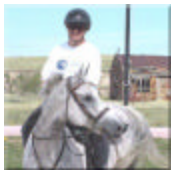




## *MAHA Express*

*September 2010*



### **MAHA Fall Trail Ride Set for October 9th**

Rain, Wind, Snow, Heat.....Sunny and Beautiful.....Come ride with us at the Fall MAHA Trail Ride!

RAIN: cancelled the June 2009 MAHA Trail Ride

WIND: blew us at the rescheduled June Trail Ride

SNOW: cancelled the October 2009 MAHA Trail Ride

HEAT: beat down on us at the July 2010 MAHA Trail Ride

SUNNY and BEAUTIFUL: predicted for the October 9, 2010 MAHA Trail Ride!

Come join us for the upcoming MAHA Trail Ride at Crow-Hassan Park Reserve at 1:00 p.m. on Saturday, October 9. Please arrive about an hour earlier to have time to meet the other riders and saddle up. We will ride for about two hours and then share refreshments. Please bring a snack and MAHA will provide the beverages. This is a family activity and children are welcome but must be accompanied by an adult. Helmets are encouraged. No Dogs!

Crow-Hassan is located on the Crow River west of Rogers, MN about five miles west of I-94. Go west on County Road 101/Main Street for 1.5 miles. Turn right at County Road 116/Territorial Road 2.3 miles. Turn left at Hassan Parkway 1.6 miles. Turn right at Park Drive. You can also go to [www.threeriversparks.org](http://www.threeriversparks.org) for directions from your location or call them for more information at 763-694-7860. Please note that Three Rivers charges a daily fee of \$5 per horse.

This ride is for MAHA members and their guests. Please RSVP to Pat Swenson, at [swens@earthlink.net](mailto:swens@earthlink.net) or call her at 507-645-9223 and leave a message with names of people attending and a contact phone number.

We look forward to seeing you at the ride!





## Letter from MAHA President Lori Conway

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Hello MAHA Members,

I wanted to take a minute to let you know how much I appreciate each and every one of you and the support you have given to this MAHA club. We are 56 years strong and that puts our club in a unique category!

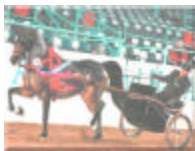
When I was elected MAHA President, I knew I wanted to focus on bringing back some of the fun, camaraderie and education that I feel is deserving of each and every club member. I am fortunate to be surrounded by a great group on the board and all the other officers. We are trying to diversify the MAHA activities to reach out to a wide variety of Arabian enthusiasts. So far, all of them have been very successful. The trail rides, clinics, Open Horse Shows and our MAHA Spring Show and MAHA Fall Classic have been fun, educational and in most cases, monetarily successful.

I would like to publicly thank the Arabian Horse Times and John Diedrich for all that they have done for MAHA. We have some beautiful posters and other promotional material thanks to them. Financially, MAHA is in a great position and Jill Frieders, our Treasurer, has done an outstanding job keeping us all on the right track and informed of our finances. The club Secretary, Roberta Lembke, is second to none and I applaud her for all her hard work. The Minnesota Horse Expo takes a great effort from many of our members, as do all of our horse shows and trail rides, so please thank the other board members that work tirelessly for you. MAHA will continue to have more clinics and fun events in the future, so please invite your friends and family to join our club. The more members we have, the more we can do for you!

In closing, I would like to encourage every member to get involved and partake in the MAHA events. We are all volunteers and would love to have you join us.

Thank you again,

Lori Conway  
MAHA President



## MAHA Fall Classic

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Are you worried that summer is ending too soon and you still want to show your horse? You are NOT too late! The MAHA Fall Classic will take place on September 18-19, at the MN Equestrian Center in Winona. The MAHA Fall Classic show is geared to “give back” to our MAHA members. It is our 56th Anniversary! There is a full slate of classes with a special emphasis on A/O Trained & Shown classes, Junior horse classes and \$100 MAHA Member Jackpot classes in all divisions.

The show is jam packed with great classes for everyone, plus there will be a fantastic FREE clinic on Saturday night with a FREE meal! There will be a short MAHA meeting right before the clinic so you can hear all about the great events in the works for next year. During the clinic our MAHA training experts will be in center ring to help participants or spectators with questions and issues they face with their horses. Anyone can ask questions or get help with their horse. It doesn't matter if it is a training, presentation, clothing, biting or other horse related question. The local experts are in the center of the ring to work with you! In addition there is a wheelbarrow race and other fun classes to complement the regular show classes. The Fall Classic has an easy schedule that is in a great facility with non-stop hospitality.

Our great young judge is Christie Hart, daughter of the great Bob Hart and Linda Stream. Christie is a well-known horsewoman, who is making a name for herself in center ring.

A few things you need to know:

- 1.) Go to [www.mnarabhorse.com](http://www.mnarabhorse.com) for the premium book.
- 2.) Pre-entries closed August 31, but you can enter at the show!
- 3.) A couple of changes and additions:
  - a.) Class #44 is Arabian Western Pleasure AATR
  - b.) Class #89 is Arabian Hunter Pleasure A/O Trained & Shown
  - c.) Class #104 is Arabian Side Saddle
  - d.) Shavings are \$7/bag
- 4.) Rob & Pam Hess are our photographers. They would like to stay in the area after the horse show, so if you would like a farm shoot or some of your horses photographed, they would love to do it.



**Don't Forget – High Point Reports Due September 30**

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Attention MAHA High Point Program participants! The deadline for submitting your points is September 30. All points must be submitted on the official points form found at

<http://www.mnarabhorse.com/about/highpoint/about.html>

These forms must be sent to Teresa LeFever:

MAHA High Point  
Attn: Teresa LeFever  
910 Grandview Dr.  
Hudson, WI 54016

Remember -- points reports are due (postmarked) September 30, 2010.

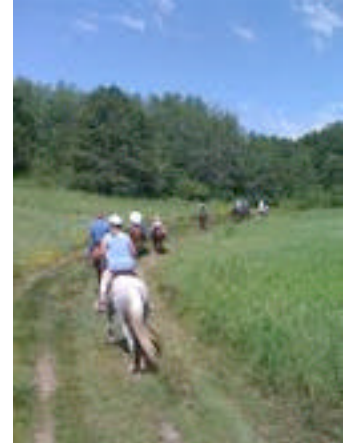


## July Trail Ride – Fun for All

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Pat Swenson, MAHA Board Member-at-Large, is responsible for coordinating the MAHA trail riding activities. This past July Pat organized a trail ride to the Lake Elmo Park Reserve. Pat writes about the ride:

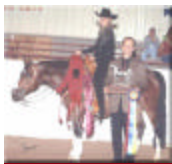
Our summer trail ride took place at Lake Elmo Park Reserve on the northeast side of the Twin Cities. MAHA members and their guests rode the trail around Eagle Point Lake. We enjoyed some shade in the wooded areas and a breeze when we rode through the prairie. I think the day's high temperature reached close to 90 degrees that day, but we rode in the morning and just walked the horses, which gave us the opportunity to talk while we rode. When we got back we watered our horses and washed them to cool them down and then we enjoyed a variety of snacks and drinks. It is fun to meet new people and have a reason to go to a new and different park. I know I enjoyed meeting other people riding Arabians out on the trail and other riders always comment on our good looking group!



### Future Trail Rides

Last summer the ride was on the southeastern side of the Twin Cities at U More Park, then at Lake Elmo on the northeastern side and our October ride at Crow-Hassan is on the northwest side. Are there any suggestions on the southwest side of the Cities? The only park that comes to mind is Murphy-Hanerhan, but that park does not have much room for parking and is very popular and busy. If people are interested, we could set up a ride west of the Cities at Fort Ridgley State Park or south of the Cities at Forestville State Park. What are your feelings on participating in a trail ride that would be about two hours drive away?

If you have a park you would like to suggest for a ride next season e-mail me, Pat Swensen, at [swens@earthlink.net](mailto:swens@earthlink.net) or call 507-645-9223.



## Call for Board of Director Candidates

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The MAHA Board of Directors is seeking candidates to run for the MAHA Board of Directors or Officer positions. Details about the responsibilities for Directors and Officers can be found in the MAHA Bylaws: <http://www.mnarabhorse.com/internal/>

If you are interested in running for the Board or an Officer position please contact Roberta Lembke ([drlembke@gmail.com](mailto:drlembke@gmail.com) or at 507-645-4789) no later than October 1, 2010.



## The IRS and Your Horse Business

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The horse industry has undergone significant changes over the years and in the past few years has come under the spotlight in the eyes of the IRS. It is not uncommon to hear of someone in the horse business, be it breeding, boarding, training, etc., undergoing an IRS audit. While it is possible to “win” the audit, it normally comes at a huge expense. Most would say that it is really impossible to win the war with the IRS, you normally only win the battle.

The Internet is filled with interesting articles and information on IRS audit cases. It is a little bit more rare to find quality information that pertains to the horse industry. Attorney John Alan Cohan is a prolific writer on IRS issues that relate to the horse industry. Mr. Cohan writes for a number of horse magazines and has given us permission to re-print some of his articles. The following article came highly recommended by a MAHA member:

### Legal Research and the IRS

By: [John Alan Cohan, Attorney at Law](#)

Many years ago a federal court defined the word “profit” as “the advantage or gain resulting from the investment of capital, or the acquisition of money beyond the amount expended; a pecuniary gain.” The meaning of “profit” is important not only in computing tax liability, but in determining a taxpayer’s motive for entering into a transaction, or establishing a horse, livestock or other farming business.

In determining whether a taxpayer enters a livestock activity for profit, the focus of the inquiry by the IRS is whether the taxpayer’s primary or principal motive is to derive a profit. More so now than in the past, the IRS and the Tax Court look for objective facts and documentary evidence in addition to self-serving statements of the taxpayer. Among other things, objective evidence consists of the expression of the taxpayer’s intent to third parties. This may be in the form of consultations with other horse or livestock owners, farmers, legal advisers, and so forth. Proving this may be difficult. Therefore, it is always recommended to keep copies of e-mail and other correspondence for possible future use in the event of an audit.



A surprising number of people who seek to make a profit in the livestock industry, and who deduct losses in the years when they occur, fail to maintain proper records. Many of them are lucky and do not get audited, but if the activity lacks businesslike records, this could be a red flag should the IRS scrutinize the situation.

Often a horse activity will start due to a change of motive. A taxpayer will first carry on a farming activity as a hobby, and then decide that circumstances or other considerations make it the case that the activity could be transformed into a business. The difficulty here is documenting the shift from a hobby to a business. It is important to show that the taxpayer conducted research



and investigated the feasibility of making this change. Often a taxpayer will get expert guidance from financial advisers, or obtain a tax opinion letter from a tax attorney. The best evidence is a tax opinion letter, as this documents the history of the situation, narrates the facts of the taxpayer's situation, and outlines the taxpayer's business plan.

If a taxpayer sustains ongoing losses from a horse activity over a period of years, particularly if it is more than seven consecutive years, it becomes very difficult to prove that the activity is engaged in as a trade or business. Many taxpayers are being audited in the early, or startup, phase of the activity. These taxpayers encounter difficulty, often enough, because they are caught unaware. They did not expect to be audited so early, and their business records are not really "in place."

In addition to business plan, nowadays taxpayers are advised to keep records of cost accounting details as evidence of a profit objective. Closely connected to such records is some type of marketing plan. Also, taxpayers need to have evidence, where appropriate, of a change of operating methods, adoption of new techniques or abandonment of unprofitable methods. For instance, there should be evidence that unprofitable animals used in the activity are culled, usually by selling them at a reduced price or donating them to a college livestock program. There should be use of advertising in trade magazines, and copies of the magazines should be kept as evidence. The IRS will often argue that if a taxpayer does not advertise in print ads, or other types of advertisement (such as on the Internet or other modern modes of advertising) this is evidence that the activity is not engaged in for profit. Some taxpayers try to save money on this, since admittedly advertising costs can be significant, particularly since ads usually need to be repeated, and rely instead on "word of mouth" advertising. However, "word of mouth" advertising is difficult to prove or to quantify. Maintaining a reasonably professional website, in which animals are advertised, is also a useful business strategy.

Finally, there should be evidence that the taxpayer is investing further monies in the venture with the purpose of increasing the profitability of the operation. This usually means making improvements to barns, fences, pastures, and machinery.

[John Alan Cohan is an attorney who has worked in the livestock, farming and horse industries since 1981. He can be reached at 310-278-0203, or by e-mail at [JohnAlanCohan@aol.com](mailto:JohnAlanCohan@aol.com). His website is [JohnAlanCohan.com](http://JohnAlanCohan.com).]

To see a collection of his other articles go to:

<http://www.ridemagazine.com/author/John-Alan-Cohan,-Attorney-at-Law>

You can also go directly to Mr. Cohan's website at:

<http://www.johnalancohan.com/Horse.htm>

\*Image from a Jared Allen T-Shirt sold on the Internet and in brick-and-mortar store fronts.



## Mark Your Calendars!

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September 18-29	MAHA Fall Classic, MN Equestrian Center, Winona
September 18	General Membership Meeting, MN Equestrian Center, after last class
October 9	MAHA Trail Ride
November 10	Board of Directors Meeting, 7:00 p.m., Black Stallion, Hampton

Watch the MAHA website ([www.mnarabhorse.com](http://www.mnarabhorse.com)) for details and more information about these MAHA events. The Region 10 website ([www.region10arabians.com](http://www.region10arabians.com)) also has information on all the shows and events within our region.



## Coming Full Circle

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When I got started with Arabians back in the early '80s the industry was ramping up into a frenzy. Everyone and anyone was getting involved in the Arabian horse business, including celebrities, politicians, business executives, and the rest of the folks like me. The first time I went to see the US Nationals down in Louisville I was blown away. The show was all about glitz, glamour and excessive parties and events. While the national level was well supported the local level was in full swing too! My first couple of years showing there were Class B shows and the smaller Class A level shows everywhere. You could always find a small show - to attend From Elk River to Lake Elmo to Proctor and Northfield. As a newcomer, I had opportunities to get in the ring for a low cost with a high fun factor. It was a blast.

Over the years those smaller shows diminished in numbers as everyone wanted to move to the Regional- and then National-level showing. For many of us it was a struggle to play in this game, but it was the only game in town. The local clubs and AHA quickly forgot that not everyone could afford nor wanted to show at the higher levels. Many owners moved on to the open shows circuit or just dropped out of showing altogether.

A few years back MAHA realized that our services were not serving the portion of our members who chose to show at the local level. Our response was to sponsor an annual open show that had a few Arabian-specific classes. Eventually, this idea mushroomed into the Arabian Open Shows Championship and now is folded into the collaborative Arabians Unplugged Show circuit.

This past weekend MAHA, in collaboration with another Minnesota Arabian club, sponsored a two-day back-to-back open show culminating with the MAHA inspired and managed Arabian Open Shows Championship show. It appears we have come full circle.

*Roberta Lembke*

**MN ARABIAN HORSE ASSOCIATION**  
**MEMBERSHIP FORM**



DATE: \_\_\_\_\_  NEW MEMBER  RENEWING MEMBER  
AHA# \_\_\_\_\_ DATE OF BIRTH: \_\_\_\_\_  
NAME: \_\_\_\_\_  
FARM NAME: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_  
CITY/STATE/ZIP: \_\_\_\_\_  
HOME PHONE: \_\_\_\_\_ CELL: \_\_\_\_\_  
EMAIL ADDRESS: \_\_\_\_\_

ADULT MEMBERSHIP CATEGORIES

\_\_\_\_\_ \$80.00 - 1 YEAR AHA/Affiliate/WITH a COMPETITION CARD & WITH MAHA Voting  
\_\_\_\_\_ \$45.00 - 1 YEAR AHA/Affiliate/MAHA Voting Membership. NO COMPETITION CARD  
\_\_\_\_\_ \$20.00 – 1 YEAR MAHA Associate - NO Voting/ NO AHA Membership/ NO Competition Card

YOUTH MEMBERSHIP CATEGORIES (17 years or under as of December 1st)

\_\_\_\_\_ \$45.00 – 1 YEAR AHA/Affiliate WITH a COMPETITION CARD & WITH MAHA Voting  
\_\_\_\_\_ \$20.00 - 1 YEAR MAHA Associate WITH voting rights – NO AHA/ NO Competition Card

\*\*All MAHA Memberships include the MAHA EXPRESS Publication and WSCA Membership.

\*\*\*Online Membership is available at [www.arabianhorses.org](http://www.arabianhorses.org), designate club # 10063 MN Arabian Horse Association or download a form & visit our website at [www.mnarabhorse.com](http://www.mnarabhorse.com)

\* For more WSCA information, please contact: [LauraMickelson@aol.com](mailto:LauraMickelson@aol.com) or 651-423-5871

\* For more MAHA Information, please contact: [Lori@ConwayArabians.com](mailto:Lori@ConwayArabians.com) or 507-867-2981

MAHA is an organization operated entirely by volunteers. Your help is greatly appreciated in any capacity. We want to know about you and what MAHA can do for you and where you could help us. Please circle what your interests are:

\* Trail/Competitive Riding \* Local Horse Show Competitions (4-H, WSCA etc) \* Class A Shows

\* Attending Clinics \* Regional &/or National Shows \* Horse Expo \* Membership

\* Horse Show Management &/or Involvement (Ribbons, Announcing, Gate, Barn Manager)

\* Promotions &/or Club Publications \* Other: \_\_\_\_\_

\* Circle all that apply: Owner \* Trainer \* Amateur \* Parent \* Youth \* Non-Owner

Do you want to be contacted as a Volunteer? YES or NO

To complete this form via mail: Please make checks payable to MAHA and mail to:

\* Shirley Theede \* 2341 Itasca Ave. S, Lakeland, MN 55043 \* [slick332@aol.com](mailto:slick332@aol.com) \* 651-436-7151

**THANK YOU FOR JOINING MAHA. THE CLUB THAT "GIVES BACK"!**