

USDF Board of Governors (BOG) Meeting

December 1, 2023

Omaha, NE

DRAFT MINUTES – PENDING 2024 BOG APPROVAL

The meeting was called to order at 1:01 p.m. CST on Friday, December 1.

Delegate roll call – Debra Reinhardt, Secretary

A quorum was reached.

Approval of agenda – George Williams, President

Lisa Gorretta moved and Fie Andersen seconded **to accept the agenda with the following amendments: 1) Move the USEF report after the approval of the 2022 BOG minutes, and 2) Under the approval of committee motions and their reports, move USDF Adult Amateur (AA) and Junior/Young Rider (Jr/YR) Handler Year-End Awards to tomorrow's session.** Motion carried.

Approval of 2022 BOG Minutes – Debra Reinhardt, Secretary

Diane Holsten moved and Robert Higgins seconded **to approve the minutes of the 2022 BOG meeting with following change to the Audit Committee report.** Motion carried

Audit Committee report – Guilherme Schmidt

*The committee has reviewed and approved the financial reports. ~~Guilherme Schmidt Paul Cormier~~ moved and ~~Paul Cormier Sally Davenport~~ seconded **to have Oberlander Financial Services conduct the audit.** Motion carried.*

USEF report – Bill Moroney, CEO

Bill gave highlights of 2023, which included dressage qualifying for Paris 2024. At the Pan Am Games, dressage earned team gold and individual bronze medals. Hallye Griffin became Director of FEI/High Performance Sport, with Laura Roberts becoming the Managing Director of Dressage.

USEF membership is up 4% at 81,000 and Fan memberships are at 190,000. Competitions have rebounded from COVID with 2128 shows having 370,000 entries. This is 26,000 more entries than 2022. Licensed officials are up a little to 2164.

There is a new partnership with Clip My Horse for live streaming to members. The Coaching Development Program, conducted by the US Center for Coaching Excellence has started, with dressage being one of the first in the program. The USEF Board has approved research and resources to develop a USEF Entry System for all disciplines. This product is to be completed in two years and be free to the user. There is a partnership with EquiRating to build a platform that focuses on equine and human safety in competition. USEF will expand 'lite' competition opportunities for several breeds and disciplines.

The future of USEF is maintaining the sport, amplifying media, enhancing properties, and investing in initiatives that add value.

President's report – George Williams

Welcome to the 2023 USDF Convention in Omaha. Our hosts, Region 4 and the Nebraska Dressage Association, were acknowledged. It's fitting that we are celebrating our 50th anniversary in Nebraska!

A moment was taken to acknowledge and remember those who fifty years ago had the vision of bringing dressage enthusiasts from all over the country together by creating a national organization dedicated purely to dressage with education, recognition and promotion as they're mission statement.

George touched on a few items that fall into those three categories.

Promotion:

This is definitely both an exciting and trying time for dressage. We're seeing some wonderful horse/rider partnerships at the top of our sport. At the same time, we're seeing and hearing about things that are forcing us to examine the issue of equine welfare and well-being, social license to operate, and our roles even more thoroughly as horse people, whether we're trainers, competitors, judges, owners, grooms, or on the governance side of the sport.

This may have happened faster than we expected, but now that it is up close and personal, or shall we say in our face, we have to discuss what has always been a bit of an elephant in the room. Personally, These discussions are welcomed. They are needed, they must be open, frank and honest. However, they must be done with an empathy for each other and most importantly for our horses. We are finally starting a new chapter and this time we all have to get it right.

Para Dressage:

This past summer the USDF received a request from the US Para Equestrian Association to become the US Equestrian affiliate for para dressage. They are stepping down as an affiliate and want to focus on being a fundraising organization for para equestrian. This would be following the global trend of the FEI and other national federations which over past several years have been bringing para equestrians more and more under the umbrella of their respective disciplines.

Integrating para dressage with able bodied makes sense and is a natural step forward for our sport. As the official US Equestrian affiliate for dressage, USDF is the obvious home.

The Executive Board (EB) has blessed this in concept. Stephan and George met with Tina Wentz, the Interim USPEA President, and Ellie Brimmer, USPEA Secretary to discuss the transition process. Earlier we had met with Tom O'Mara and Bill Maroney along with David O'Connor and Hallye Griffin, all of USEF to discuss some of the broader picture issues, such as governance representation, committee structure, affiliate agreements and areas of responsibility.

To be clear, when it comes to international competition the model would be as it is today. Athletes involved in the Olympic movement, USOPC compliance, and those types of responsibilities will continue to fall under US Equestrian as the national governing body (NGB).

We will be forming a Structural Development and Implementation Task Force in the next few weeks. It will be charged with looking at how to best assimilate para dressage into our USDF governance structure. We will work closely with the Bylaws Committee and will continue talks with US Equestrian to make whatever amendments to the affiliate agreement are deemed necessary. We anticipate the process to take approximately one year with the expectation of bringing it back to the BOG in 2024.

In the meantime, we would like to ask the BOG for your endorsement in moving forward with the concept of having para dressage come under the umbrella of USDF as the recognized USEF affiliate for dressage.

Education:

This week a Judge Education Initiative Workshop was held for the stakeholders involved in judge education, (including the L Education Program), to introduce a new initiative we have given the working title of Judging Education Project. This is an initiative to enhance our judge education programs through greater use of virtual and in-person technological capabilities offered through Black Horse One.

An exciting aspect of this project, and one with a more direct benefit to our members, is that it will have funding support through The Dressage Foundation's (TDF) Mary Anne and Walter McPhail Judge Education Fund.

As part of that agreement, USDF will make 3-4 online educational modules available to our membership. These modules are designed to help non-judges understand the judging process, judging methodology, gain a better understanding of what judges are looking for in specific movements, and hopefully open the door for more communication between judges and our members.

A big thank you to TDF and especially to Mary Anne and Walter McPhail; this is a great example of what we can do when we all work together.

The USDF is working with US Equestrian to add a coaching element to the Instructor/Trainer Development Program. Next week five members of our Instructor/Trainer Development Program faculty will be participating in a newly created U.S. Equestrian initiative focused on coaching development.

The program is a combination of virtual and in-person sessions and is conducted by the US Center for Coaching Excellence. They conduct programs for the USOPC and describe themselves as "a national non-profit organization dedicated to elevating and enhancing the professions of sport coaching, coach education, and coach development."

This is a big country. The best way to ensure that every one of our USDF members has access to quality dressage instruction wherever they live in the US is by having as many good, truly qualified instructor/trainers as possible. Ultimately our goal should be for every member, regardless of what state they live in, to have viable options for quality dressage instruction.

That's a big goal, but it underscores the importance of development programs like the ones for coach development, instructor/trainer development and the new initiative for judges. Some may feel that these programs are not beneficial to them and that they are just for a few individuals. The more we can do on all front's education wise, the better for everyone.

And, with the current state of affairs, it is even more crucial that we have well trained professionals/individuals as instructors, trainers and judges.

Recognition:

This year was the 10th anniversary of the US Dressage Finals. As many of you have heard, the numbers were down this year, especially when compared with 2022 and 2021 (which due to COVID from an entry standpoint combined the years of 2020 and 2021).

Actually, it's a good thing that numbers were lower. The experience of the past two years has shown us that the Finals actually can be too big.

This year we returned to numbers that were more in line with the pre-COVID entry numbers. As many of you know we upped the wild card score requirements, fully aware that it would affect the numbers. By how much is and was anybody's guess, as there are many factors that play a role.

However, the bottom line is there actually being an ideal number of entries. One that allows us flexibility in scheduling and the number of arenas needed, not needing the Rolex arena (which is a great distance from the heated stabling), and the number of stalls available in those heated barns.

Ultimately, we must remember that this is not about being the largest show possible, it is designed to be a national Finals, a head-to-head competition of the best coming from the regional championships.

Finally, let's recognize our great staff and all of the volunteers who keep USDF moving forward!

Executive Director's report – Stephan Hienzsch

Happy Birthday USDF! 50 years and it is great to be here in Nebraska where it was all started. Thank you to all volunteers, staff, contractors, and volunteer based leadership.

As a reminder, special award honors will be presented as follows: Lifetime Achievement Award - Sally Davenport (Region 8); Member of Distinction - Brook Irving Martz (Region 6); Member of Distinction - Beth Jenkins (Region 8); Youth Volunteer of the Year - Alice Burley (Region 3); and Volunteer of the Year - Eleanor Brimmer (Region 3).

The 2024 Trainers Conference will be held January 15-16, 2024, with Sven Rothenberger and Sabine Schut-Kery at High Meadow Farm in Loxahatchee, FL. Sven and Sabine will be addressing the movements within the FEI levels and the more complicated basics that must be achieved for those movements as it applies to each horse.

Sven Rothenberger is a German who represented the Netherlands in the 1996 Olympic Games held in Atlanta, earning a team silver medal and an individual bronze medal, and again in Athens in 2004. Sven is currently a Level 2 FEI Judge. His son, Sonke Rothenberger, was part of the gold medal team representing Germany at the 2016 Olympic Games in Rio de Janeiro.

Membership numbers are about the same as pre-pandemic levels, but Participating Member (PM) numbers are up and Group Member (GM) numbers are down. Horse registrations have been up for two years and are above pre-pandemic levels. Reflecting, the increase in activity right after the pandemic seems to be leveling out.

The 2024 convention will be held in Houston, TX at the GW Marriott Houston, December 4-7, with a room rate of \$164.

The 2025 convention will return to Lexington, KY at the Hyatt Regency Lexington, December 3-6, with a room rate of \$155.

As you know, the EB is asking the BOG to approve a dues Increase proposal. USDF members will have had seven years of static dues while inflation has eaten into the operating budget of

USDF activities and member services. Dues are approved by the BOG and if approved at this meeting would go into effect for the 2025 membership year.

Key fee increases have been approved by the EB, which on the average last increased seven years ago. The increase in the regional championship qualified ride fee will increase prize money for regional championships and the US Dressage Finals. It may also allow for an increase in the travel grants fund for the US Dressage Finals in the future.

By applying increases to all dues and numerous key fees it spreads the burden. Delaying the proposed initiatives will result in more painful measures needed later.

The budget numbers are forecast based on the available actual financial information available at the time. There is a long lead time from when those projections are made versus implemented and actualized. The dues increase proposed, and the fees approved by the EB, are included in the preliminary FY 2024-25 budget proposal

Treasurer's report – Lorraine Musselman

Proposed membership dues increases (to be effective 12/1/2024)

<i>Membership Dues</i>	Current Dues	Implemented	Proposed Dues	Effective Date/Years Since Last Increase Implementation	\$ Increase
Participating Membership	\$90	December 2017	\$100	12/1/2024 (7 years)	\$10
Youth Participating Membership	\$72	December 2017	\$80	12/1/2024 (7 years)	\$8
5-Year Participating Membership	\$360	December 2017	\$400	12/1/2024 (7 years)	\$40
Life Participating Membership	\$1,800	December 2017	\$2,000	12/1/2024 (7 years)	\$200
Business Membership	\$240	December 2017	\$280	12/1/2024 (7 years)	\$40
Group Membership (Individual/Primary Family Member)	\$24	December 2019	\$25	12/1/2024 (5 years)	\$1
GM Supporting Family	\$10	December 2010	\$12	12/1/2024 (14 years)	\$2

Proposed Fiscal Year 2024-2025 budget – Lorraine Musselman, Treasurer

Statements of Financial Position:

The Statement of Financial Position is basically a balance sheet. This is a comparative statement which shows the balances as of March 31, 2023 and March 31, 2022. This past fiscal year the USDF has been able to both expand existing programs and add new ones.

Assets:

The Statement of Financial Position – Assets

Total current assets (assets expected to be converted to cash within a year) shows a slight decrease of 5.2% for the 2023 year-end as compared to the 2022 year-end. Operating cash is flat. Inventory and prepaid expenses show slight increases, offset by a decreases in investments and accounts receivable. Capital (or Fixed) Assets are down slightly. mostly due to depreciation expense.

Liabilities and net assets

The liabilities side of the Statement of Financial Position shows our liabilities are down overall. The majority of the decrease is in deferred revenue, offset by slight increases in accounts payable and accrued expenses. The USDF does not have any long term liabilities. Current liabilities are those that will come due in one year or less. Long term would be over one year (an example would be a mortgage). The net assets are a net of the total assets minus the total liabilities. They are down just under 5% from the prior year.

Statement of Activities:

The Statement of Activities is a breakdown of revenues and expenses by program area and whether any are donor restricted. The USDF does not have any new donor restricted items.

Revenues

This is a breakdown of the revenues of the organization by functional area. Membership dues account for just over 55% of the revenues at \$2,624,715. Competition areas (competition, regional championships, and the US Dressage finals) combined (\$1,707,958) make up just over 36. Program services, publications, and regional revenues follow behind those amounts coming in at \$289,635, \$229,338, and \$207,529 respectively.

Expenses

This is a breakdown of expenses of the organization by functional areas. Program services expenses make up two-thirds of our expenses and supporting services (general administrative) make up one-third. As you can see, the largest portion of our program services expenses goes to the competition area

The **Statement of Functional Expenses** is a breakdown of expenses by type versus program area. This organization is mostly personnel driven, so naturally compensation and related expenses make up the largest portion of total expenses. Most of this is related to program areas that are for the benefit of the membership. Advertising and sponsors, programs and events and prizes and awards follow all between 9% and 10%.

The **Days Cash Reserve** indicator is the calculation used to determine roughly how many days of expenses you can cover with the cash on hand without adding any income over those days. The common goal for non-profits is 3-6 months.

We ended the year at 149 days (right at 5 months) versus 156 days for the previous year. While slightly lower than last year (6 days), we are still in good shape.

The **Liquidity** ratio is used to determine how financially stable the organization is based on its current assets over its current liabilities. You always want this ratio to be a minimum of 1 to 1. Since the USDF does not carry many liabilities, this ratio is 29.83 for the fiscal year ended March 31, 2023 compared to 26.81 for the year ended March 31, 2022. This indicates USDF is fully capable of meeting its financial obligations. You can see our organization is highly reliant on membership dues to keep our programs going. Competition areas (US Dressage Finals, regional championships and competition) make up the second most significant portion of our revenues.

Statement of Activities – Program Expenses:

This is what program areas comprise most of our expenses. Competition services make up the highest portions of our expenses (46%). This follows along since that is also the second largest revenue area for the organization. Following that, programs and education makes up 19%, marketing publications and merchandise at 16%, and membership services at 11%.

The total balance in investments on March 31, 2023 was \$7,252,348, down from 7,844,480 in March 2022. The Investments Working Group made some tweaks with our investment policy over the summer to limit the effect of the market fluctuations as much as possible. That said, no one has a crystal ball and knows exactly what the investments market will do.

The decision to combine the “Operating Cash” and “General Funds” was made after the 2018-19 Fiscal Year. This was done to simplify reporting as both funds are used for the same purpose. During 2019, the decision was made to report the balances in the Youth Endowment and General Endowment funds as separate amounts as they are used for separate purposes.

The Proposed Budget for Fiscal Year 2024/2025 (April 2024 through March 2025):

This budget is based on normal levels of operation. It takes into account inflationary trends and programs that have been expanded or added. Staffing will be increased minimally in order to deliver the additional services to our members that have been added.

The revenue side of the budget does include fee increases approved by the EB and the proposed dues increases to be voted on at this convention. Actual USDF revenue has been fairly stagnant while expenses have increased significantly.

The annual convention will be in Houston next December. These are the projected revenues and costs associated with that location.

Championships and competition services have been adjusted to reflect an increased expectation of competitors based on actual trends.

Audit Committee report

The committee has reviewed and approved the financial audit for the fiscal year ending March 31, 2023. Lisa Gorretta moved and Kim Kriekhaus seconded **to approve Oberlander Financial Services, PLLC, Lexington, KY to be contracted to conduct the audit for fiscal year ending March 31, 2024.** Motion carried.

Presentations by candidates for USDF Administrative Council At-Large Director (ALD) and Technical Council ALD – Linda Mendenhall, Nominating Committee Chair

There are elections this year for USDF Administrative Council ALD, USDF Activities Council ALD, and USDF Technical Council ALD. Current USDF Activities Council ALD Sue Mandas is uncontested and will not address the meeting. The USDF Administrative Council ALD candidates are Barbara Cadwell, Anne Snipes Moss, and Cindi Wylie. The USDF Technical Council ALD candidates are Janet Foy and Sue McKeown. Barbara Cadwell, Cindi Wylie, Anne Snipes Moss, Sue McKeown, and Janet Foy addressed the meeting.

Approval of committee motions and their reports

- Bylaws Committee – Chris Trentelman, Chair

The bylaws proposals were presented individually.

Paul Cormier moved and Ken Levy seconded **to approve the edits in Article V, page 5, section 2 as seen below.** Motion carried.

ARTICLE V

Page 5

MEMBERSHIP

Add new and re-letter remaining:

Section 2. Group Member Organizations

- k) A Group Member Organization shall annually elect or appoint from its membership a delegate to the USDF Board of Governors for a term of not less than one year, under procedures established by each Group Member Organization. Such delegate shall not be an elected Officer, Regional Director or At-Large Director of the USDF. Such delegate shall be entitled to one vote for every 25 (or major fraction thereof) dues-paying members of the Group Member Organization. Group Member Organizations having more than 200 members may elect one additional delegate per every 200 additional members. (Example: 25 members – 1 delegate, 201 members – 1 delegate, 399 members – 1 delegate, 400 members – 2 delegates, 600 members – 3 delegates.)
- l) ***Group Member Organization delegates elect Officers, At-Large Directors, and a Regional Director from their respective region to the USDF Executive Board.***
- + m) Final membership rosters and dues for any members of Group member Organizations not previously paid pursuant to Sections 2(g) and (h) shall be submitted to the USDF office no later than November 30 of each year.
- ≡ n) The number of Group Members of each Group Member Organization as of September 1 shall determine its voting strength at the annual meeting.

Kim Kriekhaus moved and Diane Holston seconded **to approve the edits in Article V, page 6, section 3 as seen below.** Motion carried.

MEMBERSHIP

Change to read:

Section 3. Participating Membership

- e) ~~The Participating Member delegates and Group Member Organization delegates of each region shall elect~~ **Officers, At-Large Directors, and** a Regional Director from among the members of that region ***their respective region to the USDF Executive Board.***

Robert Higgins moved and Caren Caverly seconded **to approve the removal of Article V, page 6, Section 3.f as seen below.** Motion carried.

MEMBERSHIP

Remove:

Section 3. Participating Membership

- ~~f) Candidates for delegates to represent the Participating Members to the Board of Governors and candidates for Regional Director shall be nominated by sending the names of nominees to the Nominating Committee staff liaison, or the Nominating Committee representative from the respective region, or the Nominating Committee chair by the date established in the USDF Policies and Procedures.~~

Fie Andersen moved and Ken Levy seconded **to approve the edits in Article VI, page 10, section 6 as seen below.** Motion carried.

BOARD OF GOVERNORS

Change to read:

Section 6. The delegate of a Group Member Organization may be represented on the Board of Governors by proxy, signed by an officer of the Group Member Organization and filed with the Secretary of the Board of Governors as set forth in Section (a) below. Elected Officers, Regional Directors and At-Large Directors of the USDF, and USDF Audit Committee members shall not be delegates or hold proxies.

- a) Proxies may be either “designated” or “undesignated” and shall be made by facsimile bearing the signature and title of an authorized officer representing the Group Member Organization, by e-mail or other means as described in the Policies and Procedures. A “designated” proxy identifies the Member ***in their region*** who shall vote the proxy and an “undesignated” proxy does not identify the Member.

Danielle Perry moved and Nancy Gorton seconded **to approve the edits in Article VII, page 10, section 1 as seen below.** Motion carried.

ARTICLE VII Page 10

EXECUTIVE BOARD

Change to read:

Section 1. The Executive Board shall consist of the Officers, ~~and At-Large Directors~~, elected by the Board of Governors, ~~and one Regional Director elected from each USDF Region elected by each regions' delegates on the Board of Governors and the At-Large Directors~~. The number of regions and their boundaries shall be determined by the Board of Governors.

Kate O'Connor moved and Cindi Wylie seconded **to approve the edits in Article XII, page 19, section 2 as seen below.** Motion carried.

ARTICLE XII Page 19

NOMINATING COMMITTEE

Change to read:

Section 2. Participating Members, Group Members, and Group Member Organizations may all nominate candidates ***for Officer and Regional Director positions on the USDF Executive Board and for Participating Member delegates. Nominations shall be made by sending the names of the nominees to the Nominating Committee staff liaison, the Nominating Committee representative from the nominee's region, or the Nominating Committee chair by the date established in the USDF Policies and Procedures.*** . The Nominating Committee shall be responsible, when applicable, for the nomination of Officers, Regional Directors and delegates to represent the Participating Members. ***At-Large Director nominations shall be in accordance with the USDF Policies and Procedures.***

Kim Kriekhaus moved and Robert Higgins seconded **to approve the edits in Article VI, page 9, section 1 as seen below.** Motion carried.

ARTICLE VI Page 9

BOARD OF GOVERNORS

Change to read:

Section 1. The Board of Governors shall consist of the following:

- a) It shall be the responsibility of each Group Member Organization to notify the USDF in writing (which includes electronic means) as to the identity of the delegate or delegates representing such Group Member Organization by ~~August 31~~ **October 31**. If a Group Member Organization fails to notify the USDF the identity of its delegate or delegates, the President of the Group Member Organization shall be designated as the delegate. In the event that a Group Member delegate shall either 1) die, 2) resign, or 3) be removed as delegate by the Group Member Organization, then the Group Member Organization shall appoint or elect a new delegate to

serve the remainder of the one-year term and notify the USDF as to the identity of the new delegate.

Q & A and collective approval of committee reports with no motions

Paula Briney moved and Lisa Gorretta seconded **to approve the committee reports with no motions**. Motion carried.

USEF High Performance report – Laura Roberts, Managing Director of Dressage

Pathway Programs Review – The Elite Program has five athletes (up from three). There are twelve athletes in the Pre-Elite, 30 athletes in Development, 22 athletes in the Emerging Athlete, and fourteen athletes in the Emerging Young Horse. Some of these athletes have several horses in the program and USEF coach staff meet in-person with these athletes twice a year. Pathway is really working as we see riders start at Elite and move up to team members as seen in the Pan Am Games. New this year were Pathway Program Clinics to reach more of the country and open to all FEI Levels. We introduced five clinics in 2023 to see new talent. Clinicians were the USEF coaching staff. They were held in New Jersey, Kentucky, Colorado, Georgia, and Texas. In 2024 we will do the same but in different areas.

European opportunities this year included the Nations Cup, which was held in Wellington, Rotterdam, and Aachen. There was U25 in the Wellington CDI-O and a European U25 tour for the first time. The combinations were very successful with quite a few first places. We also had our European Young Rider tour. Our combinations competed at the future champions in Hagen; two of those combinations went on to compete in Aachen.

Achievement World Cup Final in Omaha, NE with three combinations competing, i.e. Steffen Peters, Alice Tarjan and Anna Buffini. USEF sent three combinations to Dressage World Breeding Championships, which is the largest group sent from the US. At the North American Youth Championships (NAYC) in Traverse City, MI, there were 24 Juniors, 19 Young Riders, and for the first time five U25. Hopefully, the Children's division will be added in 2025.

The USEF Dressage Festival of Champions in Wayne, IL had 185 combinations with 14 national championships including Dressage Seat Equitation Finals. Para Dressage Championships were held for the second year.

There were four combinations representing us at the Pan Am Games.. Two of these combinations had never left the US and this was a great experience for them. The entire team scored personal best. Codi Harrison, Anna Marek, Christian Simonson, Sarah Tubman brought home team gold and individual bronze.

The road to the Los Angeles Olympics in 2028 is on target.

The meeting was adjourned at 4:08 pm CST with the TDF report being moved to tomorrow.

Respectfully submitted,

Debra Reinhardt
USDF Secretary