

THE BROWN SWISS CATTLE BREEDERS' ASSOCIATION  
OF THE U.S.A. AND THE SUBSIDIARY  
Consolidated Statements of Financial Position  
As of December 31, 2013 and 2012

	ASSETS	
	2013	2012
Current Assets		
Cash and cash equivalents	\$ 172,426	\$ 194,499
Cash and cash equivalents - temporarily restricted	87,914	84,931
Accounts receivable, net of allowance for doubtful accounts (Note 2)	63,018	60,314
Inventory (at cost)	880	880
Prepaid expenses	<u>5,996</u>	<u>5,059</u>
Total current assets	330,234	345,683
Other Assets		
Deferred income taxes	<u>23,777</u>	<u>15,950</u>
Total other assets	23,777	15,950
Investments		
Trust investment account	-	-
Trust investment account-temporarily restricted	<u>43,976</u>	<u>41,980</u>
Total investments	43,976	41,980
Property and Equipment		
Building and Improvements	86,389	86,389
Office furniture and equipment	85,815	85,815
Computer equipment	85,385	71,456
Vehicles	18,880	18,880
Less: Accumulated depreciation	<u>(211,217)</u>	<u>(205,371)</u>
Net property and equipment	65,252	57,169
<b>TOTAL ASSETS</b>	<b><u>\$ 463,239</u></b>	<b><u>\$ 460,782</u></b>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 19,946	\$ 53,255
Accrued payroll taxes	5,054	5,273
Accrued sales tax	19	26
Accrued pension	6,577	6,741
Unearned revenues	17,378	18,069
Note payable - line of credit	65,352	37,099
Accounts receivable-credit balances	<u>5,457</u>	<u>6,626</u>
Total current liabilities	119,783	127,089
Net Assets		
Unrestricted net assets	137,237	122,003
Undistributed subsidiary earnings	<u>70,761</u>	<u>70,078</u>
Total unrestricted net assets	207,998	192,081
Temporarily restricted net assets	<u>135,458</u>	<u>141,612</u>
Total net assets	343,456	333,693
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b><u>\$ 463,239</u></b>	<b><u>\$ 460,782</u></b>

The accompanying notes are an integral part of this statement.

THE BROWN SWISS CATTLE BREEDERS' ASSOCIATION  
OF THE U.S.A. AND SUBSIDIARY  
Consolidated Statements of Activities  
For the Years Ended December 31, 2013 and 2012

	2013			2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Support, Revenues and Reclassifications:</b>						
Registrations and transfers	\$ 243,092		\$ 243,092	\$ 211,199		\$ 211,199
Testing and cow fees	216,776		216,776	214,432		214,432
Subscriptions	15,939		15,939	21,920		21,920
Donations	1,775	17,895	19,670	305	20,220	20,525
Memberships	6,820		6,820	8,755		8,755
Other service income	146,464	2,130	148,594	159,596	10,252	169,848
Foreign market development	13,002		13,002	20,208		20,208
Interest and investment income	213	1,023	1,236	312	1,485	1,797
Unrealized loss on investments		(242)	(242)		1,318	1,318
Loss on sale of investment		1,759	1,759		560	560
Miscellaneous	(80)		(80)	3,272		3,272
Total support, revenues and reclassifications	<u>644,001</u>	<u>22,565</u>	<u>666,566</u>	<u>639,999</u>	<u>33,835</u>	<u>673,834</u>
<b>Sales:</b>						
Semen and embryo sales	27,946		27,946	43,888		43,888
Cheese sales	401		401	2,572		2,572
Other sales income	555		555	1,147		1,147
Total sales	<u>28,902</u>		<u>28,902</u>	<u>47,607</u>		<u>47,607</u>
Less: Cost of sales	(23,093)		(23,093)	(18,279)		(18,279)
Gross profit	<u>5,809</u>		<u>5,809</u>	<u>29,328</u>		<u>29,328</u>
Net assets released from restrictions:	3,565	(3,565)				
Net assets placed in restrictions:				(11,677)	11,677	
Total support, revenues, reclassifications and sales	<u>653,375</u>	<u>19,000</u>	<u>672,375</u>	<u>657,650</u>	<u>45,512</u>	<u>703,162</u>
<b>Expenses:</b>						
Program expenses	188,534	18,156	206,690	195,844	19,763	215,607
Office expenses	103,912		103,912	111,525		111,525
Salaries and employee benefits	310,538	6,506	317,044	324,893		324,893
Building expenses	17,440		17,440	16,111		16,111
Depreciation	5,846		5,846	6,132		6,132
Miscellaneous expenses	2,501		2,501	3,935		3,935
Interest expense	1,170		1,170	976		976
Trustee fee		492	492		470	470
Other operating expenses	15,344		15,344	12,086		12,086
Total expenses	<u>645,285</u>	<u>25,154</u>	<u>670,439</u>	<u>671,502</u>	<u>20,233</u>	<u>691,735</u>
Change in Net Assets Before Income Tax	8,090	(6,154)	1,936	(13,852)	25,279	11,427
Deferred Income Tax	7,827		7,827	(4,040)		(4,040)
Change in Net Assets After Income Tax	15,917	(6,154)	9,763	(17,892)	25,279	7,387
Net Assets, Beginning of Year	192,081	141,612	333,693	209,973	116,333	326,306
Net Assets, End of Year	<u>\$ 207,998</u>	<u>\$ 135,458</u>	<u>\$ 343,456</u>	<u>\$ 192,081</u>	<u>\$ 141,612</u>	<u>\$ 333,693</u>

The accompanying notes are an integral part of this statement.