

**NATIONAL SNAFFLE BIT ASSOCIATION
AND AFFILIATES**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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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, 2020 and 2019, 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 entity 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 these 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 review engagements 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.

Warady & Davis LLP

March 8, 2021

NATIONAL SNAFFLE BIT ASSOCIATION AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31	2020	Restated 2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,879,561	\$ 1,420,164
Certificates of Deposit	1,376,265	1,458,377
Accounts Receivable	25,405	46,284
Prepaid Expenses	43,060	2,063
Total Current Assets	3,324,291	2,926,888
PROPERTY AND EQUIPMENT		
Land	36,397	36,397
Building and Building Improvements	359,691	359,691
Office and Computer Equipment	103,795	96,022
Computer Software	63,014	63,014
Trailers	13,462	13,462
Furniture and Fixtures	70,019	56,402
	646,378	624,988
Less Accumulated Depreciation and Amortization	292,528	266,464
	353,850	358,524
OTHER ASSETS		
Certificates of Deposit	500,627	206,497
	\$ 4,178,768	\$ 3,491,909
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued Liabilities	\$ 156,455	\$ 174,439
Deferred Revenue	454,152	409,262
Security Deposit	2,550	2,550
Total Current Liabilities	613,157	586,251
LONG-TERM LIABILITIES		
Accrued Liability	72,839	67,598
Deferred Revenue	1,066,065	934,593
Total Long-Term Liabilities	1,138,904	1,002,191
Total Liabilities	1,752,061	1,588,442
NET ASSETS		
Net Assets Without Donor Restrictions		
Board-Designated	398,970	308,671
Undesignated	1,789,693	1,366,643
	2,188,663	1,675,314
Net Assets With Donor Restrictions	238,044	228,153
	2,426,707	1,903,467
	\$ 4,178,768	\$ 3,491,909

NATIONAL SNAFFLE BIT ASSOCIATION AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES

For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Support			
Contributions	\$ 29,666	\$ 152,018	\$ 181,684
Special Event - Online Auction and Raffle	54,966	—	54,966
Release of Restrictions	142,127	(142,127)	—
	<u>226,759</u>	<u>9,891</u>	<u>236,650</u>
Program			
BCF/World Show	3,030,872	—	3,030,872
Membership	405,439	—	405,439
Credit Card Surcharges	126,353	—	126,353
Merchandise Sales	19,522	—	19,522
Stallion Incentive Fund	123,635	—	123,635
Yearling Sales	127,638	—	127,638
Judges Program	10,625	—	10,625
Licensing Program	246,581	—	246,581
Magazines	330,869	—	330,869
Smart Point	13,055	—	13,055
Riders Cup	77,005	—	77,005
Trainer Sales	44,550	—	44,550
Other Shows	108,476	—	108,476
Year-End Award Banquet	—	—	—
	<u>4,664,620</u>	<u>—</u>	<u>4,664,620</u>
Other Revenues			
Government Grant - Payroll Protection Program			
Loan Forgiveness	187,000	—	187,000
Rental Income	24,345	—	24,345
Interest Income	24,813	—	24,813
Miscellaneous Revenue	21,957	—	21,957
	<u>258,115</u>	<u>—</u>	<u>258,115</u>
	<u>5,149,494</u>	<u>9,891</u>	<u>5,159,385</u>
EXPENSES			
Program Services	4,062,429	—	4,062,429
Supporting Services			
Management and General	540,663	—	540,663
Fundraising	26,868	—	26,868
Special Events Fundraising	6,185	—	6,185
	<u>4,636,145</u>	<u>—</u>	<u>4,636,145</u>
CHANGE IN NET ASSETS	513,349	9,891	523,240
Net Assets, Beginning	1,675,314	228,153	1,903,467
NET ASSETS, ENDING	<u>\$ 2,188,663</u>	<u>\$ 238,044</u>	<u>\$ 2,426,707</u>

See accompanying notes and accountants' report.

NATIONAL SNAFFLE BIT ASSOCIATION AND AFFILIATES

CONSOLIDATED STATEMENTS OF ACTIVITIES (Continued)

For the Year Ended December 31, 2019 (Restated)

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Support			
Contributions	\$ 32,028	\$ 334,266	\$ 366,294
Special Event - Online Auction	46,304	—	46,304
Release of Restrictions	259,073	(259,073)	—
	<u>337,405</u>	<u>75,193</u>	<u>412,598</u>
Program			
BCF/World Show	2,723,310	—	2,723,310
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	12,680	—	12,680
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>4,916,026</u>	<u>75,193</u>	<u>4,991,219</u>
EXPENSES			
Program Services	3,889,889	—	3,889,889
Supporting Services			
Management and General	570,035	—	570,035
Fundraising	17,392	—	17,392
Special Events Fundraising	19,695	—	19,695
	<u>4,497,011</u>	<u>—</u>	<u>4,497,011</u>
CHANGE IN NET ASSETS	419,015	75,193	494,208
Net Assets, Beginning	1,256,299	152,960	1,409,259
NET ASSETS, ENDING	<u>\$ 1,675,314</u>	<u>\$ 228,153</u>	<u>\$ 1,903,467</u>

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2020

	Program Services							Supporting Services					
	BCF/ World Show	Riders Cup	Other Shows	Sales	Stallion Incentive Fund	Other Programs	Publication	Foundation Programs	Total Program Services	Management and General	Fundraising	Special Events Fundraising	Total
EXPENSES													
Payroll	\$ 151,891	\$ —	\$ 152,521	\$ 68,048	\$ 23,374	\$ 77,241	\$ 88,268	\$ 2,772	\$ 564,115	\$ 218,666	\$ 2,772	\$ —	\$ 785,553
Payroll Taxes	12,060	—	11,829	5,245	1,827	6,129	6,952	—	44,042	16,836	—	—	60,878
Employee Benefits	14,286	—	15,063	5,831	1,944	6,804	9,281	—	53,209	43,974	—	—	97,183
Advertising	—	—	—	—	—	—	—	—	—	3,500	—	—	3,500
Arena Rental	369,995	—	—	10,420	—	—	—	—	380,415	—	—	—	380,415
Bank Charges and Credit Card Fees	—	—	—	—	—	—	—	—	—	108,904	—	—	108,904
Other Show Expense	13,728	—	—	1,950	—	—	—	—	15,678	10,000	—	—	25,678
Awards	249,303	6,172	12	—	—	8,210	—	3,500	267,197	2,014	—	—	269,211
Meetings	—	—	—	—	—	—	—	128	128	(645)	—	—	(517)
Computer Expense	2,832	—	—	687	—	—	120	—	3,639	4,905	—	—	8,544
Outside Services	52,989	—	6,500	7,560	—	—	39,480	22,220	128,749	24,001	15,810	—	168,560
Day Fees	256,043	7,550	—	8,450	—	2,500	—	—	274,543	496	—	—	275,039
Depreciation and Amortization	3,831	—	4,040	1,564	521	1,825	2,489	—	14,270	11,794	—	—	26,064
Drug Testing	42,988	—	3,645	—	—	—	—	—	46,633	—	—	—	46,633
Equipment	5,533	—	442	197	68	224	256	—	6,720	1,049	—	—	7,769
Equipment Rental	58,018	—	2,845	2,500	436	1,441	1,647	—	66,887	8,038	—	—	74,925
Licenses, Permits, and Filing Fees	—	—	—	—	—	10	—	—	10	477	—	—	487
Insurance Expense	2,259	—	2,269	1,012	348	1,149	1,313	—	8,350	3,136	—	—	11,486
Travel, Meals and Lodging	198,006	8,132	1,440	7,045	221	8,686	6,244	31,344	261,118	2,224	—	—	263,342
Newsletter	—	—	—	—	—	—	—	—	—	2,642	—	—	2,642
Office Expenses and Supplies	16,401	83	279	145	36	126	252	9,542	26,864	11,837	—	4,190	42,891
Online Auction Expenses	—	—	—	—	—	—	—	—	—	—	—	1,995	1,995
Payouts	1,082,180	77,522	—	—	138,869	—	—	—	1,298,571	—	—	—	1,298,571
Plaques and Trophies	—	—	121,258	—	—	—	—	—	121,258	—	—	—	121,258
Postage and Shipping	6,430	315	948	—	195	3,745	57,717	—	69,350	11,653	3,716	—	84,719
Printing	39,519	750	4,951	13,945	3,877	7,977	190,320	9,750	271,089	5,685	4,570	—	281,344
Sponsorships	22,787	—	—	—	—	—	—	30,000	52,787	1,825	—	—	54,612
Stall/Entry Fees	—	—	—	—	—	—	—	13,180	13,180	—	—	—	13,180
Real Estate Taxes	1,822	—	1,921	744	248	868	1,184	—	6,787	5,605	—	—	12,392
Telephone	1,908	—	1,916	855	294	971	1,109	—	7,053	2,649	—	—	9,702
Occupancy	2,544	—	2,682	1,038	346	1,212	1,653	—	9,475	8,589	—	—	18,064
Year-End Award Banquet	—	—	—	—	—	27,819	—	—	27,819	—	—	—	27,819
Website and Internet	336	—	355	137	46	160	219	—	1,253	3,435	—	—	4,688
Professional Fees	—	—	—	490	—	—	—	1,200	1,690	24,897	—	—	26,587
Scholarships	—	—	—	—	—	—	—	1,000	1,000	—	—	—	1,000
Financial Assistance	—	—	—	—	—	—	—	18,500	18,500	—	—	—	18,500
Other	50	—	—	—	—	—	—	—	50	2,477	—	—	2,527
TOTALS	\$ 2,607,739	\$ 100,524	\$ 334,916	\$ 137,863	\$ 172,650	\$ 157,097	\$ 408,504	\$ 143,136	\$ 4,062,429	\$ 540,663	\$ 26,868	\$ 6,185	\$ 4,636,145

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES (Continued)

For the Year Ended December 31, 2019

	Program Services							Supporting Services					
	BCF/ World Show	Riders Cup	Other Shows	Sales	Stallion Incentive Fund	Other Programs	Publication	Foundation Programs	Total Program Services	Management and General	Fundraising	Special Events Fundraising	Total
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	14,620	1,995	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	1,097	—	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
Total Expenses	\$ 2,342,627	\$ 105,218	\$ 326,194	\$ 137,503	\$ 174,455	\$ 167,662	\$ 457,170	\$ 179,060	\$ 3,889,889	\$ 570,035	\$ 17,392	\$ 19,695	\$ 4,497,011

NATIONAL SNAFFLE BIT ASSOCIATION AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	<u>\$ 523,240</u>	<u>\$ 494,208</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	26,064	26,799
Accounts Receivable	20,879	9,254
Prepaid Expenses	(40,997)	3,609
Accrued Liabilities	(12,743)	29,598
Deferred Revenue	<u>176,362</u>	<u>107,329</u>
Total Adjustments	<u>169,565</u>	<u>176,589</u>
Net Cash Provided by Operating Activities	<u>692,805</u>	<u>670,797</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Certificate of Deposit	(1,875,000)	(1,220,000)
Maturities of Certificates of Deposit	1,664,874	610,000
Reinvested Interest on Certificates of Deposits	(1,892)	(14,753)
Purchases of Property and Equipment	<u>(21,390)</u>	<u>(17,599)</u>
Net Cash Used by Investing Activities	<u>(233,408)</u>	<u>(642,352)</u>
NET INCREASE		
IN CASH AND CASH EQUIVALENTS	459,397	28,445
Cash and Cash Equivalents, Beginning	<u>1,420,164</u>	<u>1,391,719</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 1,879,561</u>	<u>\$ 1,420,164</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 commenced in 2020. Due to its immateriality, \$935 of NOSHA income is included in miscellaneous revenue and \$8,347 of expenses are included in NSBA's operations and not separately disclosed.

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 Restrictions – 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, 2020, Board-designated net assets totaled \$398,970 with \$152,851 for the Crisis Fund, \$200,000 designated for the World Show, and \$46,119 for future Smart Point payouts. At December 31, 2019, Board-designated net assets totaled \$308,671 with \$152,311 designated for the Crisis Fund, \$100,000 designated for the World Show, and \$56,360 for future Smart Point payouts.
- With Donor Restrictions – 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 restrictions and reclassified to support without donor restrictions. Donors are advised of this policy prior to solicitation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 2023. 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 0.55% and 0.75% at December 31, 2020 and 1.80% and 3.10% at December 31, 2019.

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	10 – 39
Office and Computer Equipment.....	3 – 5
Computer Software.....	7
Trailers	7
Furniture and Fixtures	7

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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, NOHSA 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. The Association also files its IRS and Illinois Forms 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 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, 2022 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 of the following at December 31:

	2020	2019
Cash and Cash Equivalents.....	\$ 1,879,561	\$ 1,420,164
Certificates of Deposit	1,376,265	1,458,377
Accounts Receivable	25,405	46,284
Less: Donor Restricted Net Assets	(238,044)	(228,153)
Less: Board-Designated Net Assets.....	(398,970)	(308,671)
	\$ 2,644,217	\$ 2,388,001

Although the Association does not intend to spend the board-designated net assets of \$398,970 in 2020, these amounts could be made available if necessary. Assuming revenues are fairly consistent in subsequent years, the Association will have sufficient resources to meet its future expenses.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3—DEFERRED REVENUE

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

	2020	2019
BCF Enrollment.....	\$ 700,417	\$ 640,940
Memberships.....	357,640	271,110
Stallion Incentive Fund.....	171,660	159,921
Trainer Sales.....	—	17,000
Riders Cup.....	—	12,300
Color BCF Enrollment.....	290,500	242,584
	\$ 1,520,217	\$ 1,343,855

NOTE 4—NET ASSETS WITH DONOR RESTRICTIONS

Donor restricted net assets at December 31 are as follows:

	2020	2019
Crisis Fund.....	\$ 15,657	\$ 12,906
Youth Scholarship/Education Fund	106,669	112,809
Equestrians with Disabilities	1,840	1,560
Heroes on Horses	104,700	92,679
Animal Welfare	9,178	8,199
	\$ 238,044	\$ 228,153

Amounts released from restrictions during 2020, inclusive of administrative fees, totaled \$142,127 and represent \$37,982 for the Education Fund, \$491 for the Animal Welfare, \$29,460 for the Crisis Fund, \$55,715 for Equestrians with Disabilities and \$18,479 for Heroes on Horses.

Amounts released from restrictions during 2019, inclusive of administrative fees, totaled \$259,073 and represent \$65,078 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.

NOTE 5—PAYCHECK PROTECTION PROGRAM LOAN FORGIVENESS

On April 6, 2020, National Snaffle Bit Association applied for and was awarded a Payroll Protection Program (PPP) loan from the U.S. Small Business Administration (SBA) of \$187,000. The loan accrues interest at a fixed rate of 1.00% per annum, but payments are not required to begin for six months after the funding of the loan. The loan matures on April 15, 2022. The loan and accrued interest are forgivable up to 100% of the loan as long as the borrower uses the loans proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness shall be calculated (and may be reduced) in accordance with the requirements of the PPP, including the provisions of Section 1106 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The loan is uncollateralized and is fully guaranteed by the Federal government.

National Snaffle Bit Association used the loan amount for qualifying expenses. On October 1, 2020, the loan was fully forgiven.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 \$24,345 for 2020 and \$32,460 for 2019. During the year ended December 31, 2020, Signs Now Gurnee, Inc. was provided an abatement of three months of rent.

Future minimum amounts expected to be collected under the lease agreement is as follows:

Years Ending December 31	
2021	\$ 32,460
2022	<u>32,460</u>
Total.....	<u>\$ 64,920</u>

NOTE 7—OPERATING LEASE

In June 2017, the Association entered into a 39-month copier lease with monthly payments of \$623. Prior to the expiration of this lease in May 2020, the Association entered into a 48-month copier lease with monthly payments of \$878. Additionally, in May 2020, the Association entered into a 63-month postage machine lease with monthly payments of \$188. Rent expense for these leases and other short-term rental agreements, including for tents and a stage for the World Show, totaled \$74,925 for 2020 and \$64,764 for 2019.

Future minimum lease payments are as follows:

Years Ending December 31	
2021	\$ 12,795
2022	12,795
2023	12,795
2024	5,772
2025	<u>1,318</u>
Total.....	<u>\$ 45,475</u>

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 as they are deposited in quality financial institutions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9—PRIOR YEAR RESTATEMENT AND RECLASSIFICATIONS

The net asset balances of the Foundation at June 30, 2019 were misstated as to the balances without and with donor restrictions. The 2019 release-of restrictions were overstated by \$52,500 resulting in net assets with donor restrictions being understated by \$52,500 and net assets without donor restrictions being overstated by \$52,500. The amounts have been restated as follows in the consolidating schedules of activities for the year ended December 31, 2019:

	As Previously Stated		As Restated
Release of Restrictions	\$ 311,573	\$	259,073
Total Revenues Without Donor Restrictions	393,944		341,444
Total Revenues With Donor Restrictions.....	22,693		75,193
Net Assets, Ending - Without Donor Restrictions.....	198,408		145,908
Net Assets, Ending - With Donor Restrictions	175,653		228,153

These changes also resulted in consolidated net assets at December 31, 2019 changing as follows in the consolidated statement of financial position:

Net Assets without Donor Restrictions - Undesignated	\$ 1,419,143	\$	1,366,643
Net Assets With Donor Restrictions.....	175,653		228,153

Additionally, certain current year amounts have been reclassified to conform with the current year presentation, with no effect on the change in net assets.

NOTE 10—SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 8, 2021, the date which the consolidated financial statements were available for issue. The COVID-19 pandemic has impacted and could further impact the Association’s operations. The extent to which the COVID-19 pandemic impacts the Association, the results of its activities and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Association’s members, and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. Even after the COVID-19 pandemic has subsided, the Association may continue to experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Association cannot reasonably estimate the impact at this time.

Except for the effects of the pandemic, and the new lease agreement disclosed in Note 7, 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, 2020

	National Snaffle Bit Association	National Snaffle Bit Foundation	Eliminations	Total
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 1,677,114	\$ 202,447	\$ —	\$ 1,879,561
Certificates of Deposit	1,176,081	200,184	—	1,376,265
Accounts Receivable	25,405	—	—	25,405
Due from Affiliate	1,181	—	(1,181)	—
Prepaid Expenses	43,060	—	—	43,060
Total Current Assets	<u>2,922,841</u>	<u>402,631</u>	<u>(1,181)</u>	<u>3,324,291</u>
PROPERTY AND EQUIPMENT				
Land	36,397	—	—	36,397
Building and Building Improvements	359,691	—	—	359,691
Office and Computer Equipment	103,795	—	—	103,795
Computer Software	63,014	—	—	63,014
Trailers	13,462	—	—	13,462
Furniture and Fixtures	70,019	—	—	70,019
	<u>646,378</u>	<u>—</u>	<u>—</u>	<u>646,378</u>
Less Accumulated Depreciation and Amortization	<u>292,528</u>	<u>—</u>	<u>—</u>	<u>292,528</u>
	<u>353,850</u>	<u>—</u>	<u>—</u>	<u>353,850</u>
OTHER ASSETS				
Certificates of Deposit	500,627	—	—	500,627
	<u>\$ 3,777,318</u>	<u>\$ 402,631</u>	<u>\$ (1,181)</u>	<u>\$ 4,178,768</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Due to Affiliate	\$ —	\$ 1,181	\$ (1,181)	\$ —
Accrued Liabilities	156,455	—	—	156,455
Deferred Revenue	454,152	—	—	454,152
Security Deposit	2,550	—	—	2,550
Total Current Liabilities	<u>613,157</u>	<u>1,181</u>	<u>(1,181)</u>	<u>613,157</u>
LONG-TERM LIABILITIES				
Accrued Liabilities	72,839	—	—	72,839
Deferred Revenue	1,066,065	—	—	1,066,065
Total Long-Term Liabilities	<u>1,138,904</u>	<u>—</u>	<u>—</u>	<u>1,138,904</u>
Total Liabilities	<u>1,752,061</u>	<u>1,181</u>	<u>(1,181)</u>	<u>1,752,061</u>
NET ASSETS				
Net Assets Without Donor Restrictions				
Board-Designated	398,970	—	—	398,970
Undesignated	1,626,287	163,406	—	1,789,693
	<u>2,025,257</u>	<u>163,406</u>	<u>—</u>	<u>2,188,663</u>
Net Assets With Donor Restrictions	—	238,044	—	238,044
	<u>2,025,257</u>	<u>401,450</u>	<u>—</u>	<u>2,426,707</u>
	<u>\$ 3,777,318</u>	<u>\$ 402,631</u>	<u>\$ (1,181)</u>	<u>\$ 4,178,768</u>

See accompanying accountants' report.

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

As of December 31, 2019

	National Snaffle Bit Association	Restated National Snaffle Bit Foundation	Eliminations	Total
ASSETS				
CURRENT ASSETS				
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	2,567,384	374,061	(14,557)	2,926,888
PROPERTY AND EQUIPMENT				
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
	624,988	—	—	624,988
Less Accumulated Depreciation and Amortization	266,464	—	—	266,464
	358,524	—	—	358,524
OTHER ASSETS				
Certificates of Deposit	206,497	—	—	206,497
	\$ 3,132,405	\$ 374,061	\$ (14,557)	\$ 3,491,909
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Due to Affiliate	\$ 14,557	\$ —	\$ (14,557)	\$ —
Accrued Liability	174,439	—	—	174,439
Deferred Revenue	409,262	—	—	409,262
Security Deposit	2,550	—	—	2,550
Total Current Liabilities	600,808	—	(14,557)	586,251
LONG-TERM LIABILITIES				
Accrued Liability	67,598	—	—	67,598
Deferred Revenue	934,593	—	—	934,593
Total Long-Term Liabilities	1,002,191	—	—	1,002,191
Total Liabilities	1,602,999	—	(14,557)	1,588,442
NET ASSETS				
Net Assets Without Donor Restrictions				
Board-Designated	308,671	—	—	308,671
Undesignated	1,220,735	145,908	—	1,366,643
	1,529,406	145,908	—	1,675,314
Net Assets With Donor Restrictions	—	228,153	—	228,153
	1,529,406	374,061	—	1,903,467
	\$ 3,132,405	\$ 374,061	\$ (14,557)	\$ 3,491,909

See accompanying accountants' report.

CONSOLIDATING SCHEDULES OF ACTIVITIES

For the Year Ended December 31, 2020

	National Snaffle Bit Association	National Snaffle Bit Foundation			Total
		Without Donor Restrictions	With Donor Restrictions	Foundation Total	
REVENUES					
Support					
Contributions	\$ —	\$ 29,666	\$ 152,018	\$ 181,684	\$ 181,684
Special Event - Online Auction and Raffle	—	54,966	—	54,966	54,966
Release of Restrictions	—	142,127	(142,127)	—	—
	—	226,759	9,891	236,650	236,650
Program					
BCF/World Show	3,030,872	—	—	—	3,030,872
Membership	405,439	—	—	—	405,439
Credit Card Surcharges	126,353	—	—	—	126,353
Merchandise Sales	19,522	—	—	—	19,522
Stallion Incentive Fund	123,635	—	—	—	123,635
Yearling Sales	127,638	—	—	—	127,638
Judges Program	10,625	—	—	—	10,625
Licensing Program	246,581	—	—	—	246,581
Magazines	330,869	—	—	—	330,869
Smart Point	13,055	—	—	—	13,055
Riders Cup	77,005	—	—	—	77,005
Trainer Sales	44,550	—	—	—	44,550
Other Shows	108,476	—	—	—	108,476
	4,664,620	—	—	—	4,664,620
Other Revenues					
Government Grant -					
Payroll Protection Program Loan Forgiveness	187,000	—	—	—	187,000
Rental Income	24,345	—	—	—	24,345
Interest Income	22,899	1,914	—	1,914	24,813
Miscellaneous Revenue	21,957	—	—	—	21,957
	256,201	1,914	—	1,914	258,115
Total Revenues	4,920,821	228,673	9,891	238,564	5,159,385
EXPENSES					
Payroll	772,152	13,400	—	13,400	785,552
Payroll Taxes	60,878	—	—	—	60,878
Employee Benefits	97,183	—	—	—	97,183
Advertising	3,500	—	—	—	3,500
Arena Rental	380,415	—	—	—	380,415
Bank Charges and Credit Card Fees	108,904	—	—	—	108,904
Other Show Expense	25,678	—	—	—	25,678
Awards and Gifts	265,364	3,847	—	3,847	269,211
Meetings	(645)	128	—	128	(517)
Computer Expense	8,544	—	—	—	8,544
Outside Services	112,160	56,400	—	56,400	168,560
Day Fees	275,039	—	—	—	275,039
Depreciation and Amortization	26,064	—	—	—	26,064
Drug Testing	46,633	—	—	—	46,633
Equipment	7,769	—	—	—	7,769
Equipment Rental	74,925	—	—	—	74,925
Licenses, Permits, and Filing Fees	428	59	—	59	487
Insurance Expense	11,486	—	—	—	11,486
Travel, Meals and Lodging	231,998	31,344	—	31,344	263,342
Newsletter	2,642	—	—	—	2,642
Office Expenses and Supplies	29,089	13,802	—	13,802	42,891
Online Auction Expenses	—	1,995	—	1,995	1,995
Payouts	1,298,571	—	—	—	1,298,571
Plaques and Trophies	121,258	—	—	—	121,258
Postage and Shipping	80,640	4,079	—	4,079	84,719
Printing	267,024	14,320	—	14,320	281,344
Sponsorships	24,612	30,000	—	30,000	54,612
Stall/Entry Fees	—	13,180	—	13,180	13,180
Real Estate Taxes	12,392	—	—	—	12,392
Telephone	9,702	—	—	—	9,702
Occupancy	18,064	—	—	—	18,064
Year-End Award Banquet	27,819	—	—	—	27,819
Website and Internet	4,688	—	—	—	4,688
Professional Fees	19,183	7,404	—	7,404	26,587
Scholarships	—	1,000	—	1,000	1,000
Financial Assistance	—	18,500	—	18,500	18,500
Other	811	1,717	—	1,717	2,528
Total Expenses	4,424,970	211,175	—	211,175	4,636,145
CHANGE IN NET ASSETS	495,851	17,498	9,891	27,389	523,240
Net Assets, Beginning as Restated	1,529,406	145,908	228,153	374,061	1,903,467
NET ASSETS, ENDING	\$ 2,025,257	\$ 163,406	\$ 238,044	\$ 401,450	\$ 2,426,707

See accompanying accountants' report.

CONSOLIDATING SCHEDULES OF ACTIVITIES (Continued)

For the Year Ended December 31, 2019

	National Snaffle Bit Association	National Snaffle Bit Foundation		Foundation Total	Total
		Restated Without Donor Restrictions	Restated With Donor Restrictions		
REVENUES					
Support					
Contributions	\$ —	\$ 32,028	\$ 334,266	\$ 366,294	\$ 366,294
Special Event - Online Auction	—	46,304	—	46,304	46,304
Release of Restrictions	—	259,073	(259,073)	—	—
	—	337,405	75,193	412,598	412,598
Program					
BCF/World Show	2,723,310	—	—	—	2,723,310
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	12,680	—	—	—	12,680
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
Total Revenues	4,574,582	341,444	75,193	416,637	4,991,219
EXPENSES					
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
Total Expenses	4,213,380	283,631	—	283,631	4,497,011
CHANGE IN NET ASSETS	361,202	57,813	75,193	133,006	494,208
Net Assets, Beginning	1,168,204	88,095	152,960	241,055	1,409,259
NET ASSETS, ENDING	\$ 1,529,406	\$ 145,908	\$ 228,153	\$ 374,061	\$ 1,903,467

See accompanying accountants' report.