



August 14, 2007

To: Mike Boyle, Anne-Marie Burns, John Foy

Subject: Full Financial Disclosure

At the RMRHA Board Meeting this date, the full Board of Directors of the Rocky Mountain Reining Horse Association voted to request full disclosure of the annual financial reports of the NRHA, our parent association. Full disclosure in this context to mean that the NRHA give us detailed information of the general ledger entries that comprise the individual line items of the Association's financial report that is published on the Association's website.

More specifically, we would like the following information:

- What was the total revenue for the Futurity, the total expenses for the Futurity and the net gain or loss from this event for the past five years? How much sponsorship money was credited toward the total revenues for the Futurity for each of those fiscal years?
- What was the total revenue for the Derby, the total expenses for the Derby and the net gain or loss from this event for each of the past five years? How much sponsorship money was credited toward the total revenues for the Derby for each of those fiscal years?
- For the year ending 2007, the May interim financial report posted on the website indicates that General Sponsorship revenue declined by \$66,775 year-to-date from the amount reflected on the April financial report. What occurred to reduce the revenue by that amount in that category?
- What comprises the "Forecasted Adjustment" of (\$61,912) that is on the May interim financial report?
- For each of the past five years, what have been the total revenue and expense and the net investment in producing the annual Convention?
- For each of the past five years, what is the actual dollar amount expended each year in International Development by the NRHA side of "The Group" and by the RHSF side of "The Group" and what specifically were those funds expended for. We would like to know the breakdown by board member travel, staff member travel, education, reimbursements, specific event athlete funding, fees, etc. Our general membership is interested in knowing how the

totals reflected on the annual financial reports breakdown by actual subcategories for both the NRHA and the RHSF in the area of “international” expenditures.

- In 2006 a “transfer” of funds from the RHSF to the NRHA side of the financial report in the amount of \$25,000 appears to have been made. What was the basis for this entry?

In the area of budgets and projections:

- What is the total budget by the major categories reflected on the financial report for the current fiscal year ending on 6/30/08?? Are we projecting investments (net operating losses) to occur once again for the Futurity, the Derby and the Convention?? We find it interesting that in the board meeting minutes, an actual variance to budget for past performance is stated in specific dollars, but that the actual dollars of the approved budget for the upcoming year is not divulged to the general membership in the minutes, yet it is noted that the board approved the budget.
- What are the estimated expenditures by “The Group” for the upcoming Masters Reining Event during the Futurity? This event came about after the budgeting for the present fiscal year, so we presume special considerations for funding had to be accommodated.

We would be more than happy to send a member of our board to the Association offices in Oklahoma City to meet with a member of the Finance Department to personally obtain the answers to these questions should you decline to answer them by written response. It is expected that full cooperation of the Association in fulfilling this request be given without hesitation or reservation.

On behalf of the officers and directors of the Rocky Mountain Reining Horse Association, this request is respectfully submitted.

Gary Pipkin
President