

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S  
REPORT

**American Boer Goat Association**

December 31, 2023 and 2022

**American Boer Goat Association  
December 31, 2023 and 2022**

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## **Independent Auditor's Report**

Board of Directors  
American Boer Goat Association  
San Angelo, Texas

### **Opinion**

We have audited the accompanying financial statements of American Boer Goat Association (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Boer Goat Association as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of American Boer Goat Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about American Boer Goat Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of American Boer Goat Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about American Boer Goat Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Oliver, Rainey & Wojtek, LLP***

San Angelo, TX

June 3, 2024

**AMERICAN BOER GOAT ASSOCIATION  
STATEMENTS OF FINANCIAL POSITION  
December 31, 2023 and 2022**

**ASSETS**

	2023	2022
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 361,995	\$ 1,255,292
Restricted Cash	156,032	167,820
Accounts Receivable	80,081	53,441
Certificates of Deposit: Short-term	-	250,000
Investments Available for Sale	1,257,414	-
Prepaid Expenses	33,703	18,906
	<b>1,889,225</b>	<b>1,745,459</b>
<b>Total Current Assets</b>		
<b>Noncurrent Assets</b>		
Property and Equipment, Net	602,655	642,078
	<b>602,655</b>	<b>642,078</b>
<b>Total Noncurrent Assets</b>		
	<b>\$ 2,491,880</b>	<b>\$ 2,387,537</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,491,880</b>	<b>\$ 2,387,537</b>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities:</b>		
Accounts Payable	\$ 34,893	\$ 50,465
Accrued Liabilities	28,697	25,425
Credit Card Payables	35,781	32,054
Deferred Revenue	155,675	118,030
Deposits	201,890	173,628
	<b>456,936</b>	<b>399,602</b>
<b>Total Current Liabilities</b>		
	<b>456,936</b>	<b>399,602</b>
<b>Total Liabilities</b>		
<b>Net Assets:</b>		
Without Donor Restrictions		
Undesignated	1,276,257	1,178,037
Board Designated	147,428	154,931
Property and Equipment	602,655	642,078
	<b>2,026,340</b>	<b>1,975,046</b>
<b>Total Without Donor Restrictions</b>		
	<b>8,604</b>	<b>12,889</b>
<b>With Donor Restrictions</b>		
	<b>2,034,944</b>	<b>1,987,935</b>
<b>Total Net Assets</b>		
	<b>\$ 2,491,880</b>	<b>\$ 2,387,537</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,491,880</b>	<b>\$ 2,387,537</b>

See accompanying notes to the financial statements.

**AMERICAN BOER GOAT ASSOCIATION**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2023

	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total</b>
<b>Support and Revenue</b>			
<b>Support</b>			
Donations and Bequest	\$ 1,220	\$ 255	\$ 1,475
<b>Total Support</b>	<b>1,220</b>	<b>255</b>	<b>1,475</b>
<b>Revenue</b>			
American Goat Federation	19,305	-	19,305
DNA Evaluations	50,084	-	50,084
EHB Program	4,700	-	4,700
Investment Income, Net	108,552	-	108,552
Junior Regional Show Income	94,354	-	94,354
Memberships	337,312	-	337,312
Member Services	115,854	-	115,854
National Show Income	367,630	-	367,630
Registrations	396,636	-	396,636
Transfer of Ownership Registration	138,303	-	138,303
Other Income	132	-	132
<b>Total Revenue</b>	<b>1,632,862</b>	<b>-</b>	<b>1,632,862</b>
Net Assets Released from Restriction	4,540	(4,540)	-
<b>Total Support and Revenue</b>	<b>1,638,622</b>	<b>(4,285)</b>	<b>1,634,337</b>
<b>Expenses:</b>			
Management and General	313,261	-	313,261
Program Services	1,274,067	-	1,274,067
<b>Total Expenses</b>	<b>1,587,328</b>	<b>-</b>	<b>1,587,328</b>
<b>Change in Net Assets</b>	<b>51,294</b>	<b>(4,285)</b>	<b>47,009</b>
<b>Net Assets, Beginning of Year</b>	<b>1,975,046</b>	<b>12,889</b>	<b>1,987,935</b>
<b>Net Assets, End of Year</b>	<b>\$ 2,026,340</b>	<b>\$ 8,604</b>	<b>\$ 2,034,944</b>

See accompanying notes to the financial statements.

**AMERICAN BOER GOAT ASSOCIATION**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2022

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
<b>Support and Revenue</b>			
<b>Support</b>			
Donations and Bequest	\$ 2,148	\$ 402	\$ 2,550
Sponsorships	4,551	-	4,551
<b>Total Support</b>	<u>6,699</u>	<u>402</u>	<u>7,101</u>
<b>Revenue</b>			
American Goat Federation	20,000	-	20,000
DNA Evaluations	80,229	-	80,229
EHB Program	6,930	-	6,930
Investment Income, Net	(8,277)	-	(8,277)
Judges Certification Fees	20,000	-	20,000
Junior Regional Show Income	29,221	550	29,771
Memberships	429,932	-	429,932
Member Services	85,160	-	85,160
National Show Income	229,902	-	229,902
Registrations	463,132	-	463,132
Transfer of Ownership Registration	142,562	-	142,562
Other Income	753	-	753
<b>Total Revenue</b>	<u>1,499,544</u>	<u>550</u>	<u>1,500,094</u>
Net Assets Released from Restriction	<u>34,079</u>	<u>(34,079)</u>	<u>-</u>
<b>Total Support and Revenue</b>	<u>1,540,322</u>	<u>(33,127)</u>	<u>1,507,195</u>
<b>Expenses:</b>			
Management and General	288,329	-	288,329
Program Services	1,279,116	-	1,279,116
<b>Total Expenses</b>	<u>1,567,445</u>	<u>-</u>	<u>1,567,445</u>
<b>Change in Net Assets</b>	<u>(27,123)</u>	<u>(33,127)</u>	<u>(60,250)</u>
<b>Net Assets, Beginning of Year</b>	<u>2,002,169</u>	<u>46,016</u>	<u>2,048,185</u>
<b>Net Assets, End of Year</b>	<u>\$ 1,975,046</u>	<u>\$ 12,889</u>	<u>\$ 1,987,935</u>

See accompanying notes to the financial statements.

**AMERICAN BOER GOAT ASSOCIATION  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2023**

	<u>Program Services</u>				<u>Supporting Services</u>		
	<u>Membership Services</u>	<u>Junior Support</u>	<u>Boer Goat Industry Promotion</u>	<u>Total</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Advertising	\$ 4,051	\$ 1,120	\$ 160	\$ 5,331	\$ -	\$ -	\$ 5,331
Awards	-	50,073	52,632	102,705	90	-	102,795
Bank/Credit Card Processing Fees	41,140	-	-	41,140	4,522	-	45,662
Board Meetings	-	-	-	-	25,700	-	25,700
Contract Labor	113	32	5	150	150	-	300
Depreciation Expense	25,168	6,954	993	33,115	6,308	-	39,423
DNA Testing	35,663	9,854	1,408	46,925	-	-	46,925
Employee Benefits	24,712	6,828	974	32,514	9,561	-	42,075
Judges Expenses	5,504	-	-	5,504	-	-	5,504
Meals	-	-	19,255	19,255	-	-	19,255
Merchandise - Cost of Goods Sold	-	1,148	4,194	5,342	-	-	5,342
Miscellaneous Expenses	16,044	483	-	16,527	762	-	17,289
Occupancy	29,389	8,121	1,160	38,670	7,366	-	46,036
Office Expenses	27,777	7,675	1,096	36,548	1,924	-	38,472
Payroll Expenses	311,374	86,037	12,291	409,702	120,478	-	530,180
Payroll Taxes	30,710	8,485	1,212	40,407	11,882	-	52,289
Postage and Shipping	17,484	886	-	18,370	-	-	18,370
Premiums	-	52,303	-	52,303	-	-	52,303
Professional Fees	-	-	-	-	34,301	-	34,301
Rentals	16,839	-	63,766	80,605	-	-	80,605
Scholarships	-	10,000	-	10,000	-	-	10,000
Show Expenses	-	22,730	125,118	147,848	-	-	147,848
Software Support	31,853	8,801	1,257	41,911	13,971	-	55,882
Travel	4,525	50,625	34,045	89,195	76,246	-	165,441
<b>Total Expenses</b>	<b>\$ 622,346</b>	<b>\$ 332,155</b>	<b>\$ 319,566</b>	<b>\$ 1,274,067</b>	<b>\$ 313,261</b>	<b>\$ -</b>	<b>\$ 1,587,328</b>

See accompanying notes to the financial statements.



**AMERICAN BOER GOAT ASSOCIATION  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2022**

	<u>Program Services</u>				<u>Supporting Services</u>		
	<u>Membership Services</u>	<u>Junior Support</u>	<u>Boer Goat Industry Promotion</u>	<u>Total</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Advertising	\$ 4,346	\$ 1,201	\$ 171	\$ 5,718	\$ -	\$ -	\$ 5,718
Awards	-	38,091	67,159	105,250	302	-	105,552
Bank/Credit Card Processing Fees	40,285	-	-	40,285	3,568	-	43,853
Board Meetings	-	-	-	-	3,923	-	3,923
Contract Labor	2,793	772	110	3,675	3,676	-	7,351
Depreciation Expense	25,523	7,053	1,008	33,584	6,397	-	39,981
DNA testing	49,072	13,559	1,937	64,568	-	-	64,568
Employee Benefits	33,221	9,179	1,311	43,711	11,674	-	55,385
Judges Expenses	20,027	-	-	20,027	-	-	20,027
Meals	-	-	21,727	21,727	-	-	21,727
Merchandise - Cost of Goods Sold	-	-	9,698	9,698	-	-	9,698
Miscellaneous Expenses	20,825	-	706	21,531	2,051	-	23,582
Occupancy	23,494	6,492	927	30,913	5,888	-	36,801
Office Expenses	20,736	5,730	819	27,285	1,436	-	28,721
Payroll Expense	342,855	94,736	13,534	451,125	120,478	-	571,603
Payroll Taxes	32,205	8,899	1,271	42,375	11,317	-	53,692
Postage and Shipping	23,097	510	-	23,607	-	-	23,607
Premiums	-	30,179	-	30,179	-	-	30,179
Professional Fees	-	-	-	-	52,390	-	52,390
Rentals	9,059	-	66,604	75,663	-	-	75,663
Scholarships	-	12,000	-	12,000	-	-	12,000
Show Expenses	-	69,660	21,150	90,810	250	-	91,060
Software Support	32,768	9,055	1,294	43,117	14,373	-	57,490
Travel	-	42,626	39,642	82,268	50,606	-	132,874
<b>Total Expenses</b>	<b>\$ 680,306</b>	<b>\$ 349,742</b>	<b>\$ 249,068</b>	<b>\$ 1,279,116</b>	<b>\$ 288,329</b>	<b>\$ -</b>	<b>\$ 1,567,445</b>

See accompanying notes to the financial statements.

**AMERICAN BOER GOAT ASSOCIATION**  
**STATEMENTS OF CASH FLOWS**  
For the Years Ended December 31, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b>Cash Flows from Operating Activities</b>		
<b>Change in Net Assets</b>	\$ 47,009	\$ (60,250)
<b>Adjustments to reconcile Change in Net Assets to Net Cash Provided by Operating Activities:</b>		
Depreciation Expense	39,423	39,981
Net Unrealized/Realized Gain on Investments	(55,422)	22,004
<b>Change in Assets and Liabilities:</b>		
Accounts Receivable	(26,640)	(22,887)
Prepaid Expenses	(14,797)	(10,419)
Deposits	28,262	(516)
Accounts Payable and Credit Card Payable	(11,845)	(21,717)
Accrued Expenses	3,272	(35,863)
Deferred Revenue	37,645	(51,680)
<b>Net Cash Provided by Operating Activities</b>	<b>46,907</b>	<b>(141,347)</b>
<b>Cash Flows from Investing Activities</b>		
Purchases of Investments	(1,249,762)	(2,396)
Proceeds from Maturities of Certificates of Deposit	250,000	229,424
Proceeds from Maturities of Investments	47,770	300,672
<b>Net Cash Used in Investing Activities</b>	<b>(951,992)</b>	<b>527,700</b>
<b>Net Decrease in Cash, Cash Equivalents, and Restricted Cash</b>	<b>(905,085)</b>	<b>386,353</b>
<b>Cash, Cash Equivalents, and Restricted Cash - Beginning of Year</b>	<b>1,423,112</b>	<b>1,036,759</b>
<b>Cash, Cash Equivalents, and Restricted Cash - End of Year</b>	<b>\$ 518,027</b>	<b>\$ 1,423,112</b>
<b>Supplemental Disclosures of Cash Flow Information</b>		
Cash Paid During the Year for:		
Interest	\$ -	\$ -
Federal Income Taxes	\$ -	\$ -

See accompanying notes to the financial statements.

**AMERICAN BOER GOAT ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2023 and 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

The American Boer Goat Association (the Association) is a non-profit organization chartered by the State of Texas and maintains its corporate office in San Angelo, Texas. The Board of Directors consists of volunteer members who direct the operations of the Association. The Association's purpose is to provide registry services and promote the Boer goat industry in America. Annual membership dues are collected to help defray the costs associated with membership services and the costs of maintaining the Association's animal registry records. The Association's support and revenue comes primarily from membership fees, animal registrations, transfers of ownership registration, and donations.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with principles generally accepted in the United States of America. Under this basis of accounting, revenues are recognized when earned, and expenses are generally recognized when incurred.

Basis of Presentation

The Association reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions. These classifications of net assets are described as follows:

Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Advertising Costs

The Association does not engage in any direct-response advertising. Advertising costs are expensed as incurred and no advertising costs have been capitalized.

Accounts Receivable and Bad Debts

Receivables are considered delinquent when collection is not made in accordance with contractual terms. Bad debts are recognized using the direct charge-off method and are written off only after all reasonable collection efforts have failed. Since historical experience indicates that very few accounts prove to be uncollectible, the use of the direct charge-off method does not produce results significantly different from results obtained by using the allowance method. The opening balance in receivables from customers on January 1, 2022 was \$30,554.

**AMERICAN BOER GOAT ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**For the Years Ended December 31, 2023 and 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Property and Equipment

Property and equipment are recorded at cost if purchased and at fair value if contributed. The cost of betterments and renewals in excess of \$5,000 are capitalized while expenditures for repairs and maintenance are expensed in the period incurred. Depreciation is computed using the straight-line method over the useful life of the assets. The useful lives of property and equipment for purposes of depreciation are 5 years for vehicles, furniture, and equipment.

Federal Income Tax

Under Section 501(c)(5) of the Internal Revenue Code, the Association would be exempt from federal income tax on all income except unrelated business income as noted under Section 511 of the Internal Revenue Code. However, income from certain activities not directly related to the Association's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Association has been classified as an organization other than a private foundation under Section 509 (a)(2).

The Association's Form 990s, Return of Organization Exempt from Income Tax, are subject to examination by the IRS, generally for three years after they are filed.

Functional Allocation of Expenses

The costs of providing program and supporting service activities have been summarized on a functional basis in the Statements of Activities. The Statements of Functional Expenses present the natural classification detail of the expenses by function. Expenses identified with a specific program or supporting service are reported accordingly. Other expenses common to several functions are allocated between program and administrative activities based on estimates of time and effort.

Revenue With and Without Donor Restrictions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. Contributions of property and equipment are reported as net assets with donor restrictions if the donor restricted the use of the property or equipment to a particular program, as are contributions of cash restricted to the purchase of property and equipment. Otherwise, donor restrictions on contributions of property and equipment or assets restricted for purchase of property and equipment are considered to expire when the assets are placed in service. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets with donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

Deferred Revenue

Deferred revenue represents membership fees collected in advance. Renewals collected in November and December are typically for memberships covering the following calendar year and will be recognized as revenue ratably during the subsequent year. The opening balance in deferred revenue on January 1, 2022 was \$ 169,710.

**AMERICAN BOER GOAT ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**For the Years Ended December 31, 2023 and 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Donated Services and Gifts-in-Kind

Donated services and gifts-in-kind are reported as contributions and expenses in amounts equal to their estimated fair value on date of receipt.

No amounts for donated services or gifts-in-kind have been reflected in the financial statements for the years ended December 31, 2023 and 2022. The Association generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the association during the National Show. These services do not meet the criteria for recognition in accordance with U.S. generally accepted accounting principles and are not recorded in the accompanying financial statements.

Investments

The Association classifies its mutual fund and equity investments as available for sale and they are carried in the financial statements at market value. Realized and unrealized gains and losses are included in the Statements of Activities.

Compensated Absences

Employees eligible for vacation leave include full-time employees that have been employed by the Association for one year. After the first year of service, a full-time employee accrues five days of vacation leave per year. After two years of service, a full-time employee accrues ten days of vacation leave per year. All vacation time will be computed from the date of employment and on each anniversary date thereafter.

Vacation time is not cumulative and must be taken within the year accrued. If a full-time employee's employment is terminated and that employee has accrued vacation time to their credit, the employee loses (is not paid for) that vacation time. Because the Association does not pay out vacation time for terminated employees, the Association does not accrue a liability for unpaid vacation.

In addition to accruing vacation time, all full-time employees accrue one day of personal time off every quarter, beginning after the first three months of employment. The same policies that apply to vacation time also apply to personal time off.

Revenue Recognition from Exchange Transactions

The Association has multiple revenue streams that are accounted for as exchange transactions including membership dues, show fees and income, and services income.

Revenue from contracts with members for dues is reported at the amount that reflects the consideration to which the Association expects to be entitled in exchange for providing the membership to its members. Revenue is recognized as performance obligations are satisfied, which is ratably over the membership term, January through December. Membership dues are refundable but are rarely refunded.

Revenue from shows held such as the National Show and Regional Shows are not recognized as revenue until the revenue is earned, which is when the show occurs. Sponsorship tables are sold for the National Show in which the customer receives commensurate value for the tables they are renting.

Revenue from services income, which include registrations, transfer of ownership registrations, and DNA evaluations are recognized as revenue when the certificates have been issued.

**AMERICAN BOER GOAT ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**For the Years Ended December 31, 2023 and 2022**

**NOTE 2: CASH AND RESTRICTED CASH**

The Association considers cash and cash equivalents to include cash on hand, cash in demand accounts, and certificates of deposit with original maturities of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Statements of Financial Position that sum to the amounts shown in the Statements of Cash Flows:

	2023	2022
Cash and Cash Equivalents	\$ 361,995	\$ 1,255,292
Restricted Cash	156,032	167,820
	\$ 518,027	\$ 1,423,112

**NOTE 3: CONCENTRATIONS OF RISK**

Membership fees, registrations, transfers or ownership and DNA evaluations generate approximately 74% and 56%, respectively, of the Association's total revenue for the years ended December 31, 2023 and 2022. In addition, miscellaneous types of other income are indirectly related to the Boer goat industry through the common interest of participants. The Association is therefore dependent upon the continued growth and success of the Boer goat industry. The majority of the Association's registry is located within the State of Texas. The Association would experience an economic loss of \$80,081 and \$53,441, respectively, as of December 31, 2023 and 2022, if all of its debtors failed to perform according to the provisions of their obligations.

**NOTE 4: DEPOSITS**

The Association maintains its cash balances with several financial institutions, which includes a trust department in interest-bearing accounts. These balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000, per financial institution. At December 31, 2023 and 2022, the Association's uninsured cash balances total \$0 and \$854,005, respectively.

The Association also maintains accounts with a brokerage firm containing cash and securities. Balances are insured at up to \$500,000, with a limit of \$250,000 for cash, by the Securities Investor Protection Corporation (SIPC). At December 31, 2023 and 2022, the Association's uninsured cash and securities balances total \$1,075,202 and \$75,189, respectively.

**NOTE 5: PREPAID EXPENSES**

Prepaid expenses consist of prepaid insurance, prepaid postage, and prepaid breed registry support. Prepaid expenses of \$33,703 and \$18,906 respectively, are shown net of amortization incurred during the years ended December 31, 2023 and 2022.

**AMERICAN BOER GOAT ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**For the Years Ended December 31, 2023 and 2022**

**NOTE 6: PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Land	\$ 50,815	\$ 50,815
Building and Improvements	576,145	576,145
Furniture and Fixtures	56,676	56,676
Equipment	248,051	248,051
Software	10,000	10,000
	<u>941,687</u>	<u>941,687</u>
Less: Accumulated Depreciation	<u>(339,032)</u>	<u>(299,609)</u>
Property and Equipment, Net	<u>\$ 602,655</u>	<u>\$ 642,078</u>

Depreciation expense on property and equipment totaled \$39,423 and \$39,981, respectively, for the years ended December 31, 2023 and 2022.

**NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
NSIIP Grant	\$ 3,231	\$ 3,231
Boer Goat Reserve Fund	4,823	4,567
JABGA General Fund	550	550
Carcass Class - Held 6/12/22	-	1,541
BGYF Scholarship Fund	-	3,000
	<u>\$ 8,604</u>	<u>\$ 12,889</u>

**NOTE 8: BOARD DESIGNATED NET ASSETS**

The governing board of the Association has designated all funds associated with the Junior American Boer Goat Association (JAGBA), with the exception of donor restricted amounts, as net assets without donor restrictions which represent resources currently available for use, but expendable only for purposes related to JAGBA. As of December 31, 2023 and 2022, board designated net assets totaled \$147,428 and \$154,931, respectively.

**AMERICAN BOER GOAT ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**For the Year Ended December 31, 2023 and 2022**

NOTE 9: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2023</u>	<u>2022</u>
Cash, Cash Equivalents and Restricted Cash	\$ 518,027	\$ 1,423,112
Accounts Receivable	80,081	53,441
Investments Available for Sale and Certificates of Deposit	<u>1,257,414</u>	<u>250,000</u>
Financial Assets, at Year End	1,855,522	1,726,553
Less Those Unavailable for General Expenditures Within One Year, Due to:		
Donor-restricted for NSIIP Grant	3,231	3,231
Donor-restricted for Boer Goat Reserve Fund	4,823	4,567
Donor-restricted for Carcas Class	-	1,541
Donor-restricted for BGYF Scholarship Fund	-	3,000
Donor-restricted for JABGA General Fund	550	550
Board Designated for Junior American Boer Goat Association	<u>147,428</u>	<u>154,931</u>
Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year	<u>\$ 1,699,490</u>	<u>\$ 1,558,733</u>

Financial assets subject to donor or other contractual restrictions are subject to board approved projects and expenditures. All board approved expenditures and financial assets without restrictions are available to meet the cash needs of the Association in the next twelve months.

As part of the Association's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Association maintains certificates of deposit with terms of one year and investments available for sale, which it could redeem or sell. Cash needs of the Association are expected to be met on a monthly basis from membership dues, animal registrations and transfers, and DNA evaluations. In general, the Association maintains sufficient financial assets on hand to meet 180 days normal operating expenses.

NOTE 10: FAIR VALUE MEASUREMENTS

The Association's financial instruments consist principally of cash and cash equivalents, restricted cash, certificates of deposit, accounts receivable, accounts payable, and deferred revenue. The fair value of a financial instrument is the amount that would be received in an asset sale or paid to transfer a liability in an orderly transaction between unaffiliated market participants. Assets and liabilities measured at fair value are categorized based on whether the inputs are observable in the market and the degree the inputs are observable. The categorization of financial statements within the valuation hierarchy is based on the lowest level of input significant to the fair value measurement. The hierarchy is prioritized into three levels (with Level 3 being the lowest) defined as follows:

*Level 1:* Quoted prices in active markets for identical assets or liabilities the entity has the ability to access.



**AMERICAN BOER GOAT ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**For the Years Ended December 31, 2023 and 2022**

NOTE 10: FAIR VALUE MEASUREMENTS – CONTINUED

*Level 2:* Observable inputs other than prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated with observable market data.

*Level 3:* Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques using significant unobservable inputs.

There have been no changes in Level 1, Level 2, or Level 3 and no changes in valuation techniques for these assets or liabilities for the years ended December 31, 2023 and 2022.

The Association uses the following methods and assumptions to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

*Certificates of deposit: Long-term* – The Association holds certificates of deposit with maturity dates greater than twelve months. These certificates are carried at cost, which approximates fair value.

*Investments available for sale* - The carrying amount approximates fair value because of the short maturity of those investments, and is based on quoted prices in active markets for identical assets.

At December 31, 2023 and 2022, the Association carried the following financial assets at fair value:

	<u>Fair Value</u>	<u>Quoted Prices (Level 1)</u>
<u>December 31, 2023</u>		
Certificates of Deposit: Long-term	\$ -	\$ -
Investments available for sale	1,257,414	1,257,414
<u>December 31, 2022</u>		
Certificates of Deposit: Short Term	\$ 250,000	\$ 250,000
Investments available for sale	-	-

NOTE 11: INVESTMENTS

Investment return for the years ended December 31, 2023 and 2022 is summarized as follows:

	<u>2023</u>	<u>2022</u>
Dividends	\$ 48,411	\$ 5,797
Interest Earned	4,719	7,930
Net Realized Gains	(1,183)	3,135
Net Unrealized (Losses) Gains	<u>56,605</u>	<u>(25,139)</u>
Investment Income	<u>\$ 108,552</u>	<u>\$ (8,277)</u>

**AMERICAN BOER GOAT ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**For the Years Ended December 31, 2023 and 2022**

**NOTE 12: AMERICAN GOAT FEDERATION**

On April 22, 2022 a contract was entered into where the Association agreed to assist the American Goat Federation (AGF) with administrative services which included, but was not limited to, staff support for their bookkeeping, banking, mail, telephone coverage, board meetings, strategic planning, membership record maintenance, trade shows, website and social media maintenance, and maintaining existing grant transactions. The support continued until September 11, 2023, when the AGF had approved to end their contractual agreement.

**NOTE 13: RECENT ACCOUNTING PRONOUNCEMENTS**

In February 2016, the FASB issued ASU 2016-02 "Leases (Topic 842)." The FASB issued ASU 2016-02 to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Under ASU 2016-02, a lessee will recognize in the statement of financial position a liability to make lease payments and a right-to-use asset representing its right to use the underlying asset for the lease term. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from current GAAP. ASU 2016-02 retains a distinction between finance leases (i.e. capital leases under current GAAP). The amendments of this ASU are effective for reporting periods beginning after December 15, 2021, with early adoption permitted. An entity will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. Management has determined that the implementation of ASU 2016-02 has no impact on its financial statements.

**NOTE 14: DATE OF MANAGEMENT'S REVIEW**

Management evaluates events occurring subsequent to the statement of financial position date, through the date the financial statements are eligible to be issued, to determine whether the events require recognition or disclosure in the financial statements. If a subsequent event evidences conditions existing at the statement of financial position date, the effects are recognized in the financial statements (recognized subsequent event). If a subsequent event evidences conditions arising after the statement of financial position date, the effects are not recognized in the financial statements but rather disclosed in the notes to the financial statements (non-recognized subsequent events). The effects of subsequent events are only recognized if material, or disclosed if the financial statements would otherwise be misleading.

The Organization has evaluated subsequent events for recognition and disclosure through June 3, 2024, which is the date the financial statements were available to be issued. No events were noted that required recognition in the financial statements. However, it was noted that subsequent to year end, on April 24, 2024, a lawsuit was filed against the Organization, its directors, and former employee, alleging breaches of the Organization's bylaws, breach of fiduciary duty, disclosure of information, and negligence. To date, no one has been served with the lawsuit. The matter has been turned over to insurance, and it is believed the Organization will contest the matter vigorously. The claims asserted appear difficult to prove, both in terms of liability and damages, but due to the early posture of this matter, it is difficult to ascertain the validity or damages associated with the lawsuit.