of valid protests would be reevaluated at the end of twelve months. This judge may move up one rating at a time. a. "4A" Judge: This judge's lifetime credits will be divided by the number of valid protests to determine if that number is 50 or more, and this person has been evaluated by the Monitor System in the past 60 months. To maintain this rating a judge must obtain **two (2) credits per year**. If the judge does not obtain two credits, then the judge is subject to additional recertification testing. If the recertification testing is

failed, there will be a reduction in rating for a period of **twelve** months. 4A judges may officiate at any NCHA approved or sponsored event up to \$2,000-added by themselves. When added money is over \$1,000 the judge must be approved by the Director of Judges. 4A Judges are required to achieve a minimum of 75 points in all classes reviewed. b. “3A” Judge: Minimum lifetime total credits of twenty-five (25) shows. To maintain this rating a judge must obtain **two (2) credits per year**. If the judge does not obtain two credits, then the judge is subject to additional recertification testing. If the recertification testing is failed, there will be a reduction in rating for a period of **twelve months**. 3A judges may officiate at any NCHA approved or sponsored event up to \$2,000 added class by themselves. When added money is over \$1,000 the judge must be approved by the Director of Judges. 3A judges may officiate at any NCHA limited aged event. 3A judges are required to achieve a minimum of 75 points in all classes reviewed.

c1. “2A” Judge: **To maintain this rating a judge must obtain two (2) credits per year. If the judge does not obtain two credits, then the judge will be required to do a recertification workshop with their weekend monitor or set in the 6th box of NCHA produced shows. If the recertification testing is failed, he/she will be removed from the judges list.** 2A judges may officiate alone at any NCHA approved or sponsored event having an added purse of **\$500** or less. 2A judges may officiate at any weekend contest having an added purse of \$1,000 or less with a 3A or 4A judge. 2A judges **with earnings of \$10,000 to \$49,999** may officiate alone at any NCHA approved or sponsored event having an added purse of **\$999 or less**, provided the judge has a minimum of **twenty (20)** lifetime judging credits. 2A judges **with earnings of \$50,000 to \$99,999** may officiate alone at any NCHA approved or sponsored event having an added purse of **\$999 or less**, provided the judge has a minimum of fifteen (15) lifetime judging credits. 2A judges are not allowed to judge a limited aged event with more than \$10,000 total added money. 2A judges are required to achieve a minimum of 75 points in all classes reviewed.

NOTE: 2A judges can receive a credit for judging an unapproved cutting if the cutting is videoed and of acceptable quality for education. The judge will follow all rules associated with the weekend monitor program. The judge must notify the director of judges of their judging assignment. The judge will send all judge’s sheets and videos to the judge’s weekend monitor for approval and credit.

~~e2. “1A” Judge: To maintain this rating a judge must obtain two (2) credits per year. If the judge does not obtain the credits, then the judge will be required to do a recertification workshop with their weekend monitor or set in the 6th box of NCHA produced shows. If the recertification testing is failed, he/ she will be removed off the judges list. 1A judges may officiate alone at any NCHA approved or sponsored event having an added purse of \$300 or less. 1A judges are not allowed to judge a limited aged event with more than \$300 total added money. 1A judges are required to achieve a minimum of 75 points in all classes reviewed.~~

A **MOTION** was made by Ernie Beutenmiller and **SECONDED** by Skip Jones to take NO ACTION on these proposed changes to Standing Rule 27 as presented. **MOTION PASSED.**

WESTERN NATIONALS TASK FORCE UPDATES – ROCK HEDLUND

Chairman Rock Hedlund of the Western Nationals Task Force Committee addressed the members of the Executive Committee reporting on the findings of a recent survey performed on the future of the NCHA Western Nationals. As a result, this task force committee has come to the conclusion that NCHA should discontinue the Western Nationals since it has been non-existent the past couple of years and redistribute that monies collected to the NCHA Days or the

multiple Western Circuit Finals. The few entrants that attended have resorted to other shows in the area.

SHOW DEPARTMENT – SHIANNE MEGEL

Director of Shows Shianne Megel addressed the members of the Executive Committee with updates from the Show Department.

Shianne provided an update on the Futurity that has an exciting full schedule with lots of events planned to provide a quality experience for our cutters and spectators. The show will run a total of 27 days to accommodate over 2,100 entries. Entries are up overall a total of 24% from last year.

Shianne also provided an update that all payable transactions as it relates to the show will run through Cari Claxton at the NCHA Show Office.

(SEE ADDITIONAL MOTIONS pertaining to the Show Department under Old Business and Show Department Continuation sections on pages 17-18 of these minutes.)

NATIONAL CIRCUIT PROGRAM – ALLISON WALKER

Manager of National Circuit Program Allison Walker updated the Executive Committee by introducing a new preliminary form for joint circuit approvals to be considered for implementation in 2023.

Allison provided an update from a recent National Circuit Program Task Force call of which they covered a lot of topics primarily focused on the joint circuit approval process.

The task force will be issuing a draft of the circuit program rules with the complete package including the joint circuit approval form in the weeks to come to be reviewed and approved by the Weekend Show Committee and Executive Committee for full implementation for the 2023 point year.

Allison also shared some comparison data collected between the 2021 and 2022 point years. These are unique members in the chart below that does not include duplicate entries.



DATA CAVEATS

1. Only data from Fastercut/Equinal is included. Hand keyed results not included.
2. Circuit designation for rider / horse is based on current 2022 circuit, which is why Pioneer has 2021 data.
3. Current World Standings only have about 3,200 people (rider/owner) that have won \$\$, so these unique numbers are corrects.
4. 2022 data as of 9/30/2022. 2021 data complete show year.

CIRCUIT	2022 CURRENT MEMBERS	2021 UNIQUE CIRCUIT OWNER/RIDER	2022 UNIQUE CIRCUIT OWNER/RIDER	UNIQUE +/-	2021 % ACTIVE	2022 % ACTIVE	2022 NCHA WEEKEND ENTRIES
Alamo	912	243	264	21	27 %	29 %	0
Appalachian	610	142	125	-17	23 %	20 %	151
Aurora	488	205	210	5	42 %	43 %	203
Big Sky	653	264	238	-26	40 %	36 %	153
Cactus	953	308	340	32	32 %	36 %	246
Cotton	1905	549	555	6	29 %	29 %	361
Great Lakes	1112	370	350	-20	33 %	31 %	195
Heartland	849	332	273	-59	39 %	32 %	228
Oiler	561	184	164	-20	33 %	29 %	264
Red River	2324	821	711	-110	35 %	31 %	241
Redwood	892	313	313	0	35 %	35 %	203
Pioneer	943	325	327	2	34 %	35 %	242
Sunshine	1157	343	347	4	30 %	30 %	356
European	431	5	4	-1	1 %	1 %	0
Unassigned	131	1	6	5	1 %	5 %	0
	13921	4405	4227	-178			2843

Task Force Chairman Skip Jones recognized Allison Walker with praise for her professionalism and organizational skills in managing this program and helping to address the concerns with the awards.

ADJOURNMENT

Meeting was adjourned the first day and reconvened Wednesday, October 19th at 8:00AM central time.

WEDNESDAY – OCTOBER 19, 2022

The Executive Committee meeting reconvened and was called to order at 8:06AM by President Ted Sokol.

Executive Director Jay Winborn shared some projects with the Executive Committee by presenting a preview of a promotional video that will be displayed at the Futurity and a variety of other outlets. The Executive Committee welcomed this positive start to the final day of meetings and looks forward to the premier of these videos at the Futurity.

FY2023 BUDGET APPROVAL CONTINUATION – DENISE SEIZ

A **MOTION** was made by Mark Senn and **SECONDED** by Skip Jones to APPROVE the proposed FY2023 budget as presented by the Finance and Audit Committee with an increase of \$300K in revenue, an increase of \$130K in expenses, reduce the increased show fees by \$70K and the allocation to be determined by a new payout task force to be appointed by President Ted Sokol. **MOTION PASSED.**

A **MOTION** was made by John Lavelle and **SECONDED** by Skip Jones to APPROVE adding \$400K to the 2023 Summer Spectacular payouts and APPROVE \$300K to the National Circuit Finals Championship payouts for 2024. **MOTION PASSED.**

2022 AWARD UPDATES – TED SOKOL

- Todd Drummond Award (Action required from EC)

After much consideration between two qualified nominees, the Executive Committee made a decision and selected Lily Erwin as the 2022 Todd Drummond Award recipient to be presented at Futurity.

- Mary Kingsbury Sportsmanship Award – Jan Gandy
- Zane Schulte Award – Austin Shepard
- Sandy Sokol "Secretary of the Year Award – Gwen Coie
- Affiliate of the Year – Bell County CHA
- Reserve Affiliate of the Year – Beef Empire CHA
- Modine Smith Humanitarian Award – Barbra Schulte
- Bill Freeman Award – Wesley Galyean
- Arthur Jackson Memorial Award – Bob Freeman

PAC UPDATES – JAY WINBORN

Executive Director Jay Winborn provided an update on behalf of our NCHA lobbyist Daniel Hodge who was not available to attend the meeting. NCHA has maintained a strategic approach which has poised to protect key programs and build on its successes of the past.

NCHA RULEBOOK UPDATES – JULIE DAVIS

Director of Membership Julie Davis provided an update on the status of the 2023 NCHA Rulebook with print deadlines and the process for seeing this project through. The 2023 NCHA Rulebook will drop no later than December 15th just in time for the new year. Hard copies of the rulebooks will be sent to the Judges, the Directors and the Affiliates only like we did for the 2022 issue. The online version will continue to be available and will stand as the most up to date version for the association.

Julie also provided an update that the membership department is sending out a postcard to all

members that have an Amateur and Unlimited Amateur status of the pure \$50K Amateur change.

OLD BUSINESS

Show Fee Discussions

A **MOTION** was made by Kirby Smith and **SECONDED** by Mark Senn to recommend raising the maximum entry fee in the non-added money classes as a directive to the Weekend Show Committee for approval. **MOTION PASSED.**

A **MOTION** was made by Kirby Smith and **SECONDED** by Ernie Beutenmiller to send a directive to the Weekend Show Committee to review the concurrent class structure with the recommendation that the only concurrent classes could be the Non-Pro, the Unlimited, and the \$50K Amateur offered in some combination of any two (2). **MOTION PASSED.**

NEW BUSINESS

Cutting Academy

Executive Committee Member John Lavelle inquired about how the Cutting Academy seminars used to work? Director of Membership Julie Davis addressed John's question providing an overview on how the seminars were conducted. Executive Director Jay Winborn stated that he was in full support of bringing this concept back and would consider implementation.

EXECUTIVE SESSION

President Ted Sokol placed the meeting into executive session to discuss the NCHA projects.

GENERAL SESSION

President Ted Sokol placed the meeting back into general session.

SHOW DEPARTMENT CONTINUATION – SHIANNE MEGEL

After much discussion, a **MOTION** was made by Casey Green and **SECONDED** by Skip Jones that all entry fees increase by 7% for implementation at the 2023 Super Stakes, 2023 Summer Spectacular and the 2023 Futurity. **MOTION PASSED.**

ADJOURNMENT

There being no further business to come before the committee, a **MOTION** was made by

Casey Green and **SECONDED** by Kristen York to adjourn the meeting. **MOTION PASSED UNANIMOUSLY.**