

**NATIONAL SNAFFLE BIT ASSOCIATION  
AND AFFILIATES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Boards of Directors  
National Snaffle Bit Association and National Snaffle Bit Foundation  
Gurnee, Illinois

We have reviewed the accompanying consolidated financial statements of NATIONAL SNAFFLE BIT ASSOCIATION AND AFFILIATES (Georgia and Illinois not-for-profit corporations, respectively), which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement whether due to fraud or error.

### **Accountants' Responsibility**

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountants' Conclusion**

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

## Supplementary Information

The supplementary information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The supplementary information has been subjected to the review procedures applied in our reviews of the basic consolidated financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Wardly & Davis LLP

April 15, 2020

NATIONAL SNAFFLE BIT ASSOCIATION AND AFFILIATES  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31	2019	2018
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 1,420,164	\$ 1,391,719
Certificates of Deposit	1,458,377	332,644
Accounts Receivable	46,284	55,538
Prepaid Expenses	2,063	5,587
Total Current Assets	<u>2,926,888</u>	<u>1,785,488</u>
<b>PROPERTY AND EQUIPMENT</b>		
Land	36,397	36,397
Building and Building Improvements	359,691	359,691
Office and Computer Equipment	96,022	78,423
Computer Software	63,014	63,014
Trailers	13,462	13,462
Furniture and Fixtures	56,402	56,402
	<u>624,988</u>	<u>607,389</u>
Less Accumulated Depreciation and Amortization	<u>266,464</u>	<u>239,665</u>
	<u>358,524</u>	<u>367,724</u>
<b>OTHER ASSETS</b>		
Certificates of Deposit	206,497	707,477
Long-Term Prepaid Expenses	—	85
	<u>206,497</u>	<u>707,562</u>
	<u>\$ 3,491,909</u>	<u>\$ 2,860,774</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accrued Liabilities	\$ 174,439	\$ 145,089
Deferred Revenue	409,262	348,055
Security Deposit	2,550	2,550
Total Current Liabilities	<u>586,251</u>	<u>495,694</u>
<b>LONG-TERM LIABILITIES</b>		
Accrued Liability	67,598	67,350
Deferred Revenue	934,593	888,471
Total Long-Term Liabilities	<u>1,002,191</u>	<u>955,821</u>
Total Liabilities	<u>1,588,442</u>	<u>1,451,515</u>
<b>NET ASSETS</b>		
Net Assets Without Donor Restrictions		
Board-Designated	308,671	147,670
Undesignated	1,419,143	1,108,629
	<u>1,727,814</u>	<u>1,256,299</u>
Net Assets With Donor Restrictions	175,653	152,960
	<u>1,903,467</u>	<u>1,409,259</u>
	<u>\$ 3,491,909</u>	<u>\$ 2,860,774</u>

See accompanying notes and accountants' report.

NATIONAL SNAFFLE BIT ASSOCIATION AND AFFILIATES

CONSOLIDATED STATEMENTS OF ACTIVITIES

For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>			
Support			
Contributions	\$ 32,028	\$ 334,266	\$ 366,294
Special Event - Online Auction	46,304	—	46,304
Release of Restrictions	311,573	(311,573)	—
	<u>389,905</u>	<u>22,693</u>	<u>412,598</u>
Program			
BCF/World Show	2,709,247	—	2,709,247
Membership	416,824	—	416,824
Credit Card Surcharges	99,898	—	99,898
Merchandise Sales	25,604	—	25,604
Stallion Incentive Fund	152,438	—	152,438
Yearling Sales	129,907	—	129,907
Judges Program	7,250	—	7,250
Licensing Program	210,826	—	210,826
Magazines	380,330	—	380,330
Smart Point	26,743	—	26,743
Riders Cup	74,115	—	74,115
Trainer Sales	42,770	—	42,770
Other Shows	202,836	—	202,836
Year-End Award Banquet	8,150	—	8,150
	<u>4,486,938</u>	<u>—</u>	<u>4,486,938</u>
Other Revenues			
Rental Income	32,460	—	32,460
Interest Income	34,822	—	34,822
Miscellaneous Revenue	24,401	—	24,401
	<u>91,683</u>	<u>—</u>	<u>91,683</u>
	<u>4,968,526</u>	<u>22,693</u>	<u>4,991,219</u>
<b>EXPENSES</b>			
Program Services	3,889,889		3,889,889
Supporting Services			
Management and General	570,035		570,035
Fundraising	37,087		37,087
	<u>4,497,011</u>		<u>4,497,011</u>
CHANGE IN NET ASSETS	471,515	22,693	494,208
Net Assets, Beginning	1,256,299	152,960	1,409,259
<b>NET ASSETS, ENDING</b>	<u>\$ 1,727,814</u>	<u>\$ 175,653</u>	<u>\$ 1,903,467</u>

NATIONAL SNAFFLE BIT ASSOCIATION AND AFFILIATES

CONSOLIDATED STATEMENTS OF ACTIVITIES (Continued)

For the Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>			
BCF/World Show	\$ 2,410,269	\$ —	\$ 2,410,269
Membership	391,437	—	391,437
Credit Card Surcharges	87,756	—	87,756
Merchandise Sales	13,527	—	13,527
Stallion Incentive Fund	133,931	—	133,931
Yearling Sales	121,404	—	121,404
Judges Program	2,100	—	2,100
Licensing Program	194,928	—	194,928
Magazines	415,126	—	415,126
Smart Point	47,891	—	47,891
Riders Cup	67,300	—	67,300
Trainer Sales	64,800	—	64,800
Other Shows	193,747	—	193,747
Other Revenue	39,614	—	39,614
Year-End Award Banquet	5,782	—	5,782
Rental Income	32,460	—	32,460
Interest Income	13,905	268	14,173
Special Events			
Auction, net of Direct Expenses of \$3,651	39,370	—	39,370
Contributions	44,327	207,012	251,339
Release of Restrictions	214,770	(214,770)	—
Total Revenues	<u>4,534,444</u>	<u>(7,490)</u>	<u>4,526,954</u>
<b>EXPENSES</b>			
Program Services	3,567,119		3,567,119
Supporting Services			
Management and General	488,648		488,648
Fundraising	18,307		18,307
Total Expenses	<u>4,074,074</u>		<u>4,074,074</u>
CHANGE IN NET ASSETS	460,370	(7,490)	452,880
Net Assets, Beginning	795,929	160,450	956,379
<b>NET ASSETS, ENDING</b>	<u>\$ 1,256,299</u>	<u>\$ 152,960</u>	<u>\$ 1,409,259</u>

## CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2019

	Program Services							Supporting Services			Total	
	BCF/ World Show	Riders Cup	Other Shows	Sales	Stallion Incentive Fund	Other Programs	Publication	Foundation Programs	Total Program Services	Management and General		Fundraising
EXPENSES												
Payroll	\$ 152,866	\$ —	\$ 127,500	\$ 65,794	\$ 23,250	\$ 79,017	\$ 80,980	\$ 2,855	\$ 532,262	\$ 187,767	\$ 2,772	\$ 722,801
Payroll Taxes	12,472	—	9,915	5,121	1,866	6,459	6,443	—	42,276	14,767	—	57,043
Employee Benefits	15,060	—	14,177	6,043	2,324	7,902	8,181	—	53,687	39,277	—	92,964
Advertising	—	—	—	—	—	—	—	—	—	3,500	—	3,500
Arena Rental	293,691	—	—	10,420	—	—	—	—	304,111	—	—	304,111
Bank Charges and Credit Card Fees	—	—	—	—	—	—	—	—	—	95,780	—	95,780
Other Show Expense	15,910	44	1,005	1,640	—	115	—	—	18,714	9,783	—	28,497
Awards	240,795	7,806	206	—	—	—	—	10,500	259,307	1,768	—	261,075
Meetings	—	—	—	—	—	150	—	6,374	6,524	31,001	—	37,525
Computer Expense	178	—	—	508	—	24	132	—	842	3,027	—	3,869
Outside Services	27,586	—	11,500	7,850	—	—	39,500	20,790	107,226	26,675	16,615	150,516
Day Fees	268,777	6,650	—	10,450	—	1,500	—	—	287,377	2,900	—	290,277
Depreciation and Amortization	4,341	—	4,087	1,742	670	2,278	2,359	—	15,477	11,322	—	26,799
Drug Testing	28,175	—	5,267	—	—	—	—	—	33,442	—	—	33,442
Equipment	1,514	—	46	24	8	29	29	—	1,650	65	—	1,715
Equipment Rental	52,794	878	1,702	2,500	310	3,096	1,081	—	62,361	2,403	—	64,764
Licenses, Permits, and Filing Fees	—	—	—	—	—	625	—	300	925	510	—	1,435
Insurance Expense	2,568	336	2,116	1,092	386	1,312	1,344	—	9,154	2,622	—	11,776
Travel, Meals and Lodging	186,613	6,042	7,579	6,999	1,196	16,025	9,036	15,796	249,286	43,725	—	293,011
Newsletter	—	—	—	—	—	—	—	—	—	1,912	—	1,912
Office Expenses and Supplies	15,106	108	275	421	45	153	303	12,790	29,201	16,812	—	46,013
Online Auction Expenses	—	—	—	—	—	—	—	—	—	—	17,700	17,700
Payouts	941,233	80,159	—	—	135,590	—	—	—	1,156,982	—	—	1,156,982
Plaques and Trophies	—	—	128,226	—	—	—	—	—	128,226	—	—	128,226
Postage and Shipping	7,327	—	1,036	—	299	5,305	67,816	—	81,783	11,160	—	92,943
Printing	32,210	3,195	4,930	13,311	7,397	9,837	236,055	17,130	324,065	6,959	—	331,024
Sponsorships	36,119	—	—	—	—	—	—	30,000	66,119	2,075	—	68,194
Stall/Entry Fees	—	—	—	—	—	—	—	17,525	17,525	—	—	17,525
Real Estate Taxes	2,017	—	1,899	810	311	1,058	1,096	—	7,192	5,261	—	12,453
Telephone	1,780	—	1,485	766	271	920	943	—	6,165	2,096	—	8,261
Occupancy	2,978	—	2,804	1,195	460	1,563	1,618	—	10,618	11,208	—	21,826
Year-End Award Banquet	—	—	—	—	—	29,063	—	—	29,063	—	—	29,063
Website and Internet	467	—	439	187	72	245	253	—	1,663	3,616	—	5,279
Professional Fees	—	—	—	630	—	986	—	—	1,616	21,933	—	23,549
Scholarships	—	—	—	—	—	—	—	2,500	2,500	—	—	2,500
Financial Assistance	—	—	—	—	—	—	—	42,500	42,500	—	—	42,500
Other	50	—	—	—	—	—	—	—	50	10,111	—	10,161
<b>Total Expenses</b>	<b>\$ 2,342,627</b>	<b>\$ 105,218</b>	<b>\$ 326,194</b>	<b>\$ 137,503</b>	<b>\$ 174,455</b>	<b>\$ 167,662</b>	<b>\$ 457,169</b>	<b>\$ 179,060</b>	<b>\$ 3,889,889</b>	<b>\$ 570,035</b>	<b>\$ 37,087</b>	<b>\$ 4,497,011</b>

See accompanying notes and accountants' report.



## CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (Continued)

For the Year Ended December 31, 2018

	Program Services							Supporting Services		Total Total		
	BCF/ World Show	Riders Cup	Other Shows	Sales	Stallion Incentive Fund	Other Programs	Publication	Foundation Programs	Total Program Services		Management and General	Fundraising
EXPENSES												
Payroll	\$ 170,082	\$ —	\$ 117,733	\$ 49,387	\$ 21,737	\$ 43,901	\$ 75,935	\$ 2,772	\$ 481,547	\$ 173,359	\$ 2,772	\$ 657,678
Payroll Taxes	12,968	—	9,168	3,755	1,639	3,376	5,946	—	36,852	12,993	—	49,845
Employee Benefits	16,737	—	12,956	5,522	2,124	4,248	7,476	—	49,063	35,894	—	84,957
Advertising	—	—	—	—	—	—	—	—	—	4,408	—	4,408
Arena Rental	243,696	—	—	10,420	—	—	—	—	254,116	—	—	254,116
Bank Charges and Credit Card Fees	—	—	—	—	—	—	—	—	—	78,210	—	78,210
Other Show Expense	13,318	—	553	1,560	—	—	—	—	15,431	8,199	—	23,630
Awards	194,391	5,206	107	—	—	—	—	10,500	210,204	357	—	210,561
Meetings	—	—	—	—	—	—	—	9,726	9,726	28,875	—	38,601
Computer Expense	185	—	—	330	—	3,750	100	—	4,365	5,523	—	9,888
Outside Services	44,900	—	15,100	7,660	—	425	36,000	31,639	135,724	29,294	15,535	180,553
Day Fees	220,595	7,650	—	11,500	—	3,750	—	—	243,495	1,200	—	244,695
Depreciation and Amortization	4,442	—	3,439	1,466	564	1,128	1,984	—	13,023	9,527	—	22,550
Drug Testing	26,343	—	2,563	—	—	—	—	—	28,906	—	—	28,906
Equipment	8,286	—	447	1,307	83	167	289	—	10,579	629	—	11,208
Equipment Rental	80,641	—	2,324	15,375	429	1,676	1,499	—	101,944	3,268	—	105,212
Licenses, Permits, and Filing Fees	—	—	—	—	—	—	—	300	300	6,886	—	7,186
Insurance Expense	2,807	336	1,922	806	355	717	1,240	—	8,183	2,702	—	10,885
Interest Expense	—	—	—	—	—	—	—	—	—	112	—	112
Travel, Meals and Lodging	161,948	6,551	4,281	5,116	791	10,341	13,010	36,902	238,940	6,020	—	244,960
Newsletter	—	—	—	—	—	—	—	—	—	2,869	—	2,869
Office Expenses and Supplies	11,107	—	970	250	51	221	556	18,043	31,198	16,217	—	47,415
Payouts	847,736	79,056	—	—	126,584	18,507	—	—	1,071,883	—	—	1,071,883
Plaques and Trophies	—	—	99,643	—	—	—	—	—	99,643	—	—	99,643
Postage and Shipping	7,481	1,212	810	—	108	1,340	66,163	103	77,217	11,559	—	88,776
Printing	28,548	2,985	3,404	12,904	7,425	5,426	219,421	18,418	298,531	4,785	—	303,316
Sponsorships	12,547	—	—	—	—	—	—	30,000	42,547	3,500	—	46,047
Stall/Entry Fees	—	—	—	—	—	—	—	18,588	18,588	608	—	19,196
Real Estate Taxes	2,707	—	2,095	893	343	687	1,209	—	7,934	5,806	—	13,740
Telephone	2,519	—	1,744	732	322	650	1,125	—	7,092	2,451	—	9,543
Occupancy	2,844	—	2,202	939	361	722	1,270	—	8,338	6,162	—	14,500
Year-End Award Banquet	—	—	—	—	—	28,874	—	—	28,874	—	—	28,874
Website and Internet	491	—	381	162	62	125	220	—	1,441	3,455	—	4,896
Professional Fees	—	—	—	—	—	—	—	—	—	18,641	—	18,641
Scholarships	—	—	—	—	—	—	—	2,500	2,500	—	—	2,500
Financial Assistance	—	—	—	—	—	—	—	28,000	28,000	—	—	28,000
Other	935	—	—	—	—	—	—	—	935	5,139	—	6,074
<b>Total Expenses</b>	<b>\$ 2,118,254</b>	<b>\$ 102,996</b>	<b>\$ 281,842</b>	<b>\$ 130,084</b>	<b>\$ 162,978</b>	<b>\$ 130,031</b>	<b>\$ 433,443</b>	<b>\$ 207,491</b>	<b>\$ 3,567,119</b>	<b>\$ 488,648</b>	<b>\$ 18,307</b>	<b>\$ 4,074,074</b>

NATIONAL SNAFFLE BIT ASSOCIATION AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	<u>\$ 494,208</u>	<u>\$ 452,880</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	26,799	22,550
Accounts Receivable	9,254	(18,064)
Prepaid Expenses	3,609	3,817
Accrued Liabilities	29,598	33,518
Deferred Revenue	<u>107,329</u>	<u>112,200</u>
Total Adjustments	<u>176,589</u>	<u>154,021</u>
Net Cash Provided by Operating Activities	<u>670,797</u>	<u>606,901</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Certificate of Deposit	(1,220,000)	(1,029,076)
Maturities of Certificates of Deposit	610,000	398,942
Reinvested Interest on Certificates of Deposits	(14,753)	(11,266)
Purchases of Property and Equipment	<u>(17,599)</u>	<u>(36,873)</u>
Net Cash Used by Investing Activities	<u>(642,352)</u>	<u>(678,273)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal Payments on Note Payable, Bank	<u>—</u>	<u>(27,561)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	28,445	(98,933)
Cash and Cash Equivalents, Beginning	<u>1,391,719</u>	<u>1,490,652</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u><b>\$ 1,420,164</b></u>	<u><b>\$ 1,391,719</b></u>
<b>SUPPLEMENTAL CASH FLOWS DISCLOSURES</b>		
Cash paid for:		
Interest	<u>\$ —</u>	<u>\$ 112</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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**NATURE OF ORGANIZATION**

The accompanying consolidated financial statements include the accounts of National Snaffle Bit Association (NSBA) and its affiliates, National Snaffle Bit Foundation (the Foundation) and National Open Horse Show Association (NOHSA), collectively the Association. NSBA was formed in 1983 primarily to define, promote, and improve the qualities of the pleasure horse, promote exhibits, events and contests in expositions and shows, and to encourage the use of standard rules for holding and judging contests of the pleasure horse.

The Foundation was formed in 2009 to encourage, by public contribution, support of worthwhile educational and charitable projects of interest and benefit to devotees of the NSBA.

National Open Horse Show Association (NOHSA) was formed in 2019 to promote cooperation amongst all horse show clubs and exhibitors and to improve the open horse show community through programs, events and shows, as well as, encourage the use of standard rules for holding and judging open horse shows, maintain records of open horse show results and reward participants regionally and nationally. Operations will commence in 2020.

The majority of the assets and revenues are associated with NSBA.

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies is presented to assist in understanding the Association's consolidated financial statements. The consolidated financial statements and notes are representations of management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the consolidated financial statements.

In preparation of the consolidated financial statements, the Association follows the provisions of the Financial Standards Accounting Board (FASB)'s Accounting Standards Codification (ASC) topic related to "Financial Statements of Not-for-Profit Organizations." Net assets and revenues, gains, expenses and losses are classified as with donor restriction and without donor restriction based on the existence or absence of imposed restrictions as follows:

- Without Donor Restriction – These funds are not subject to any imposed stipulations. These net assets may be designated for specific purposes by action of the Board of Directors (Board) or may otherwise be limited by contractual agreements with outside parties. At December 31, 2019, Board-designated net assets totaled \$308,671 with \$152,311 for the Crisis Fund, \$100,000 for the World Show and \$56,360 for future Smart Point payouts. At December 31, 2018, Board-designated net assets totaled \$147,670 with \$39,706 designated for the Crisis Fund and \$107,964 designated for the Building Fund.
- With Donor Restriction – These are funds whose use is subject to donor-imposed stipulations that could be fulfilled by actions of the Board pursuant to those stipulations or that expire by the passage of time. Only the Foundation has donor restricted net assets. The Foundation's policy is to allocate 30% of all restricted donations and release for administrative purposes. These administrative fees are released from restriction and reclassified to support without donor restriction. Donors are advised of this policy prior to solicitation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**PRINCIPLES OF CONSOLIDATION**

The accompanying consolidated financial statements include the accounts of NSBA, the Foundation and NOHSA. All significant inter-entity transactions and balances have been eliminated in the consolidation.

**USE OF ESTIMATES**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**CASH AND CASH EQUIVALENTS**

The Association considers all highly-liquid investments purchased with an original maturity of three months or less to be cash equivalents.

**CERTIFICATES OF DEPOSIT**

The Association has certificates of deposit (CDs) with varying lengths of maturity expiring through 2021. It is the Association's intent to roll over the CDs. The CDs are recorded at cost plus accrued interest, which approximates fair value, and the interest is reinvested when a CD is rolled over. Interest rates on all CDs are between 1.80% and 3.10% at December 31, 2019 and 0.34% and 3.10% at December 31, 2018.

**ACCOUNTS RECEIVABLE**

Accounts receivable primarily represents amounts owed for advertising in the magazine. No allowance was deemed necessary as management believes amounts to be fully collectible. Amounts are written off to bad debt expense when collection appears doubtful.

**PROPERTY AND EQUIPMENT**

Property and equipment purchases of \$500 or more are recorded at cost if purchased, or fair value if donated, and depreciated/amortized on straight-line basis over their estimated useful lives using a half-year convention. The cost of assets sold or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts and the resulting gain or loss is recognized in income.

Major renewals and betterments that extend the useful life of an asset are capitalized while routine maintenance and repairs are expensed as incurred. The estimated useful lives for determining depreciation and amortization of the various classes of assets are as follows:

<u>Asset Class</u>	<u>Years</u>
Buildings and Building Improvements .....	39
Office and Computer Equipment.....	3 – 5
Computer Software.....	7
Trailers .....	7
Furniture and Fixtures .....	7

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**ADVERTISING COSTS**

The Company expenses advertising costs as they are incurred.

**FUNCTIONAL EXPENSE ALLOCATION**

The costs of providing various programs and other activities are presented on a functional basis in the consolidated statements of activities. Accordingly, certain expenses have been allocated among the programs and supporting services benefited, based on direct charges or appropriate methods determined by management. These allocation methods include allocation of personnel and any other costs deemed to be related to time and efforts expended by employees on the different functional categories.

**INCOME TAXES**

NSBA is incorporated in Georgia and the Foundation is incorporated in Illinois, both as not-for-profit organizations. A determination letter from the Internal Revenue Service for NSBA was received on January 21, 1985 stating that it is exempt from federal income taxes under Internal Revenue Code section 501(c)(5). A determination letter was received for the Foundation stating that it is exempt from federal income taxes under Internal Revenue Code section 501(c)(3) effective November 30, 2009. It is similarly classified by the State of Illinois. NOHSA is exempt from federal income taxes under Internal Revenue Code section 501(c)(5), effective January 16, 2019. To the extent unrelated business income exists, NSBA and the Foundation would be subject to income taxes.

The Association has adopted the guidance in the FASB ASC topic on Income Taxes related to Uncertainty in Income Taxes which prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the consolidated financial statements uncertain tax positions that the Association has taken or expects to take in its tax returns. Under the guidance, the Association may recognize the tax benefit from an uncertain tax position only if it is "more likely than not" that it is sustainable, based on its technical merits. The tax benefits recognized in the consolidated financial statements from such a position should be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority having full knowledge of all relevant information. Management believes that it has appropriate support for the positions taken on the Association's returns.

No income tax liabilities resulting from unrelated business income tax are reported in the consolidated statements of financial position and no unrelated business income tax expenses are included in the consolidated statements of activities as management believes the amounts would not be material.

NSBA, the Foundation and NOHSA file their respective Forms 990 with the Internal Revenue Service. NSBA files its 990T in the federal jurisdiction and files its Illinois 990T. The Foundation files its AG 990IL with the State of Illinois.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

REVENUE RECOGNITION

NSBA membership dues are deferred and recognized as revenue over the membership period which is on a calendar-year basis; lifetime memberships are amortized on a straight-line basis over an estimated life of three years. Sponsorship income is recognized as revenue when received. Subscriptions for NSBA’s magazine are deferred and recognized as revenue over the subscription period. The amount of membership dues collected but unearned as of year-end are recorded as deferred revenue. BCF enrollment revenue is recognized throughout the period the horse is in competition. Trainer sales revenue is recognized when the training occurs. Stallion sales proceeds are paid out based on year-end competition points and are recognized as revenue upon payout.

ACCOUNTING PRONOUNCEMENTS

In 2019, the Association adopted the FASB’s Accounting Standards Update (ASU) No. 2014-09 (*Topic 606: Revenue from Contracts with Customers*, which the Financial Accounting Standards Board (FASB) issued in May 2014 which superseded the current revenue recognition requirements in *Topic 605, Revenue Recognition*. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The ASU permits application of the new revenue recognition guidance to be applied using one of two retrospective application methods. The Association determined that the application of the standard does not have a significant impact on the financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the consolidated statements of activities. Currently, leases are classified as either capital or operating, with only capital leases recognized on the consolidated statements of financial position. The reporting of lease-related expenses in the consolidated statements of activities and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Association’s year ending December 31, 2021 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The lease standard is expected to increase assets and lease liabilities upon adoption and there is not expected to be a significant impact on expenses or cash flows. The Association is currently gathering the appropriate information to implement the standard in a timely manner.

**NOTE 2—LIQUIDITY AND AVAILABILITY OF RESOURCES**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the consolidated statements of financial position, are comprised the following at December 31, 2019:

Cash and Cash Equivalents.....	\$ 1,420,164
Certificates of Deposit .....	1,458,377
Accounts Receivable .....	46,284
Less: Donor Restricted Net Assets .....	(175,653)
Less: Board-Designated Net Assets .....	(308,671)
	<u>\$ 2,440,501</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 2—LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)**

Although the Association does not intend to spend the board-designated net assets of \$309,071, these amounts could be made available if necessary.

As part of the liquidity management plan, the Association invests cash in excess of daily requirements in certificates of deposit and ensures all cash accounts are interest-bearing.

**NOTE 3—DEFERRED REVENUE**

Deferred revenue (current and long-term) at December 31 consisted of the following:

	<b>2019</b>	<b>2018</b>
BCF Enrollment .....	\$ <b>640,940</b>	\$ 613,209
Memberships.....	<b>271,110</b>	248,165
Stallion Incentive Fund.....	<b>159,921</b>	160,875
Trainer Sales.....	<b>17,000</b>	21,000
Riders Cup.....	<b>12,300</b>	12,300
Color BCF Enrollment .....	<b>242,584</b>	180,977
	<b>\$ 1,343,855</b>	\$ 1,236,526

**NOTE 4—NOTE PAYABLE, BANK**

On July 28, 2011, NSBA obtained a loan to finance the purchase of its office building. The note was collateralized by the property. On July 10, 2015, NSBA refinanced the loan and also borrowed an additional \$51,333 for operational purposes. Unpaid principal plus accrued interest is due July 10, 2020. Monthly payments, including principal and interest at 3.70%, are \$2,002. The note was paid off as of December 31, 2018.

**NOTE 5—RESTRICTED NET ASSETS**

Donor restricted net assets at December 31 are as follows:

	<b>2019</b>	<b>2018</b>
Crisis Fund.....	\$ <b>12,906</b>	\$ 32,709
Youth Scholarship/Education Fund .....	<b>60,309</b>	16,900
Equestrians with Disabilities .....	<b>1,560</b>	6,205
Heroes on Horses .....	<b>92,679</b>	89,282
Animal Welfare .....	<b>8,199</b>	7,864
	<b>\$ 175,653</b>	\$ 152,960

Amounts released from restrictions during 2019, inclusive of administrative fees, totaled \$311,573 and represent \$117,578 for the Education Fund, \$2,479 for the Animal Welfare, \$58,468 for the Crisis Fund, \$100,595 for Equestrians with Disabilities and \$32,453 for Heroes on Horses.

Amounts released from restrictions during 2018, inclusive of administrative fees, totaled \$214,770 and represent \$34,723 for the Education Fund, \$2,741 for the Animal Welfare, \$59,379 for the Crisis Fund, \$86,743 for Equestrians with Disabilities and \$31,184 for Heroes on Horses.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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**NOTE 6—RENTAL INCOME**

On May 1, 2014, the Association (lessor) entered into a lease agreement with Fourth Quarter Holdings, Inc., d/b/a Signs Now Gurnee, Inc. (lessee) for general office space, which expired April 30, 2017. Prior to the lease expiring, effective December 1, 2016, the Association renegotiated a new lease, which expired November 30, 2019. The Association and lessee were on a month-to-month basis for December 2019 and a new three-year lease, effective January 1, 2020, was signed with the same lease terms. The lessee shall pay the Association a monthly fee, which is fixed at \$2,705 for the entire lease. Included in base rent is the lessee’s portion of real estate taxes. The lessee shall also reimburse lessor 25% of snow removal and landscaping maintenance. These reimbursements are netted against occupancy expense on the consolidated statements of activities. Rental income was \$32,460 for 2019 and 2018.

**NOTE 7—OPERATING LEASE**

In August 2017, the Association entered into a 39-month copier lease with monthly payments of \$623. Rent expense for this lease and other short-term rental agreements, including for tents and a stage for the World Show, totaled \$64,764 for 2019 and \$105,212 for 2018.

Future minimum lease payments are as follows:

Period January 1, 2020 through October 31, 2020.....	\$ <u>6,234</u>
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**NOTE 8—CONCENTRATIONS OF CREDIT RISK**

The Association maintains cash and cash equivalents in bank deposit accounts and certificates of deposit, which at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts. Management believes the Association is not exposed to any significant credit risk on cash and cash equivalents and certificates of deposit.

**NOTE 9—SUBSEQUENT EVENTS**

Management has evaluated subsequent events through April 15, 2020, the date which the consolidated financial statements were available for issue. Except for the new lease agreement disclosed in Note 6, there were no other subsequent events which require disclosure.



## **SUPPLEMENTARY INFORMATION**

NATIONAL SNAFFLE BIT ASSOCIATION AND AFFILIATES

CONSOLIDATING SCHEDULES OF FINANCIAL POSITION

As of December 31, 2019

	National Snaffle Bit Association	National Snaffle Bit Foundation	Eliminations	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	\$ 1,162,012	\$ 258,152	\$ —	\$ 1,420,164
Certificates of Deposit	1,357,025	101,352	—	1,458,377
Accounts Receivable	46,284	—	—	46,284
Due from Affiliate	—	14,557	(14,557)	—
Prepaid Expenses	2,063	—	—	2,063
Total Current Assets	<u>2,567,384</u>	<u>374,061</u>	<u>(14,557)</u>	<u>2,926,888</u>
<b>PROPERTY AND EQUIPMENT</b>				
Land	36,397	—	—	36,397
Building and Building Improvements	359,691	—	—	359,691
Office and Computer Equipment	96,022	—	—	96,022
Computer Software	63,014	—	—	63,014
Trailers	13,462	—	—	13,462
Furniture and Fixtures	56,402	—	—	56,402
	<u>624,988</u>	<u>—</u>	<u>—</u>	<u>624,988</u>
Less Accumulated Depreciation and Amortization	<u>266,464</u>	<u>—</u>	<u>—</u>	<u>266,464</u>
	<u>358,524</u>	<u>—</u>	<u>—</u>	<u>358,524</u>
<b>OTHER ASSETS</b>				
Certificates of Deposit	206,497	—	—	206,497
	<u>\$ 3,132,405</u>	<u>\$ 374,061</u>	<u>\$ (14,557)</u>	<u>\$ 3,491,909</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Due to Affiliate	\$ 14,557	\$ —	\$ (14,557)	\$ —
Accrued Liabilities	174,439	—	—	174,439
Deferred Revenue	409,262	—	—	409,262
Security Deposit	2,550	—	—	2,550
Total Current Liabilities	<u>600,808</u>	<u>—</u>	<u>(14,557)</u>	<u>586,251</u>
<b>LONG-TERM LIABILITIES</b>				
Accrued Liabilities	67,598	—	—	67,598
Deferred Revenue	934,593	—	—	934,593
Total Long-Term Liabilities	<u>1,002,191</u>	<u>—</u>	<u>—</u>	<u>1,002,191</u>
Total Liabilities	<u>1,602,999</u>	<u>—</u>	<u>(14,557)</u>	<u>1,588,442</u>
<b>NET ASSETS</b>				
Net Assets Without Donor Restrictions				
Board-Designated	308,671	—	—	308,671
Undesignated	1,220,735	198,408	—	1,419,143
	<u>1,529,406</u>	<u>198,408</u>	<u>—</u>	<u>1,727,814</u>
Net Assets With Donor Restrictions	—	175,653	—	175,653
	<u>1,529,406</u>	<u>374,061</u>	<u>—</u>	<u>1,903,467</u>
	<u>\$ 3,132,405</u>	<u>\$ 374,061</u>	<u>\$ (14,557)</u>	<u>\$ 3,491,909</u>

See accompanying accountants' report.

NATIONAL SNAFFLE BIT ASSOCIATION AND AFFILIATES  
CONSOLIDATING SCHEDULES OF FINANCIAL POSITION (Continued)

As of December 31, 2018

	National Snaffle Bit Association	National Snaffle Bit Foundation	Eliminations	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	\$ 1,250,046	\$ 141,673	\$ —	\$ 1,391,719
Certificates of Deposit	332,644	—	—	332,644
Accounts Receivable	55,538	—	—	55,538
Due from Affiliate	885	—	(885)	—
Prepaid Expenses	5,587	—	—	5,587
Total Current Assets	<u>1,644,700</u>	<u>141,673</u>	<u>(885)</u>	<u>1,785,488</u>
<b>PROPERTY AND EQUIPMENT</b>				
Land	36,397	—	—	36,397
Building and Building Improvements	359,691	—	—	359,691
Office and Computer Equipment	78,423	—	—	78,423
Computer Software	63,014	—	—	63,014
Trailers	13,462	—	—	13,462
Furniture and Fixtures	56,402	—	—	56,402
	<u>607,389</u>	<u>—</u>	<u>—</u>	<u>607,389</u>
Less Accumulated Depreciation and Amortization	239,665	—	—	239,665
	<u>367,724</u>	<u>—</u>	<u>—</u>	<u>367,724</u>
<b>OTHER ASSETS</b>				
Certificates of Deposit	607,210	100,267	—	707,477
Long-Term Prepaid Expenses	85	—	—	85
	<u>607,295</u>	<u>100,267</u>	<u>—</u>	<u>707,562</u>
	<u>\$ 2,619,719</u>	<u>\$ 241,940</u>	<u>\$ (885)</u>	<u>\$ 2,860,774</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Due to Affiliate	\$ —	\$ 885	\$ (885)	\$ —
Accrued Liability	145,089	—	—	145,089
Deferred Revenue	348,055	—	—	348,055
Security Deposit	2,550	—	—	2,550
Total Current Liabilities	<u>495,694</u>	<u>885</u>	<u>(885)</u>	<u>495,694</u>
<b>LONG-TERM LIABILITIES</b>				
Accrued Liability	67,350	—	—	67,350
Deferred Revenue	888,471	—	—	888,471
Total Long-Term Liabilities	<u>955,821</u>	<u>—</u>	<u>—</u>	<u>955,821</u>
Total Liabilities	<u>1,451,515</u>	<u>885</u>	<u>(885)</u>	<u>1,451,515</u>
<b>NET ASSETS</b>				
Net Assets Without Donor Restrictions				
Board-Designated	147,670	—	—	147,670
Undesignated	1,020,534	88,095	—	1,108,629
	<u>1,168,204</u>	<u>88,095</u>	<u>—</u>	<u>1,256,299</u>
Net Assets With Donor Restrictions	—	152,960	—	152,960
	<u>1,168,204</u>	<u>241,055</u>	<u>—</u>	<u>1,409,259</u>
	<u>\$ 2,619,719</u>	<u>\$ 241,940</u>	<u>\$ (885)</u>	<u>\$ 2,860,774</u>

See accompanying accountants' report.

## CONSOLIDATING SCHEDULES OF ACTIVITIES

For the Year Ended December 31, 2019

	National Snaffle Bit Association	National Snaffle Bit Foundation			Total
		Without Donor Restrictions	With Donor Restrictions	Foundation Total	
<b>REVENUES</b>					
Support					
Contributions	\$ —	\$ 32,028	\$ 334,266	\$ 366,294	\$ 366,294
Special Event - Online Auction	—	46,304	—	46,304	46,304
Release of Restrictions	—	311,573	(311,573)	—	—
	—	389,905	22,693	412,598	412,598
Program					
BCF/World Show	2,709,247	—	—	—	2,709,247
Membership	416,824	—	—	—	416,824
Credit Card Surcharges	99,898	—	—	—	99,898
Merchandise Sales	25,604	—	—	—	25,604
Stallion Incentive Fund	152,438	—	—	—	152,438
Yearling Sales	129,907	—	—	—	129,907
Judges Program	7,250	—	—	—	7,250
Licensing Program	210,826	—	—	—	210,826
Magazines	380,330	—	—	—	380,330
Smart Point	26,743	—	—	—	26,743
Riders Cup	74,115	—	—	—	74,115
Trainer Sales	42,770	—	—	—	42,770
Other Shows	202,836	—	—	—	202,836
Year-End Award Banquet	8,150	—	—	—	8,150
	4,486,938	—	—	—	4,486,938
Other Revenues					
Rental Income	32,460	—	—	—	32,460
Interest Income	30,783	4,039	—	4,039	34,822
Miscellaneous Revenue	24,401	—	—	—	24,401
	87,644	4,039	—	4,039	91,683
<b>Total Revenues</b>	<b>4,574,582</b>	<b>393,944</b>	<b>22,693</b>	<b>416,637</b>	<b>4,991,219</b>
<b>EXPENSES</b>					
Payroll	709,401	13,400	—	13,400	722,801
Payroll Taxes	57,043	—	—	—	57,043
Employee Benefits	92,964	—	—	—	92,964
Advertising	3,500	—	—	—	3,500
Arena Rental	304,111	—	—	—	304,111
Bank Charges and Credit Card Fees	95,780	—	—	—	95,780
Other Show Expense	28,497	—	—	—	28,497
Awards and Gifts	250,575	10,500	—	10,500	261,075
Meetings	31,151	6,374	—	6,374	37,525
Computer Expense	3,869	—	—	—	3,869
Outside Services	98,871	51,645	—	51,645	150,516
Day Fees	290,277	—	—	—	290,277
Depreciation and Amortization	26,799	—	—	—	26,799
Drug Testing	33,442	—	—	—	33,442
Equipment	1,715	—	—	—	1,715
Equipment Rental	64,764	—	—	—	64,764
Licenses, Permits, and Filing Fees	1,110	325	—	325	1,435
Insurance Expense	11,776	—	—	—	11,776
Travel, Meals and Lodging	242,749	50,262	—	50,262	293,011
Newsletter	1,912	—	—	—	1,912
Office Expenses and Supplies	31,890	14,123	—	14,123	46,013
Online Auction Expenses	—	17,700	—	17,700	17,700
Payouts	1,156,982	—	—	—	1,156,982
Plaques and Trophies	128,226	—	—	—	128,226
Postage and Shipping	89,857	3,086	—	3,086	92,943
Printing	313,894	17,130	—	17,130	331,024
Sponsorships	38,194	30,000	—	30,000	68,194
Stall/Entry Fees	—	17,525	—	17,525	17,525
Real Estate Taxes	12,453	—	—	—	12,453
Telephone	8,261	—	—	—	8,261
Occupancy	21,826	—	—	—	21,826
Year-End Award Banquet	29,063	—	—	—	29,063
Website and Internet	5,279	—	—	—	5,279
Professional Fees	18,814	4,735	—	4,735	23,549
Scholarships	—	2,500	—	2,500	2,500
Financial Assistance	—	42,500	—	42,500	42,500
Other	8,335	1,826	—	1,826	10,161
<b>Total Expenses</b>	<b>4,213,380</b>	<b>283,631</b>	<b>—</b>	<b>283,631</b>	<b>4,497,011</b>
<b>CHANGE IN NET ASSETS</b>	<b>361,202</b>	<b>110,313</b>	<b>22,693</b>	<b>133,006</b>	<b>494,208</b>
Net Assets, Beginning	1,168,204	88,095	152,960	241,055	1,409,259
<b>NET ASSETS, ENDING</b>	<b>\$ 1,529,406</b>	<b>\$ 198,408</b>	<b>\$ 175,653</b>	<b>\$ 374,061</b>	<b>\$ 1,903,467</b>

See accompanying accountants' report.

## NATIONAL SNAFFLE BIT ASSOCIATION AND AFFILIATES

## CONSOLIDATING SCHEDULES OF ACTIVITIES (Continued)

For the Year Ended December 31, 2018

	National Snaffle Bit Association	National Snaffle Bit Foundation			Total
		Without Donor Restrictions	With Donor Restrictions	Foundation Total	
REVENUES					
BCF/World Show	\$ 2,410,269	\$ —	\$ —	\$ —	\$ 2,410,269
Membership	391,437	—	—	—	391,437
Credit Card Surcharges	87,756	—	—	—	87,756
Merchandise Sales	13,527	—	—	—	13,527
Stallion Incentive Fund	133,931	—	—	—	133,931
Yearling Sales	121,404	—	—	—	121,404
Judges Program	2,100	—	—	—	2,100
Licensing Program	194,928	—	—	—	194,928
Magazines	415,126	—	—	—	415,126
Smart Point	47,891	—	—	—	47,891
Riders Cup	67,300	—	—	—	67,300
Trainer Sales	64,800	—	—	—	64,800
Other Shows	193,747	—	—	—	193,747
Other Revenue	39,614	—	—	—	39,614
Year-End Award Banquet	5,782	—	—	—	5,782
Rental Income	32,460	—	—	—	32,460
Interest Income	13,876	29	268	297	14,173
Special Events					
Auction, net of Direct Expenses of \$3,651	—	39,370	—	39,370	39,370
Contributions	—	44,327	207,012	251,339	251,339
Release of Restrictions	—	214,770	(214,770)	—	—
Total Revenues	4,235,948	298,496	(7,490)	291,006	4,526,954
EXPENSES					
Payroll	644,278	13,400	—	13,400	657,678
Payroll Taxes	49,845	—	—	—	49,845
Employee Benefits	84,957	—	—	—	84,957
Advertising	4,408	—	—	—	4,408
Arena Rental	254,116	—	—	—	254,116
Bank Charges and Credit Card Fees	78,210	—	—	—	78,210
Other Show Expense	23,630	—	—	—	23,630
Awards and Gifts	200,061	10,500	—	10,500	210,561
Meetings	28,875	9,726	—	9,726	38,601
Computer Expense	9,888	—	—	—	9,888
Outside Services	116,131	64,422	—	64,422	180,553
Day Fees	244,695	—	—	—	244,695
Depreciation and Amortization	22,550	—	—	—	22,550
Drug Testing	28,906	—	—	—	28,906
Equipment	11,208	—	—	—	11,208
Equipment Rental	105,212	—	—	—	105,212
Licenses, Permits, and Filing Fees	6,831	355	—	355	7,186
Insurance Expense	10,885	—	—	—	10,885
Interest Expense	112	—	—	—	112
Travel, Meals and Lodging	208,058	36,902	—	36,902	244,960
Newsletter	2,869	—	—	—	2,869
Office Expenses and Supplies	24,711	22,704	—	22,704	47,415
Payouts	1,071,883	—	—	—	1,071,883
Plaques and Trophies	99,643	—	—	—	99,643
Postage and Shipping	87,557	1,219	—	1,219	88,776
Printing	284,898	18,418	—	18,418	303,316
Sponsorships	16,047	30,000	—	30,000	46,047
Stall/Entry Fees	—	19,196	—	19,196	19,196
Real Estate Taxes	13,740	—	—	—	13,740
Telephone	9,543	—	—	—	9,543
Occupancy	14,500	—	—	—	14,500
Year-End Award Banquet	28,874	—	—	—	28,874
Website and Internet	4,896	—	—	—	4,896
Professional Fees	14,216	4,425	—	4,425	18,641
Scholarships	—	2,500	—	2,500	2,500
Financial Assistance	—	28,000	—	28,000	28,000
Other	5,055	1,019	—	1,019	6,074
Total Expenses	3,811,288	262,786	—	262,786	4,074,074
CHANGE IN NET ASSETS	424,660	35,710	(7,490)	28,220	452,880
Net Assets, Beginning	743,544	52,385	160,450	212,835	956,379
NET ASSETS, ENDING	\$ 1,168,204	\$ 88,095	\$ 152,960	\$ 241,055	\$ 1,409,259

See accompanying accountants' report.