

THE BROWN SWISS CATTLE BREEDERS' ASSOCIATION
OF THE U.S.A. AND THE SUBSIDIARY
Consolidated Statements of Financial Position
As of December 31, 2019 and 2018

ASSETS		
	2019	2018
Current Assets		
Cash and cash equivalents	\$ 154,812	\$ 98,982
Accounts receivable, net of allowance for doubtful accounts	78,477	70,628
Prepaid expenses	5,381	7,086
Inventory (at cost)	<u>2,343</u>	<u>265</u>
Total current assets	241,013	176,961
Investments		
Trust investment account - unrestricted	50,508	50,432
Other Assets		
Deferred income taxes	19,758	23,012
Cash and cash equivalents - temporarily restricted	64,019	48,447
Trust investment account-temporarily restricted	<u>138,665</u>	<u>124,155</u>
Total other assets	222,442	195,614
Property and Equipment		
Building and Improvements	105,139	105,139
Office furniture and equipment	85,815	74,639
Computer equipment	129,713	118,149
Vehicles	21,538	21,538
Less: Accumulated depreciation	<u>(243,571)</u>	<u>(237,704)</u>
Net property and equipment	98,634	81,761
TOTAL ASSETS	<u>\$ 612,597</u>	<u>\$ 504,768</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 40,730	\$ 37,435
Accrued payroll taxes	1,679	1,516
Accrued pension	853	4,087
Accrued wages	7,977	8,079
Note payable - line of credit	38,000	25,000
Note payable - current portion	-	2,888
Accounts receivable-credit balances	<u>11,151</u>	<u>17,735</u>
Total current liabilities	100,390	96,740
Long Term Liabilities		
Notes payable - long term portion	<u>-</u>	<u>-</u>
Total liabilities and long term liabilities	100,390	96,740
Net Assets		
Unrestricted net assets	216,234	149,957
Undistributed subsidiary earnings	<u>93,289</u>	<u>85,469</u>
Total unrestricted net assets	309,523	235,426
Temporarily restricted net assets	<u>202,684</u>	<u>172,602</u>
Total net assets	<u>512,207</u>	<u>408,028</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 612,597</u>	<u>\$ 504,768</u>

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, 2019 and 2018

	2019			2018		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support, Revenues and Reclassifications:						
Registrations and transfers	\$ 191,752		\$ 191,752	\$ 202,720		\$ 202,720
Testing and cow fees	192,521		192,521	182,623		182,623
Classifications	93,881		93,881	91,526		91,526
Subscriptions	9,126		9,126	10,196		10,196
Donations	250	26,581	26,831		23,223	23,223
Memberships	9,380		9,380	7,875		7,875
Other service income	60,816		60,816	42,840	43	42,883
World conference	46,555		46,555			
Foreign market development	11,654		11,654	12,896		12,896
Interest and investment income	188	242	430	202	222	424
Unrealized loss on investments		14,287	14,287		(38)	(38)
Miscellaneous	-		-	6,547		6,547
Total support, revenues and reclassifications	<u>616,123</u>	<u>41,110</u>	<u>657,233</u>	<u>557,425</u>	<u>23,450</u>	<u>580,875</u>
Sales:						
Cattle, semen and embryo sales	524,035		524,035	181,950		181,950
Royalties				30,150		30,150
Other sales income	<u>25,372</u>	<u>729</u>	<u>26,101</u>	<u>1,537</u>	<u>1,446</u>	<u>2,983</u>
Total sales	549,407	729	550,136	213,637	1,446	215,083
Cost of Sales						
Cattle, semen and embryo costs	(507,851)		(507,851)	(161,943)		(161,943)
Royalty costs				(18,908)		(18,908)
Other cost of sales	<u>(14,717)</u>		<u>(14,717)</u>	<u>(665)</u>	<u>(202)</u>	<u>(867)</u>
Total Cost of Sales	<u>(522,568)</u>		<u>(522,568)</u>	<u>(181,516)</u>	<u>(202)</u>	<u>(181,718)</u>
Gross profit	<u>26,839</u>	<u>729</u>	<u>27,568</u>	<u>32,121</u>	<u>1,244</u>	<u>33,365</u>
Net assets placed(released) restrictions:	<u>(2,600)</u>	<u>2,600</u>		<u>(34,886)</u>	<u>34,886</u>	
Total support, revenues, reclassifications and sales	<u>640,362</u>	<u>44,439</u>	<u>684,801</u>	<u>554,660</u>	<u>59,580</u>	<u>614,240</u>
Expenses:						
Program expenses	201,635	11,046	212,681	224,035	17,969	242,004
Office expenses	67,622		67,622	82,301	52	82,353
Salaries and employee benefits	270,011	3,311	273,322	268,887	3,229	272,116
Building expenses	15,510		15,510	16,984		16,984
Depreciation	5,867		5,867	8,076		8,076
Miscellaneous expenses	200		200	2,525		2,525
Interest expense	1,621		1,621	2,473		2,473
Annuity Valuation			-		8,072	8,072
Other operating expenses	<u>545</u>		<u>545</u>	<u>2,516</u>		<u>2,516</u>
Total expenses	<u>563,011</u>	<u>14,357</u>	<u>577,368</u>	<u>607,797</u>	<u>29,322</u>	<u>637,119</u>
Change in Net Assets Before Income Tax	77,351	30,082	107,433	(53,137)	30,258	(22,879)
Deferred Income Tax	<u>(3,254)</u>		<u>(3,254)</u>	<u>(2,040)</u>		<u>(2,040)</u>
Change in Net Assets After Income Tax	74,097	30,082	104,179	(55,177)	30,258	(24,919)
Prior period adjustment			-	(521)		(521)
Net Assets, Beginning of Year	<u>235,426</u>	<u>172,602</u>	<u>408,028</u>	<u>291,124</u>	<u>142,344</u>	<u>433,468</u>
Net Assets, End of Year	<u>\$ 309,523</u>	<u>\$ 202,684</u>	<u>\$ 512,207</u>	<u>\$ 235,426</u>	<u>\$ 172,602</u>	<u>\$ 408,028</u>

The accompanying notes are an integral part of this statement.