A M E R I C A N P A I N T H O R S E ASSOCIATION

Ry marked for greatness™

2019 ANNUAL REPORT

2019 Executive Committee

APHA Structure

Members: Elect Board of Directors.

Board of Directors:

Decide and direct Association policy. Make, amend, repeal and enforce Association rules and regulations.

Executive Committee

Sets Association policy. Responsible for planning the future direction of the Association, while ensuring its fiscal integrity.

Executive Director:

Responsible for day-to-day operation and guidance of the Association. Implements policies adopted by the Board of Directors and Executive Committee. Carries out decisions made by resolution of the Executive Committee.

Leadership Team:

Responsible for the day-to-day management of departments.

The 2019 Executive Committee (L to R): David Lands, Melanie Cox-Dayhuff, Alison Umberger, Mike Short, Casey West, Karen Thomas, Dr. Craig Wood.



President Mike Short Shiner, Texas



President-Elect Casey West Abilene, Kansas



Vice President Karen Thomas Morganton, North Carolina



Senior Committee Member Alison Umberger Broadrun, Virginia



Fifth Committee Member Melanie Cox-Dayhuff Knightstown, Indiana



Sixth Committee Member David Lands Gloucester, Virginia



Past President Dr. Craig Wood Owenton, Kentucky



Executive Director Billy Smith Fort Worth, Texas



Membership by Location

United States

LOCATION	TOTAL
Aeo	1
Alaska	34
Alabama	325
Аро	2
Arkansas	378
Arizona	871
California	2394
Colorado	1245
Connecticut	85
Dst Of Columbia	1
Delaware	60
Florida	1120
Georgia	528
Hawaii	34
lowa	859
Idaho	662
Illinois	902
Indiana	601
Kansas	714

LOCATION	TOTAL
Kentucky	309
Louisiana	391
Massachusetts	169
Maryland	170
Maine	88
Michigan	1014
Minnesota	879
Missouri	842
Mississippi	371
Montana	567
North Carolina	707
North Dakota	239
Nebraska	469
New Hampshire	94
New Jersey	249
New Mexico	330
Nevada	335
New York	433
Ohio	983

LOCATION	TOTAL
Oklahoma	1565
Oregon	970
Pennsylvania	605
Rhode Island	8
South Carolina	356
South Dakota	301
Tennessee	496
Texas	5114
Utah	505
Virginia	393
Vermont	56
Washington	1116
Wisconsin	809
West Virginia	91
Wyoming	395
U.S. Total	32,235

International

LOCATION	TOTAL
Argentina	2
Australia	125
Austria	283
Belgium	275
Brazil	5
Bulgaria	4
China	11
Colombia	13
Costa Rica	8
Croatia	18
Czech Republic	378
Denmark	169
Dominican Republic	7
Finland	55
France	733
Germany	1530
Hungary	23
Ireland	18

LOCATION	TOTAL
Israel	21
Italy	660
Japan	18
Luxembourg	30
Mexico	212
Namibia	3
Netherlands	277
New Caledonia	11
New Zealand	1
Norway	47
Panama	18
Paraguay	1
Poland	56
Republic Serbia	1
Russia	1
Singapore	1
Slovakia	88
Slovenia	34

LOCATION	TOTAL
South Africa	12
Spain	39
Sweden	284
Switzerland	230
United Kingdom	70
Uruguay	2
Venezuela	16

Foreign Total 5,790

Canada

LOCATION	TOTAL
Alberta	811
British Columbia	348
Manitoba	110
New Brunswick	53
Newfoundland	2
Nova Scotia	88
NWTerritories	0
Ontario	533
Prince Edward II	6
Quebec	317
Saskatchewan	310
Yukon	2
Canadian Total	2,580

United States	32,235
International	5,790
Canada	2,580
Grand Total	40,605

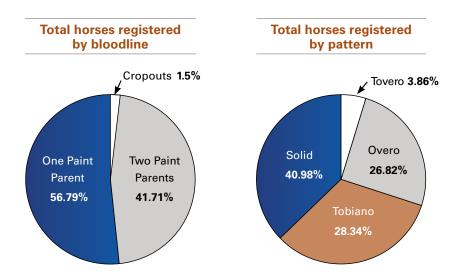
MEMBERSHIP	
Regular 1-year	17,547
Regular 3-year	9,695
Regular 5-year	3,409
Total	30,651
Junior Members	1,679
Junior 3-year	504
J-Term Members	1,430
Total	3,613
Lifetime Members	6,341
Total Members	40,605

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Year	Horses Registered Annually	Horses Transferred Annually	Mares Bred	Stallion Breeding Reports
2019	9,145	12,023	*	*
2018	10,149	13,232	14,704	4,339
2017	10,225	14,004	16,681	5,069
2016	10,964	15,734	17,276	5,362
2015	10,813	16,554	17,878	5,653

Registration and Breeding Statistics

* Please note: Because the majority of stallion breeding reports are received by APHA late in the year, complete statistics are not available when the Annual Report is compiled. Totals for 2019 will be available in next year's report. Also note that as late reports are filed, totals for previous years might increase.



4 1 %

Horse Analysis by Location (Total horses registered in 2019)

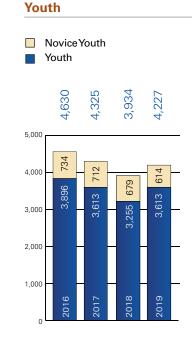
			Ту	pe			Sex			Bloodlir	ne
	Total Horses	Overo	Tobiano	Solid	Tovero	Stallions	Mares	Geldings	Cropout	One Paint Parent	Two Pain Parents
Alaska Alabama	<u>3</u> 45	1	20	2	0	0	22	0	0	2	
Arkansas	101	11	31	58	1	34	57	10	5	32	20
Arizona	131	47	29	52	3	58	60	13	4	75	52
California	333	76	83	167	7	118	168	47	9	221	10
Colorado	190	37	67	86	0	84	85	21	2	132	51
Connecticut	5	3	0	2	0	2	2	1	0	4	
Delaware	2	1	1	0	0	0	1	1	0	2	
Florida Georgia	156 92	55 35	36 29	62 27	3	56 40	85 41	<u>15</u> 11	3	<u>94</u> 60	5
Hawaii	32	0	1	2/	0	40	1	2	0	2	
lowa	282	82	67	128	5	99	156	27	3	138	14
ldaho	115	26	27	61	1	44	53	18	0	86	2
Illinois	128	54	21	52	1	48	59	21	0	71	5
Indiana	84	25	26	26	7	22	45	17	3	33	4
Kansas Kentucky	162 79	45 23	40	69 35	8	61	84 41	17	2	82 45	7
Louisiana	53	11	21	20	1	27	25	1	0	39	1
Massachusetts	12	6	21	4	0	27	5	5	1	6	
Maryland	15	9	4	2	0	8	6	1	0	6	
Maine	8	4	1	3	0	3	5	0	0	6	
Michigan	126	37	38	48	3	35	63	28	2	63	6
Minnesota	155	45	36	71	3	47	91	17	3	91	6
Missouri	171	59	36	68	8	67	90	14	5	99	6
Mississippi	52	11	23	16	2	19	32	1	1	30	2
Montana North Carolina	167 98	34 28	58 24	71 43	4	55 37	95 53	17	3	109 66	5
North Dakota	98	28	63	43	3	37	53	5	0	67	3
Nebraska	96	38	23	31	4	34	46	16	4	44	4
New Hampshire	7	2	23	2	1	3	2	2	0	3	
New Jersey	24	9	5	9	1	10	13	1	1	14	
New Mexico	47	10	12	23	2	17	25	5	0	28	1
Nevada	48	10	10	27	1	20	22	6	1	35	1
New York	48	14	9	24	1	14	30	4	1	38	
Ohio	148	58	40	48	2	54	70	24	3	88	5
Oklahoma Oregon	415 196	80 68	131 45	203 78	1	178 68	202 98	35 30	3	251 124	16 6
Pennsylvania	60	19	15	24	2	21	30		2	41	1
Rhode Island	2	1	1	0	0	0	1	1	1	0	
South Carolina	40	12	9	18	1	14	18	8	O	27	1
South Dakota	144	18	81	37	8	58	79	7	2	48	9
Tennessee	93	29	21	38	5	37	51	5	2	47	4
Texas	980	256	245	452	27	389	492	99	31	627	32
Utah	115	29	22	64	0	40	59	16	4	81	3
Virginia	54	11	16	21	6	26	22	6	1	36	1
Vermont Washington	8	3 27	2	3 53	0 8	35	4	1	0	<u>5</u> 74	3
Wisconsin	160	53	54	52	1	59	85	12	1	93	
West Virginia	25	4	12	9	0	8	14	3	1	19	
Wyoming	109	22	29	55	3	35	68	6	1	85	2
Total U.S.	5,817	1,565	1,613	2,496	143	2,191	2,986	640	117	3,545	2,15
Australia	223	139	15	60	9	37	107	79	6	88	12
Austria	58	133	16	21	4	22	32	4	1	33	2
Belgium	100	17	30	46	7	50	49	1	0	64	3
Brazil	84	35	17	28	4	31	53	0	0	0	8
Canada	802	178	229	350	45	306	400	48	2	458	34
China	4	1	1	1	1	2	2	0	0	0	
Colombia	10	1	4	5	0	6	4	0	0	10	
Costa Rica	2	0	1	1	0	0	2	0	0	2	
Croatia Czech Republic	<u> </u>	0 27	79	4	1	4	1 109	0	0	87	c
Denmark	21	6	79	<u>65</u>	10	74	109	2	0		9
Finland	6	0	3	3	0	2	4	0	0	4	
France	395	118	113	125	39	189	202	4	0	113	28
Germany	497	88	198	175	36	239	251	7	5	252	24
Hungary	6	0	3	3	0	1	5	0	0	6	
Ireland	4	2	0	2	0	1	2	1	0	2	
Israel	5	0	120	3	0	202	5 201	0	0	262	22
Italy Luxembourg	499	156 0	130 0	186	27	203	291	5	0	263	23
Mexico	126	38	17	69	2	64	62	0	0	105	2
Namibia	2	1	1	0	0	2	0	0	0	1	2
Netherlands	83	14	33	27	9	34	49	0	1	34	4
New Caledonia	19	9	6	3	1	6	11	2	0	8	1
New Zealand	1	0	1	0	0	0	0	1	0	0	
Norway	3	0	1	2	0	2	1	0	0	3	
Panama	5	0	3	2	0	4	1	0	0	3	
Paraguay Poland	20	3	1	6	0	12	1	0	0	10	1
Slovakia Republic	33	11	9	10	3	12	16	1	0	10	1
Slovenia	16	4	2	9	1	9	7	0	0	10	
South Africa	4	0	2	2	0	2	2	0	1	3	
Spain	6	1	2	3	0	1	5	0	0	6	
Sweden	49	13	16	17	3	22	27	0	1	24	2
Switzerland	24	5	7	11	1	10	10	4	1	14	
United Kingdom	23	3	15	4	1		11	0	1	8	1
Uruguay	2	1	1	0	0	1	1	0	1	0	
Venezuela Total International	3 3,328	0 888	<u>2</u> 979	1,251	210	1,419	2 1,747	0 162	0 21	3 1,648	1,65
rotar mitcifiduuildi	3,320	000	3/3	1,201	210	1,413	1,747	102	21	1,040	1,00

Program Participation

1,500 5018 544 5019 451 5019 451 5019 451 000⁽¹⁾ 5019 451 000⁽¹⁾ 5019 451 000⁽¹⁾ 5019 451 000⁽¹⁾ 5019 5000 5000

Paint Alternative Competition (PAC)

(Ride America is included in PAC)



Amateur Amateur Walk Trot Amateur Novice Amateur 3,953 540 3,562 3,632 ň 4,000 1,126 3,000 890 927 954 2,000 1,91 1,000

World Show Participation

CHAMPIONSHIP SHOW HISTORY

APHA Youth World Championship Show

Year	Date	Location	Entries	Judges	Horses	States/Countries represented
2019	June 24-July 7	Fort Worth, TX	4,821	5	287	34
2018	Jun 25-July 8	Fort Worth, TX	6,325	5	417	39
2017	Jun 26-Jul 9	Fort Worth, TX	6,480	5	420	37
2016	Jun 27-Jul 9	Fort Worth, TX	6,707	5	391	32
2015	Jun 26-Jul 4	Fort Worth, TX	5,745	5	290	33
2014	Jun 27-Jul 5	Fort Worth, TX	6,105	5	357	37

APHA Open & Amateur World Championship Show

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2019	Sept 16-29	Fort Worth, TX	16,202	5	1,282	56
2018	Sept 17-30	Fort Worth, TX	16,131	5	1,121	48
2017	Sept 20-Oct 1	Fort Worth, TX	10,438	5	1,107	47
2016	Nov 2-13	Fort Worth, TX	13,827	5	995	45
2015	Nov 4-14	Fort Worth, TX	12,930	5	993	46
2014	Nov 5-15	Fort Worth, TX	11,830	5	980	47

Approved Show Participation

Shows		
Month	2018	2019
Jan	23	21
Feb	30	34
Mar	83	92
Apr	121	112
May	162	159
Jun	101	79
Jul	155	125
Aug	145	154
Sept	97	79
Oct	108	84
Nov	44	44
Dec	23	41
Total	1,092	1,024

Novice Youth			
Month	2018	2019	
Jan	812	624	
Feb	674	508	
Mar	1,638	1,725	
Apr	2,676	2,134	
May	4,909	3,650	
Jun	694	767	
Jul	2,013	2,273	
Aug	3,325	3,243	
Sept	1,068	582	
Oct	1,839	1,352	
Nov	596	757	
Dec	402	363	
Total	20,646	17,978	

Open Soli	d Paint-Bred	
Month	2018	2019
Jan	229	102
Feb	119	109
Mar	380	559
Apr	778	619
May	1,265	1,387
Jun	569	732
Jul	902	1,165
Aug	1,305	2,277
Sept	894	590
Oct	1,106	771
Nov	142	422
Dec	130	134
Total	7,819	8,867

Amateur Walk-Trot				
Month	2018	2019		
Jan	614	534		
Feb	732	888		
Mar	2,322	1,860		
Apr	2,668	2,431		
May	4,887	4,615		
Jun	877	902		
Jul	2,467	3,233		
Aug	3,668	4,127		
Sept	1,623	939		
Oct	2,641	2,674		
Nov	1,207	1,498		
Dec	738	630		
Total	24,444	24,331		

Open		
Month	2018	2019
Jan	2,025	1,858
Feb	2,590	1,997
Mar	5,406	4,893
Apr	8,312	7,022
May	15,073	13,542
Jun	3,668	4,500
Jul	8,759	9,384
Aug	13,734	14,658
Sept	6,125	3,779
Oct	6,252	4,916
Nov	2,744	2,971
Dec	1,966	1,677
Total	76,654	71,197

Amateur		
Month	2018	2019
Jan	1,607	1,905
Feb	1,837	1,692
Mar	4,180	4,203
Apr	6,718	6,332
May	13,150	13,103
Jun	2,750	3,131
Jul	6,578	8,102
Aug	11,357	12,385
Sept	4,725	2,743
Oct	4,939	5,064
Nov	1,985	2,297
Dec	1,539	1,379
Total	61,365	62,336

Amateur Solid Paint-Bred			
Month	2018	2019	
Jan	45	38	
Feb	22	4	
Mar	214	363	
Apr	580	457	
May	1,021	1,263	
Jun	403	574	
Jul	780	1,077	
Aug	1,085	1,835	
Sept	671	417	
Oct	1,065	1,119	
Nov	68	396	
Dec	58	46	
Total	6,012	7,589	

TOTAL ENTRIES			
Month	2018	2019	
Jan	7,660	7,406	
Feb	8.079	7,168	
Mar	19,510	19,487	
Apr	31,255	26,924	
May	56,647	51,202	
Jun	12,429	14,203	
Jul	29,046	33,695	
Aug	46,037	51,120	
Sept	20,063	11,767	
Oct	23,947	21,551	
Nov	8,653	11,074	
Dec	6,381	5,645	
Total	269,707	261,242	

Youth		
Month	2018	2019
Jan	1,726	1,597
Feb	1,472	1,195
Mar	3,588	3,756
Apr	6,420	5,163
May	10,421	8,588
Jun	1,939	2,087
Jul	4,188	4,969
Aug	6,861	7,584
Sept	2,856	1,468
Oct	3,493	3,412
Nov	1,065	1,756
Dec	970	875
Total	44,999	42,450

Novice Amateur			
Month	2018	2019	
Jan	568	742	
Feb	630	774	
Mar	1,708	1,991	
Apr	2,883	2,706	
May	5,469	4,726	
Jun	1,406	1,419	
Jul	3,120	3,154	
Aug	4,397	4,508	
Sept	1,841	1,154	
Oct	2,297	1,901	
Nov	790	948	
Dec	578	517	
Total	25,687	24,540	

Youth Solid	d Paint-Bred	1
Month	2018	2019
Jan	34	6
Feb	3	1
Mar	74	137
Apr	220	60
May	452	328
Jun	123	91
Jul	239	338
Aug	305	503
Sept	260	95
Oct	315	342
Nov	56	29
Dec	-	24
Total	2,081	1,954

TOTAL HO	RSES	
Month	2018	2019
Jan	535	447
Feb	303	268
Mar	632	661
Apr	983	839
May	845	889
Jun	400	422
Jul	386	418
Aug	434	455
Sept	248	140
Oct	274	239
Nov	95	98
Dec	46	34
Total	5,181	4,910

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2019 Top 20 Shows (by entries per judge)

					2019		
Show	Location	Date	Entries	Horses	Rank	# of Judges	Adjoining Show
Zone 12 European Championships sponsored by Zone 12 Coordinating Committee	Kreuth, Germany	25-Aug	1481	283	1	5 Zone total	
Worldwide Paint Horse Congress sponsored by Kansas PHA	Tulsa, OK	30-Jul	1214	227	2	4 POR with adjoining 4 POR after	Worldwide Paint Horse Congress sponsored by Kansas PHA (1150/205)
UPHC POR sponsored by Utah Paint Horse Club	South Jordan, UT	23-May	1091	201	3	6 Zone with adjoining 4 POR after	Western Regional Zone 2 Show sponsored by Zone 2 Coordinating Committee (1050/203)
Zone 1 Show sponsored by Zone 1 Coordinating Committee	Nampa, ID	14-Aug	889	165	9	6 Zone with adjoining 4POR after	INPHC POR sponsored by Inland Northwest PHC (760/157)
Paint the Future POR sponsored by Texas PHC	Waco,TX	12-Apr	878	190	6	4 POR total	
Texas Wildflower Celebration POR sponsored by Gulf Coast PHC & Texas PHC	Waco,TX	15-Mar	868	180	4	4 POR total	
Texas Memorial Day Classic Zone 4 sponsored by Zone 4 Coordinating Committee	Waco,TX	24-May	865	188	10	6 Zone total	
Southwestern Exposition & Livestock Show (Fort Worth Stock Show) co-sponsored by Texas PHC	Fort Worth, TX	18-Jan	860	200	5	4 POR total	
IPHA Spring Fling POR sponsored by Illinois PHA	Gifford, IL	19-Apr	856	172	7	4 POR total	
Indiana/Illinois Paint Partners POR sponsored by Indiana PHC &Illinois PHA	Gifford, IL	30-Aug	790	150	8	4 POR total	
Zone 5 Show sponsored by Zone 5 Coordinating Committee	Cedar Rapids, IA	27-Apr	771	161	13	4 Zone Total	
Fall Color Classic sponsored by Michigan PHC	East Lansing, MI	27-Oct	771	145	15	4 POR with adjoining 4Yth/ Am POR before	Fall Color Classic Youth/Amateur POR sponsored by Michigan PHC (552/124)
Arizona Copper Country POR sponsored by Arizona PHC	Scottsdale, AZ	1-Jan	723	156	17	4 POR with adjoining 4 POR before	Arizona Copper Country POR Dec 2018 sponsored by Arizona PHC (744/162)
IPHA Fall Shootout & Futurity Show sponsored by Illinois PHA	Gifford, IL	4-Oct	722	151	12	4 POR total	
Houston Livestock Show & Rodeo	Houston,TX	6-Mar	717	152	16	3 POR total	
Bayern Paint 2020 sponsored by Paint Horse Club Germany	Thierhaupten, Germany	8-Jun	702	111	un- ranked	3 POR total	
Arizona Copper Country POR sponsored by Arizona PHC	Scottsdale, AZ	29-Dec	694	154	11	4 POR with adjoining 4POR after	Arizona Copper Country POR Jan 2020 sponsored by Arizona PHC
German Paint Horse Championships sponsored by Paint Horse Club Germany	Salzhausen, Germany	11-Jul	675	119	18	4 POR total	
Star Spangled Classic POR sponsored by Washington Paint Horse Club	Monroe, WA	19-Jul	667	121	un- ranked	3 POR with adjoining 3 POR after	Star Spangled Classic POR sponsored by Washington PHC (644/123)
Memorial Day Show sponsored by Iowa PHC	Cedar Rapids, IA	26-May	653	140	14	4 POR with adjoining 4Yth/ Am POR before	lowa PHC Yth/Am Show sponsored by Iowa PHC (498/127)
	Zone 12 European Championships sponsored by Zone 12 Coordinating Committee Worldwide Paint Horse Congress sponsored by Kansas PHA UPHC POR sponsored by Utah Paint Horse Club Zone 1 Show sponsored by Zone 1 Coordinating Committee Paint the Future POR sponsored by Texas PHC Texas Wildflower Celebration POR sponsored by Gulf Coast PHC & Texas PHC Texas Memorial Day Classic Zone 4 sponsored by Zone 4 Coordinating Committee Southwestern Exposition & Livestock Show (Fort Worth Stock Show) co-sponsored by Texas PHC IPHA Spring Fling POR sponsored by Illinois PHA Indiana/Illinois Paint Partners POR sponsored by Indiana PHC &Illinois PHA Zone 5 Show sponsored by Zone 5 Coordinating Committee Fall Color Classic sponsored by Michigan PHC IPHA Fall Shootout & Futurity Show sponsored by Illinois PHA Houston Livestock Show & Rodeo Bayern Paint 2020 sponsored by Paint Horse Club Germany Arizona Copper Country POR sponsored by Arizona PHC	Zone 12 European Championships sponsored by Zone 12 Coordinating CommitteeKreuth, GermanyWorldwide Paint Horse Congress sponsored by Kansas PHATulsa, OKUPHC POR sponsored by Utah Paint Horse ClubSouth Jordan, UTZone 1 Show sponsored by Zone 1 Coordinating CommitteeNampa, IDPaint the Future POR sponsored by Texas PHCWaco, TXTexas Wildflower Celebration POR sponsored by Gulf Coast PHC & Texas PHCWaco, TXTexas Memorial Day Classic Zone 4 sponsored by Zone 4 Coordinating CommitteeWaco, TXSouthwestern Exposition & Livestock Show (Fort Worth Stock Show) co-sponsored by Texas PHCFort Worth, TXIPHA Spring Fling POR sponsored by Illinois PHAGifford, ILIPHA Spring Fling POR sponsored by Michigan PHCEast Lansing, MIIAArizona Copper Country POR sponsored by Arizona PHCScottsdale, AZ Arizona PHCIPHA Fall Shootout & Futurity Show sponsored by Paint Horse Club Germany Arizona Copper Country POR sponsored by Arizona PHCSalzhausen, GermanyGerman Paint Horse Club Germany Washington Paint Horse Club GermanySalzhausen, GermanyMemorial Day Show sponsored by Iowa PHCCedar Rapids, Cedar Rapids, Cedar Rapids, Cetar Rapids, Cottsdale, AZ	Zone 12 European Championships sponsored by Zone 12 Coordinating CommitteeKreuth, Germany25-Aug GermanyWorldwide Paint Horse Congress sponsored by Kansas PHATulsa, OK30-JulUPHC POR sponsored by Utah Paint Horse ClubSouth Jordan, UT23-May UTZone 1 Show sponsored by Zone 1 Coordinating CommitteeNampa, ID14-Aug Coordinating CommitteePaint the Future POR sponsored by Texas PHCWaco, TX15-Mar UTTexas Wildflower Celebration POR sponsored by Gulf Coast PHC & Texas PHCWaco, TX24-May 24-May sponsored by Zone 4 Coordinating CommitteeSouthwestern Exposition & Livestock Show (Fort Worth Stock Show) co-sponsored by Texas PHCFort Worth, TX18-JanIPHA Spring Fling POR sponsored by Texas pencGifford, IL30-AugVacor Classic sponsored by Zone 5 Coordinating CommitteeCedar Rapids, 27-Apr IA27-Apr IAZone 5 Show sponsored by Michigan PHCEast Lansing, MI27-Oct MIPHA Fall Shootout & Futurity Show sponsored by Illinois PHAGifford, IL4-OctIPHA Fall Shootout & Futurity Show sponsored by Illinois PHAGifford, IL4-OctBayern Paint 2020 sponsored by Paint Horse Club GermanyThierhaupten, Germany8-JunIPHA Fall Shootout & Futurity Show sponsored by Paint HorseSoltsdale, AZ29-DecGerman Pint Horse Championships sponsored by Paint Horse Club GermanySalzhausen, Germany11-Jul GermanyStar Spangled Classic POR sponsored by Washington Paint Horse ClubMonroe, WA19-Jul	Zone 12 European Championships sponsored by Zone 12 Coordinating CommitteeKreuth, Germany25-Aug1481Worldwide Paint Horse Congress sponsored by Kansas PHATulsa, OK30-Jul1214UPHC POR sponsored by Utah Paint Horse ClubSouth Jordan, UT23-May1091Zone 1 Show sponsored by Zone 1 Coordinating CommitteeNampa, ID14-Aug889Paint the Future POR sponsored by Texas PHCWaco, TX12-Apr878Texas Wildflower Celebration POR sponsored by Guif Coast PHC & Texas PHCWaco, TX15-Mar868CormitteeWaco, TX24-May865Southwestern Exposition & Livestock Show (Fort Worth Stock Show) co-sponsored by Texas PHCFort Worth, TX18-Jan860Indiana/Illinois Paint Partners POR sponsored by Lindiana PHC & Bullinois PHAGifford, IL30-Aug790Zone 5 Show sponsored by Zone 5 Cedar Rapids, Arizona Copper Country POR sponsored by MilScottsdale, AZ1-Jan723Arizona Copper Country POR sponsored by Arizona PHCGifford, IL4-Oct722PHA Fall Shootout & Futurity Show sponsored by Illinois PHAGifford, IL4-Oct722Houston Livestock Show & RodeoHouston, TX6-Mar717Bayern Paint Horse Championships sponsored by Paint Horse Club GermanySalzhausen, Germany702Circo Classic Sponsored by Paint Horse Arizona PHCThierhaupten, Germany6-Mar717Bayern Paint Horse Championships sponsored by Paint Horse Club GermanySalzhausen, Germany	Zone 12 European Championships sponsored by Zone 12 Coordinating CommitteeKreuth, Germany25-Aug1431283Worldwide Paint Horse Congress sponsored by Kansas PHATulsa, OK30-Jul1214227UPHC POR sponsored by Utah Paint Horse ClubSouth Jordan, UT23-May1091201Zone 1 Show sponsored by Zone 1 Coordinating CommitteeNampa, ID14-Aug889165Paint the Future POR sponsored by Texas PHCWaco, TX12-Apr878190Texas Wildflower Celebration POR sponsored by Guif Coast PHC & Rexas PHCWaco, TX15-Mar868180Texas Wildflower Celebration POR sponsored by Guif Coast PHC & Rexas PHCWaco, TX24-May865188Southwestern Exposition & Livestock Show (Fort Worth Stock Showi co-sponsored by Texas PHCFort Worth, TX18-Jan860200IPHA Spring Fling POR sponsored by Texas PHCGifford, IL19-Apr856172IPHACoordinating CommitteeGifford, IL30-Aug790150Southwestern Exposition & Livestock Show (Fort Worth Stock Show) co-sponsored by Texas PHC27-Apr771161IPIA Spring Fling POR sponsored by Arizona Copper Country POR sponsored by Arizona PHCScottsdale, AZ1-Jan723156IPIA Fall Shootout & Futurity Show sponsored by Paint Horse Club GermanyGifford, IL4-Oct722151Arizona Copper Country POR sponsored by Arizona PHCScottsdale, AZ29-Dec634154German Paint H	Zone 12 European Championships sponsored by Zone 12 Coordinating CommitteeKreuth, Germany25-Aug14812831Worldwide Paint Horse Congress sponsored by Kansas PHATulsa, OK30-Jul12142272UPHC POR sponsored by Utah Paint Horse ClubSouth Jordan, UT23-May10912013Zone 15 how sponsored by Zone 1 Coordinating CommitteeNampa, ID14-Aug8891659Paint the Future POR sponsored by Texas PHCWaco, TX12-Apr8781906Texas Wildflower Celebration POR sponsored by Gulf Coast PHC & Texas PHCWaco, TX15-Mar86818810Texas Wildflower Celebration POR sponsored by CommitteeWaco, TX15-Mar86618810Southwestern Exposition & Livestock Show (Cont Worth Stock Show) co-sponsored by Texas PHCFort Worth Stock Show co-sponsored by Texas PHC19-Apr8561727Indiana/Illinois Paint Partners POR sponsored Dy Indiana PHC & Illinois PHAGifford, IL30-Aug7901508Coordinating CommitteeScottsdale, AZ27-Apr77116113Fall Color Classic sponsored by Michigan PHC Lone Show sponsored by Michigan PHCScottsdale, AZ1-Jan70211111Fall Color Classic Show & RodeoHouston, TX6-Mar71715216Bayern Paint Horse Championships sponsored by Paint HorseScottsdale, AZ29-Dec69415411Arizona PHCChamaryScottsdal	ShowLocationDateEntriesHorsesRank <i>e</i> of JudgesZone 12 European Championships sponsored by Zone 12 Coordinating CommitteeKrouth, argenmany25-4428315 Zone totalWorldwidge Paint Horse Congress sponsored by Kanses PHATulsa, OK30-Jul121422724 POR with adjoining 4 POR afterUPHC POR sponsored by Utab Paint Horse ClubSouth Jordan, UT23-May109120136 Zone with adjoining 4 POR afterZone 15 Show sponsored by Zone 1 Coordinating CommitteeNampa, ID14-Aug88916596 Zone with adjoining 4 POR afterPaint the Future POR sponsored by Texas PHCWaco, TX15-Mar86818044 POR totalTexas Wildflower Calebration POR sponsored by Gulf Coast PLC 8 Taxas PHCWaco, TX15-Mar865188106 Zone totalTexas Menoid Day Classi Zone 4 sponsored by Zone 4 Coordinating CommitteeGifford, IL19-Apr85617274 POR totalTexas Menoid Day Classi Zone 4 sponsored by Zone 5 how sponsored by Zine 5FortWorth, TX18-Jan86020054 POR totalTexas Menoid Day Classi Zone 4 sponsored by Zine 5Gifford, IL19-Apr85617274 POR totalTexas Menoid Day Classi Zone 4 sponsored by Zine 5Gifford, IL19-Apr85617274 POR with adjoining 4 POR beforTexas Menoid Day Classi Zone 5 sponsored by Zine 5Gifford, IL19-Apr

Incentive Programs

BREEDERS' TRUST

Top 10 stallions by foal earnings

Stallion	Total Number Of Foals	Total Earnings	Average Earnings Per foal	Total Points	Average Points Per Foal
Zippos Sensation	97	\$33,779.89	\$348.25	4584	47
All Time Fancy	115	\$23,153.38	\$201.33	3241	28
CR Good Machine	42	\$16,337.30	\$388.98	2217	53
Special Invitation	50	\$13,168.48	\$263.37	1787	36
The Original Cowboy	27	\$11,134.72	\$412.40	1511	56
Hes So That	14	\$10,832.65	\$773.76	1470	105
A Scenic Impulse	29	\$9,609.30	\$331.36	1304	45
Alotta Charisma	5	\$9,100.94	\$1,820.19	1235	247
Hes Stylin	15	\$8,607.15	\$573.81	1168	78
Fleet Machine	19	\$8,024.96	\$422.37	1089	57

Top 10 earnings by foal

Nominated Foal/Sire	Earnings	Points Total Open/Amateur	Distribution	Owner/Nominator/Subscriber
		•		
Shes Alotta Splash/	\$5,799.56	787	\$4,059.69	Robert or Patricia Ross
Alotta Charisma		124	\$579.95	Gregg Reisinger
		663	\$1,159.91	Gregg Reisinger
Scottish Lassie/	\$5,025.79	682	\$3,518.05	Leonard Farm
Scottish Reel		153	\$502.57	Debra & Giles Instone
		478	\$1,005.15	Designer Horse
Im GoodToThe Max/	\$4,657.33	632	\$3,260.13	Jennifer Ross
Good To The Max		153	\$465.73	William F Mauermann
		478	\$931.46	Richard Gilbert
Coin Machine/	\$4,392.04	596	\$3,074.42	Therese C Weiser
Fleet Machine		6	\$439.20	Janis Kengis MD
		590	\$878.40	Janis Kengis MD
Bar Rescue/	\$4,392.04	584	\$3,012.52	Fred or Vanessa Cole
RH Stars And Bars		311	\$430.36	Fred or Vanessa Cole
		273	\$860.72	Fred or Vanessa Cole
Last Of A Good Thing/	\$3,773.03	512	\$754.60	Karly Furnas
CR Good Machine		189	\$377.30	Jill K Stenroos
		323	\$754.60	Yarnelle Farms
No Doubt Im Invited/	\$3,522.47	478	\$2,465.72	Pamela Switzer
No Doubt Im Lazy		111	\$352.24	Pamela Switzer
		367	\$704.49	Linda Berris
All Star Sensation/	\$3,441.41	467	\$2,408.98	Wendy C Hull
Zippos Sensation		232	\$344.14	Simons Show Horses LLC
		234	\$688.28	Andrea Simons
Just Enuff Shine/	\$3,271.92	444	\$2,290.34	Kristin M Boggs
Make Me Shine		89	\$327.19	Shannon &/orTim Andersor
		354	\$654.38	Millie or Ron Corder
Thats So That/	\$3,264.55	443	\$2,285.18	Ethan Self
Hes So That		187	\$326.45	Susan & Phillip Drawdy
		256	\$652.91	Susan & Phillip Drawdy

Top 10 gross earnings

APHA	Breeders'	Futurity
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Payee	Earnings
Simons Show Horses LLC	\$7,406.90
Yarnelle Farms	\$7,327.99
Robert or Patricia Ross	\$6,716.27
Leonard Farms	\$6,148.81
Fred or Vanessa Cole	\$4,979.26
Susan and Phillip Drawdy	\$4,877.54
Peggy Knaus	\$3,793.94
Andrea Simons	\$3,335.09
Gregg Reisinger	\$3,290.17
Jennifer Ross	\$3,260.13

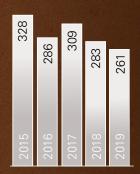
Platinum Division:

54 paid entries competed for \$165,954.76 in purse money
Gold Division : 134 paid entries competed for \$113,692.30 in purse money
Platinum Leading Sire of Money Earning Foals: Im The Secret owned by Kooiker Show Horses
Gold Leading Sire of Money Earning Foals: Hes Stylin, owned by the Hes Stylin Syndicate LLC
Total for all divisions: 188 entries competed for \$279,647.06 in purse money

Breeders' Trust Annual Payouts



Stallions Subscribed to Breeders' Trust



9

RAM Paint Barrel Racing Incentive Program

	2016	2017	2018	2019
PBRIP Events	124	144	110	94
PBRIP Enrollments	567	554	503	485
PBRIP Money Paid Out	\$62,000	\$54,000	\$49,495	\$47,110

PBRIP Participating States

Illinois Iowa Mississippi Missouri Nebraska Oklahoma Pennsylvania Texas

Paint Racing

Kanas

Louisiana







Lifetime Leading Sires by Money Earned

	Horse Name	Money Earned		Horse Name	Money Earned
1.	Royal Quick Flash	\$7,061,511	6.	Awesome Chrome	\$1,977,977
2.	Judys Lineage	\$5,679,729	7.	Easy Jet Too	\$1,591,503
3.	Country Quick Dash	\$3,999,149	8.	Dos Poruno	\$1,508,408
4.	Texas Hero	\$3,375,442	9.	Treasured Too	\$1,399,379
5.	CRM Livewire	\$2,134,184	10.	PYC PaintYour Wagon AQHA	\$1,233,478

2019 Top 10 Races by Purse Money

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Race	Grade	Track	City, State	Purse
1. Speedhorse Graham Paint & Appaloosa Futurity	G1	Remington Park	Oklahoma City, OK	\$ 259,400
2. Oklahoma Paint Futurity	G1	Remington Park	Oklahoma City, OK	\$157,578
3. American Paint Classic Futurity	RG1	Remington Park	Oklahoma City, OK	\$129,500
4. Speedhorse Futurity	G1	Fair Meadows	Tulsa, OK	\$102,800
5. Pot O' Gold Futurity	RG1	Will Rogers Downs	Claremore, OK	\$70,800
6.Speedhorse Graham Paint & Appaloosa Derby	G1	Remington Park	Oklahoma City, OK	\$61,100
7.Speedhorse Championship		Will Rogers Downs	Claremore, OK	\$48,900
8. PSBA Derby	RG1	Remington Park	Oklahoma City, OK	\$48,200
9. Lone Star Futurity		Lone Star Park	Grand Prairie, TX	\$39,450
10. National Cowboy & Western Heritage Stakes	G1	Remington Park	Oklahoma City, OK	\$30,000
11. Mr Lewie Memorial Handicap	G1	Remington Park	Oklahoma City, OK	\$30,000

Publications & Social Media



Chrome

First Place, 2019 American Horse Publications Equine Media Awards

- Feature Single Article—"A Matter of Black and White," Spring 2018 *Chrome*
- Publication Cover Page—Winter 2018 *Chrome*
- Total of 5 awards overall in this contest Livestock Publications Council Media Awards
 - Honorable Mention, Association
 Publication

Named Official Publication of Mule Alley at the Fort Worth Stockyards

Total Circulation: 30,582

Social Media





40,544 followers on Instagram

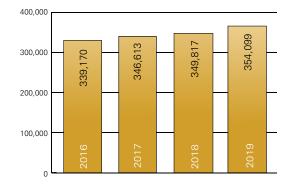


22,500 followers on Twitter

You Tube

2,620 YouTube subscribers

Total Social Media Contacts





Paint Horse Journal

First Place, 2019 American Horse Publications Equine Media Awards

- Instructional Single Article—"Rock the Rollback," November 2018 Paint Horse Journal
- Total of 6 awards overall in this contest

Total Circulation: 5,134



Independent Auditor's Report

To the Board of Directors American Paint Horse Association Fort Worth, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of American Paint Horse Association (a non-profit Texas corporation), which comprise the statements of assets, liabilities, and net assets-modified cash basis as of December 31, 2019 and 2018, and the related statements of revenues, expenses, and changes in net assetsmodified cash basis, functional expenses-modified cash basis, and statements of cash flows-modified cash basis for the years then ended, and the related notes to the financial statements. Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements

in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the American Paint Horse Association as of December 31, 2019 and 2018, and its revenue, expenses and changes in net assets for the years then ended, on the modified cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. As described in Note 1, the Association prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Our opinion is not modified with respect to this matter.

CR Pour & associate

C. R. Parr & Associates, P.C. Hurst, Texas

June 26, 2020

AMERICAN PAINT HORSE ASSOCIATION

Statements of Assets, Liabilities, and Net Assets-Modified Cash Basis December 31, 2019 and 2018

2019 2018 ASSETS CURRENT ASSETS Cash 601,678 S \$ 423,687 Cash, with restrictions 283,252 904,355 884,930 1,328,042 Cash and cash equivalents Investments, at fair value 14,893,364 14,389,353 Accounts receivable (less allowance for doubtful accounts of \$900 and \$1,100 respectively) 593,465 477,408 Accrued interest receivable, restricted 4,378 3,343 Inventory 18,056 53,134 Prepaid expenses 73,677 72,872 TOTAL CURRENT ASSETS 16,324,152 16,467,870 FIXED ASSETS Furniture and equipment 1,730,600 1,147,812 Collectibles 108,980 108,980 1,839,580 1,256,792 Less: accumulated depreciation (973,098)(803,232) TOTAL FIXED ASSETS 866,482 453,560 **OTHER ASSETS** Due from related party, APHF 1,001,956 Investments, fair value, with restrictions certificates of deposit 900,000 400,000 TOTAL OTHER ASSETS 1,901,956 400,000 TOTAL ASSETS \$ 19,236,308 \$ 17,177,712

AMERICAN PAINT HORSE ASSOCIATION

Statements of Assets, Liabilities, and Net Assets-Modified Cash Basis December 31, 2019 and 2018

	2019	2018
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable - trade Accrued expenses Current deferred revenues	\$ 756,375 648,853 461,374	\$ 531,26 759,63 527,92
TOTAL CURRENT LIABILITIES	1,866,602	1,818,82
OTHER LIABILITES		
Deferred revenues-net of current deferred revenues	29,281	87,84
TOTAL OTHER LIABILITIES	29,281	87,84
TOTAL LIABILITIES	1,895,883	1,906,66
NET ASSETS		
With restrictions	741,451	804,89
Without restrictions or board designated restrictions	16,598,974	14,466,15
TOTAL NET ASSETS	17,340,425	15,271,04
TOTAL LIABILITIES AND NET ASSETS	\$ 19,236,308	<u>\$ 17,177,71</u>

AMERICAN PAINT HORSE ASSOCIATION

Statements of Revenues, Expenses, and Changes in Net Assets-Modified Cash Basis December 31, 2019 and 2018

		2019			2018	
	Without	With	Total	Without	With	Total
	Restrictions	Restrictions	2019	Restrictions	Restrictions	2018
REVENUES & SUPPORT						
Membership Services	\$ 1,568,743	s -	\$ 1,568,743	\$ 1,626,494	\$ -	\$ 1,626,494
Registration & Field Services	1,856,988	-	1,856,988	1,836,461	-	1,836,461
Performance income	557,877	-	557,877	328,776	-	328,776
Shows	2,199,174	-	2,199,174	2,307,210	-	2,307,210
Publications	575,027	÷	575,027	692,643	-	692,643
Sponsorship & Development	407,541	-	407,541	382,976	-	382,976
Other program income	341,300	-	341,300	457,958	-	457,958
Breeders' Trust Program Support		353,350	353,350		448,669	448,669
FOTAL REVENUES & SUPPORT	7,506,650	353,350	7,860,000	7,632,518	448,669	8,081,187
PROGRAM SERVICES EXPENSES						
Membership Services	495,484	-	495,484	452,046	-	452,046
Registration & Field Services	624,537	-	624,537	677,343	-	677,343
Performance	717,061	-	717,061	520,808	121	520,808
Shows	2,030,377	-	2,030,377	2,255,772	-	2,255,772
Publications	673,698	-	673,698	768,356	-	768,356
Sponsorship & Development	310,440	-	310,440	190,800	-	190,800
Other programs	511,690	÷	511,690	577,836	-	577,836
S UPPORTING SERVICES						
General and administrative expenses	2,256,189	-	2,256,189	2,782,200		2,782,200
TOTAL EXPENSES	7,619,476		7,619,476	8,225,161	-	8,225,161
PROGRAM CHANGES IN NET ASSETS	(112,826)	353,350	240,524	(592,643)	448,669	(143,974)
OTHER INCOME & EXPENS ES						
M arketing initiative	(191,850)	-	(191,850)	(201,500)	-	(201,500)
Investment Return	2,437,492	39,389	2,476,881	(657,885)	14,322	(643,563)
Net assets released from restrictions	2000 N	(456,179)	(456,179)	-	(550,291)	(550,291)
Gain on Sale of Asset				1,465,596		1,465,596
TOTAL OTHER INCOME (EXPENSES)	2,245,642	(416,790)	1,828,852	606,211	(535,969)	70,242
CHANGES IN NET ASSETS	2,132,816	(63,440)	2,069,376	13,568	(87,300)	(73,732)
NET ASSETS, Beginning of Year	\$14,466,158	\$ 804,891	\$15,271,049	\$ 14,452,590	\$ 892,191	\$15,344,781
NET ASSETS, End of Year	\$16,598,974	\$ 741,451	\$17,340,425	\$ 14,466,158	\$ 804,891	\$ 15,271,049

	Memb	er Services	Regis	trations	Perf	formance	 Shows
Advertising	\$	а.	\$	-	\$	1,763	\$ 1,289
Admin allowance fee		-		(1 =)			-
APHA booth		-		-			14 <u>4</u> 3.
Awards		4		·		65,094	716,440
Bad debts				3 4 3		1÷	
Bank fees		-		16,071		14	4
Cattle fees		-		-		-	28,761
Communications		6,714		8,496		9,122	9,45
Continuing education		-		-			-
Contract labor		-		6,562		8,126	430,648
Cost of goods sold				-			-
Data processing		<u>+</u>		-		-	6,633
Depreciation				2,700		32,500	2,67
DNA testing		-		201,355		-	
Donations		2		-		-	2
Drug testing		- 10 		1.20		62	20,324
Dues, fees and subscriptions		15		2,168		15,775	15
Employee recognition		- 1950 		2,100		-	-
Equipment lease/supplies		-		-			21,26
Events catering conference		э.		5		1,803	65,41
Focus group		-				-	16,00
Hall of fame		с. 					
Imaging		-		17,300		-	-
Insurance						1,400	15,51
Investigations/inspections		2		-		-,	
Member outreach		206,594					-
Newsletter		7,726		144			
Office expenses		-		20		25	54
Online services		2		1,011		-	-
Payroll		199,875		322,640		210,344	156,43
Postage		34,575		29,523		8,014	3,81
Printing		39,985		5,707		180	4,43
Professional fees		-		-		-	21,82
Recruiting		-		-		-	
Rent		307 s.		1996 19 4 7		-	334,30
Repairs and maintenance		2		4			
Research				8,800		-	7039 5 - 0
Security & janitorial				0,000			-
Sponsored Events		20		_		325,282	
Sponsorships		2				29,079	1
Sponsor fulfillment						29,079	- 5,94
Taxes		80. 60		0 0 0		-	5,54
Travel		-		2 000		9 554	169 51
Utilities		45 II		2,099		8,554	168,51
		2		-			5
Allocation (from)/to		10		173			 100

Publications	Sponsorships	Other Programs	G&A Support	Total
\$ 1,637	\$-	\$ 1,506	\$ 26,809	\$ 33,004
-	-	-		-
20 <u>-</u> 20	-	(1)	472	472
-	÷	135,568	3,210	920,312
530			2,154	2,684
-	14	886	135,442	152,399
		-	-	28,761
2,330	1,742	8,882	22,692	69,431
1,127	-	-	535	1,662
55,415		5,222	218,716	724,689
-		42,813	-	42,813
13,765	2	-	80,885	101,282
	.	-	131,993	169,865
37 <u>-</u> 27	<u>-</u>	(<u>+</u>)	-	201,355
-	÷	- <u></u>	13,866	13,866
-11- <u>-</u> -1	<u>4</u>	(<u>+</u>)	<u>-</u>	20,324
2,997	9,607	20	26,569	57,301
-	-	-	2,622	2,702
548	<u>-</u>	4,540	46,797	73,152
513	5	35,196	2,792	105,728
-	-	-	-	16,000
-	-	16,112		16,112
-	-	-	<u>+</u>	17,300
-	-	2,800	55,565	75,277
-	<u>+</u>	-	-	-1
-	L.	-	-	206,594
3 <u>2</u> 1	<u>a</u>	(<u>1</u>)	-	7,726
-	-	56	2,521	3,169
-		-	-	1,011
266,661	238,457	201,350	945,276	2,541,037
97,905	68	11,914	10,921	196,731
150,996	42	8,835	11,436	221,611
-		-	205,646	227,469
-		-	194	194
-	-	1,020	184,658	519,981
-	2	-	9,550	9,550
-	-	-	-	8,800
19 <u>1</u> 1	<u>-</u>	-	<u>1</u> 2	2005 - 20
-		-	<u>-</u>	325,282
	-	25,350	30,311	84,740
-	52,448	-	-	58,397
-		-	2,992	2,992
4,640	8,071	9,620	152,623	354,125
-	-	-	3,576	3,576
74,634			(74,634)	-

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	Member Services		Registrations		Performance			Shows	
Advertising	\$	1,093	\$	72	\$	3,117	\$	3,977	
Admin allowance fee		-							
APHA booth		-		-		-		-	
Awards		æ		÷		78,584		823,055	
Bad debts		<u>()</u>						<u>.</u>	
Bank fees		22		4,935		22		22	
Cattle fees		-		-		-		69,392	
Communications		3,540		4,733		6,972		15,244	
Continuing education						348			
Contract labor		-		34,329		-		455,301	
Cost of goods sold		-		1		-			
Data processing		-		<u>-</u>		-		847	
Depreciation		<u> -</u>		2,025		65,000		3,308	
DNA testing		-		217,895					
Donations		- <u>-</u>		-		- <u>-</u>			
Drug testing		-		-		-		18,616	
Dues, fees and subscriptions		35		1,910		20,936		49	
Employee recognition		-		65		50		<u>.</u>	
Events catering conference		-		-		-		61,252	
Hall of fame		-		-		-		-	
Imaging		-		25,007		-		1	
Insurance		-		1		1,400		2,555	
Investigations/inspections		-		365		-		-	
Member outreach		201,753				-		<u>-</u>	
Newsletter		7,057		<u>1</u>		1		-01 20	
Office expenses				67		143		412	
Online services				2,000		<u>(1)</u>			
Payroll		179,343		339,935		306,589		189,507	
Postage		30,848		28,477		7,115		1,926	
Printing		28,377		2,416		158		4,819	
Professional fees		100 100		500 200		-		40,123	
Recruiting		÷		÷		÷		-	
Rent		-		12		127		362,985	
Repairs and maintenance		-		-		-		-	
Research		-		8,800		-		<u>=</u>	
Security & janitorial		-		-		-		-	
Sponsorships				-		17,266		29,506	
Sponsor fulfillment		-		-		-		1	
Taxes		-		-		-		-	
Travel		<u>10</u>		4,299		13,005		172,898	
Utilities		-		-		-			
Allocation (from)/to		-	8 <u></u>	-	14 <u></u>	-	17	-	
Total	\$	452,046	\$	677,343	\$	520,808	\$	2,255,772	

Publications	Sponsorships	Other Programs	G&A Support	Total
\$ 3,732	\$-	\$ 5,563	\$ 5,103	\$ 22,656
-	÷ -	31,137	-	31,137
	13 <u>4</u> 9	-	1,071	1,071
-	-	161,324	52	1,063,015
(600)	_	(92)	2,100	1,408
-	120	1,527	147,357	153,820
-	-	-		69,392
1,205	1,432	12,316	41,754	87,197
-			2,390	2,738
52,735	-	7,292	232,716	782,374
-	-	83,201	-	83,201
12,969	-	-	78,666	92,483
1,379	-	-	240,590	312,301
-	-	-		217,895
-	<u>+</u>	-	13,633	13,633
-	2 2 5	721	28. 21 <u>9</u> 7	18,616
3,665	1,681	6	23,262	51,544
27	-	-	1,407	1,549
249	2.5 <u>4</u> 55	77,508	3,782	142,791
0 -		19,774	-	19,774
-	-	-	-	25,007
3 <u>1</u> 0	120	3,397	66,248	73,600
-	-	-	-	365
-	-	-	-	201,753
(e)				7,057
(2,750)	-	16	4,535	2,423
-	-	-	-	2,000
289,727	134,377	119,838	1,125,783	2,685,100
112,693	91	9,648	11,584	202,382
205,980	16	4,267	36,592	282,625
-	. 	-	240,882	281,005
-	7 - 1	7 2 1	328	328
3,111	375	12,289	77,138	456,038
598	-	-	59,490	60,088
-	(-	(-	1 <u>-</u> 1	8,800
0 .	-	-	4,846	4,846
-		28,291	20,750	95,813
3 <u>8</u> 1	41,809	1329	1.2	41,809
-	-		116,516	116,516
6,753	11,019	535	186,476	394,984
	-	-	114,029	114,029
76,882			(76,882)	
\$ 768,356	<u>\$ 190,800</u>	\$ 577,836	\$ 2,782,200	\$ 8,225,161

AMERICAN PAINT HORSE ASSOCIATION

Notes to Financial Statements For the Years Ended December 31, 2019 and 2018

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

The American Paint Horse Association, Inc. (The Association) is a not-for-profit membership organization incorporated under the laws of Texas and exempt from income tax under Section 501(c)(5) of the U.S. Internal Revenue Code. We formed in 1962 to collect, record, and preserve the pedigree of the American Paint Horses. In addition, we are responsible for promoting and disseminating knowledge and information related to the American Paint Horse breed.

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under that basis, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligations are incurred. Primarily we do not recognize deferred revenue from membership dues and subscription fees and the related effects on the change in net assets. When we changed to the modified cash basis of accounting, there were balances in various deferred revenue accounts, we elected to amortize these amounts over a period of time that expires in 2021, as shown in Note 6. All other revenue is recognized in the period in which the services are provided.

Basis of Presentation and Revenue Recognition

We have adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profits.* The ASU addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources and the lack of consistency in the type of information provided about expenses and investment return. Financial position and activities are no longer divided according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets. These have been replaced with two classes of net assets-net assets with restrictions and net assets without restrictions. Revenue from membership and subscription revenue is recorded on the cash basis. Revenue received for future events and shows are recognized when the service is provided.

FASB has issued Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*, as amended, supersedes or replaces nearly all generally accepted accounting principles (GAAP) revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. Due to the COVID-19 pandemic, FASB has delayed implementation of ASC 606 for annual periods beginning after December 15, 2019. We anticipate no effect on net assets with the implementation of ASC 606 in the year 2020.

Accounts Receivables and Allowance for Doubtful Accounts

Accounts receivable are included in the accompanying statements of financial position at original invoice net of the allowance for doubtful accounts. We determine our allowance for doubtful accounts on historical collections and specific uncollectible accounts. We have had minimal losses in prior years. The accounts receivable balance is comprised of amounts owed to us for magazine advertising and other miscellaneous receivables. The allowance for doubtful accounts in 2019 and 2018 was \$ 900 and \$ 1,100, respectively.

AMERICAN PAINT HORSE ASSOCIATION

Statements of Cash Flows-Modified Cash Basis

December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 2,069,376	\$ (73,732)
Adjustments to reconcile the change in net		
assets to net cash provided by (used by) operating activities		
Depreciation	167,192	307,119
Unrealized (gain) loss on investments	(1,129,800)	1,368,427
(Gain) loss on sale of assets	-	(1,465,596)
Investment (income)/loss	(1,307,692)	(710,542)
Investment (income), restricted Breeders' Trust Programs	(39,389)	(14,322)
Receivables (increase) decrease	(1,119,048)	27,213
Inventory (increase) decrease	35,078	31,010
Prepaid expenses (increase) decrease	(805)	(26,347)
Accounts payable increase (decrease)	225,112	(106,799)
Accrued expenses increase (decrease)	(110,781)	(87,785)
Deferred revenues increase (decrease)	(125,111)	(73,014)
NET CASH (USED) BY OPERATING ACTIVITY	(1,335,868)	(824,368)
CASH FLOWS FROM INVESTING ACTIVITY		
Proceeds from sale of assets	-	4,804,000
Proceeds from unrestricted investment	2,004,324	1,212,042
Proceeds from restricted investments	39,389	87,300
Purchases of unrestricted investments	(66,696)	(4,961,399)
Purchases of restricted investments	(501,473)	-
Purchase of property and equipment	(582,788)	(30,077)
NET CASH PROVIDED (USED)		
BY INVESTING ACTIVITIES	892,756	1,111,866
NET INCREASE (DECREASE) IN CASH	(443,112)	287,498
CASH, Beginning of year	1,328,042	1,040,544
CASH, End of year	<u>\$ 884,930</u>	<u>\$ 1,328,042</u>

AMERICAN PAINT HORSE ASSOCIATION

Notes to Financial Statements For the Years Ended December 31, 2019 and 2018

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-cont.

Cash and Cash Equivalents

We consider all cash and highly liquid financial instruments to be cash and cash equivalents. Cash, with restrictions, is cash deposited specifically for the Breeders' Trust Program. The following table provides a reconciliation of cash and cash equivalents within the statement of assets, liabilities and net assets to the sum of the corresponding amounts within the statements of cash flows:

	14-	2019	2018		
Cash and Cash Equivalents, without restrictions	\$	601,678	\$	423,687	
Cash and Cash Equivalents, with restrictions		283,252		904,355	
Total Cash and Cash Equivalents	\$	884,930	\$	1,328,042	

Fair Value of Financial Instruments

The carrying value of our financial instruments, not otherwise disclosed herein, is comparable to their fair value due to the short-term nature of these financial instruments. Investments are recorded at fair value on the statements of assets, liabilities and net assets and the dividends, interest, unrealized and realized gains and losses on the investments are recorded on the statements of revenue, expenses and changes in net assets as increases or decreases in net assets.

Functional Expenses

The costs of providing our various programs have been summarized on a functional basis in the statement of functional expenses. Directly identifiable expenses are charged to program services. Certain expenses have been allocated among the programs and supporting services based on periodic time and expense studies. General and administrative expenses include those expenses that are not identifiable with any specific function, but provide for the overall support and direction of the Association.

Investments

We record investments purchased at cost. All recorded investments were purchased. Thereafter, investments are carried at their readily determinable fair values in the statement of financial position. We have investments in marketable securities (equity and fixed income mutual funds) and structured investments-alternative assets with embedded derivatives, which are financial instruments whose performance is linked to that of an underlying asset or assets. The alternative assets are bonds with various embedded market indices used to hedge against interest rate fluctuations. Our investment policy allows for the use of derivatives for this purpose. We record unrealized gains and losses of all investments in the change in net assets in the accompanying statement of activities.

FASB ASU No. 2016-14 requires that investment expenses related to return investing be netted against investment return on the statement of activities and eliminated the requirement to disclose investment expenses so netted. In addition, the ASU eliminates the requirement to disclose investment income separately from net appreciation or depreciation; disclose the composition of investment return (realized and unrealized gains and losses of all investments) if investment return is reported in the statement of activities and separated into operating and nonoperating amounts. We consider our investment return to be nonoperating.

AMERICAN PAINT HORSE ASSOCIATION Notes to Financial Statements For the Years Ended December 31, 2019 and 2018

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-cont.

Fair Value Measurements

We assess the inputs used to measure fair value using a three-tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market. Level 1 inputs are quoted market prices for identical instruments in an active market that the entity has the ability to access and are the most observable. Level 2 inputs include quoted market prices for similar assets and observable inputs such as interest rates, currency exchange rates, commodity rates, and yield curves. Level 3 inputs are not observable in the market and include management's judgments about the assumptions market participants would use in pricing the asset or liability.

Inventory

Inventory is carried at the lower of cost or market determined by first-in, first-out method. Any merchandise write-downs to market of any items determined to be slow moving or obsolete would be reflected on the statement of revenues, expenses and changes in net assets.

Property, Equipment, and Collection

We budget annually for all acquisitions of property and equipment and all expenditures in excess of \$ 500 for repairs, maintenance, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are recorded at cost and depreciated using the straight-line method over their established estimated useful lives, which range from 3-15 years.

We maintain a collection of various prints, original artwork paintings and bronze sculptures purchased and carried at their cost or received as gifts without restrictions and carried at their estimated fair value. These works of art are on display in our offices and were not purchased or received for the purpose of re-sale. These items are not depreciated.

The following schedule represents our property, equipment and collection as of December 31:

	2019	2018
Furniture and equipment Art collection	\$ 1,730,600 108,980	\$ 1,147,812 108,980
	1,839,580	1,256,792
Less accumulated depreciation	973,098	803,234
Property and equipment, net	<u>\$ 866,482</u>	<u>\$ 453,558</u>
Depreciation expense for the respective year	<u>\$ 167,192</u>	\$ 307,119

Income Taxes

We are organized as a Texas nonprofit corporation and have been recognized by the Internal Revenue Service as an organization exempt from federal income taxes under IRC Section 501(c)(5), agricultural membership organization. We are annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, we are subject to income tax on net income in excess of \$1,000 derived from business activities that are unrelated to our exempt purpose. Advertising income is unrelated business income per the internal revenue code, and we are required to annually file an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS. We earned no taxable income from unrelated business activities for the years ended December 31, 2019 and 2018.

AMERICAN PAINT HORSE ASSOCIATION

Notes to Financial Statements For the Years Ended December 31, 2019 and 2018

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-cont.

We are required to account for tax uncertainties based on a more likely than not recognition threshold whereby tax benefits are only recognized when we believe that they have a greater than 50% likelihood of being sustained upon examination by taxing authorities. We have evaluated all our tax positions and determined we had no uncertain tax positions as of December 31, 2019 and 2018.

Advertising

We use advertising to promote our programs among the audiences we serve. The production costs of advertising are expensed as incurred. During the years ended December 31, 2019 and 2018 advertising expense totaled approximately \$ 30,078 and \$ 15,309, respectively.

Financial Instruments and Deposits Risk

We manage deposit concentration risk by placing cash and money market accounts with various financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed federally insured limits. The maximum loss that would have resulted for that risk totaled \$ 446,632 at December 31, 2019, and \$ 229,892 at December 31, 2018, for the excess of the deposit liabilities reported by the banks over the amounts that would have been covered by federal insurance. We have placed our cash and cash equivalents with high credit quality financial institutions. To date, we have not experienced, nor do we anticipate, losses in any of these accounts. Our investments are made by diversified investment managers whose performance is monitored by the Executive Committee. Although the fair values of investments are subject to fluctuation on a year-to-year basis, we believe the established investment policies and guidelines are prudent for the long-term welfare of our Association.

Compensated Absences

Our employees are entitled to paid leave, based on the years of service. Our policy is to recognize the estimated cost of compensated absences when earned by the employee. This estimated amount is recorded as an accrued expense.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, and the reported amounts of revenues and expenses and disclosures during the reporting period. Actual results could differ from those estimates.

Other Income & Expenses-Marketing Initiative

These items are non-operating expenses and include a marketing initiative expense, which is an effort to stimulate show attendance by adding prize money.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to our program services, administration, and membership development activities; however, the financial statements do not reflect the values of these contributed services because they do not meet recognition criteria prescribed by the modified cash basis of accounting.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

AMERICAN PAINT HORSE ASSOCIATION Notes to Financial Statements For the Years Ended December 31, 2019 and 2018

2. NET ASSETS

We report all net assets, revenues, gains and losses from operations as increases in net assets without restrictions except those designated and restricted by the Breeders' Trust and Breeders' Futurity programs (Breeders' Trust). Net assets, revenues, gains, and losses from the Breeders' Trust are classified with restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Restrictions-Net assets available for use in general operations and not subject to restrictions or designations.

Net Assets, With Restrictions-Net assets subject to imposed designations or restrictions. Imposed designations or restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the restriction. We have no restricted stipulations requiring resources be maintained in perpetuity. Imposed designations or restrictions are released when it expires, that is, when the stipulated purpose for which the resource was restricted has been fulfilled.

Our Breeders' Trust programs provide added incentives for Paint Horse owners who exhibit their horses. They pay cash awards for points earned at Association approved events by nominated horses. The Breeders' Trust are accounted for as restricted programs and as such are reported in our financial statements as net assets-with restrictions.

Changes to Net Assets December 31, 2019	Beginning Balances	Operating Net Revenues	Additions	Adjustments and Releases	Ending Balances
Without restrictions or designation	\$ 14,466,158	\$ 2,132,816	\$ -	\$ -	\$ 16,598,974
With restrictions Breeders' Trust	804,891	<u> </u>	392,739	(456,179)	741,451
Total Net Assets	<u>\$ 15,271,049</u>	<u>\$ 2,132,816</u>	\$ 392,739	<u>\$ (456,179)</u>	<u>\$ 17,340,425</u>
Changes to Net Assets	Beginning	Operating		Adjustments	Ending
December 31, 2018	Balances	Net Revenues	Additions	and Releases	Balances
Without restrictions or designation	\$ 14,452,590	\$ 13,568	\$ -	\$ -	\$ 14,466,158
With restrictions					
Breeders' Trust	892,191	<u> </u>	462,991	(550,291)	804,891
Total Net Assets	\$ 15,344,781	\$ 13,568	\$ 462,991	<u>\$ (550,291)</u>	\$ 15,271,049

The balance of our net assets for the years ending December 31, 2019 and 2018 are as follows:

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

Our revenues are not restricted or designated, except those listed below, and are available for ongoing operations to meet cash needs for general expenditures. We manage our liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that all obligations will be discharged.

We have financial assets available for general expenditure without restriction limiting their use, within one year of the date of the statement of assets, liabilities and net assets, comprised of the following: None of the financial assets are subject to any limitation or contractual restriction that make them unavailable for general expenditures. The receivables are subject to implied time restrictions, but are expected to be fully collected within one year.

AMERICAN PAINT HORSE ASSOCIATION

Notes to Financial Statements For the Years Ended December 31, 2019 and 2018

3. LIQUIDITY AND AVAILABILITY OF RESOURCES-cont.

The following represent our assets at December 31, 2019 and 2018:

Available Financial Assets	2019	2018		
Cash and cash equivalents	\$ 884,930	\$	1,328,042	
Investments, market value-held for sale	14,893,364		14,389,353	
Less: cash with restrictions	(283,252)		(904,355)	
Accounts receivable	 593,763		477,408	
Financial assets available to meet general				
expenditures over the next twelve months	\$ 16,088,805	\$	15,290,448	

4. FAIR VALUE MEASUREMENTS and INVESTMENTS

We report certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumption that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or market date obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumption about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can assess at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and market corroborated inputs.

Level 3 - Unobservable inputs for the asset or liabilities. In these situations, we would develop inputs using the best information available in the circumstances.

A significant portion of our investment assets are classified within Level 1 because they comprise open-end mutual funds with publicly traded equities with readily determinable fair values based on daily redemption values. We obtain fair value for investments from our investment managers. We invest in certificates of deposit not traded in the financial markets, and held to maturity.

We invest in corporate bonds traded in the financial markets. Those bond obligations are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions, and are classified within Level 2. We obtain fair value for investments from our investment managers

Our investments in real estate investment trusts and alternative asset hedge funds are classified within level 3.

AMERICAN PAINT HORSE ASSOCIATION

Notes to Financial Statements

For the Years Ended December 31, 2019 and 2018

4. FAIR VALUE MEASUREMENTS and INVESTMENTS-cont.

Our investments are in certificates of deposit-restricted, domestic and international stock and equity funds, corporate and institutional bond funds, real estate investment trust and alternative asset hedge funds. The balance of the investments held on December 31, 2019 and 2018 are as follows:

	2	2019		
	Cost	Fair	Urealized	
	,	Value	Gain/(Loss)	
Certificates of deposit-restricted	\$ 900,000	\$ 900,000	s -	
Common trust-domestic equity	5,838,847	5,908,099	69,252	
Common trust-emerging markets equity	1,524,388	1,579,380	54,992	
Common trust-international equity	1,642,628	1,747,103	104,475	
Common trust-domestic bonds	2,563,485	2,575,819	12,334	
Common trust-government bonds	738,150	744,534	6,384	
Common trust-domestic REIT	683,616	634,250	(49,366)	
Common trust-domestic alternative assets	1,802,571	1,704,179	(98,392)	
	\$ 15,693,685	<u>\$ 15,793,364</u>	<u>\$ 99,679</u>	
	2	2018		
	Cost	Fair	Urealized	
		Value	Gain/(Loss)	
Certificates of deposit-restricted	\$ 400,000	\$ 400,000	s -	
Money market funds	5,103,015	5,103,015		
Common trust-domestic equity	3,850,077	3,221,027	(629,050)	
Common trust-emerging markets equity	360,153	428,827	68,674	
Common trust-international equity	1,399,732	1,262,244	(137,488)	
Common trust-domestic bonds	2,001,527	1,953,191	(48,336)	
Common trust-government bonds	537,504	509,437	(28,067)	
Common trust-domestic REIT	461,986	385,075	(76,911)	
Common trust-domestic alternative assets	1,195,375	1,045,675	(149,700)	
Common trust-global alternative assets	506,606	480,862	(25,744)	
	<u>\$ 15,815,975</u>	<u>\$ 14,789,353</u>	<u>\$ (1,026,622</u>)	

AMERICAN PAINT HORSE ASSOCIATION

Notes to Financial Statements

For the Years Ended December 31, 2019 and 2018

4. FAIR VALUE MEASUREMENTS-cont.

A description of the valuation methodologies used for assets measured at fair value, as well as the general classification of these assets pursuant to the valuation hierarchy, is set forth below.

	Fair Value								
	Measurements at Reporting Date Using Ouoted Prices Significant								
				in Active	3	Other	0	· · · · · ·	
		ssets			0	bservable		ignificant observable	
		asured ir Value		Aarkets for	0		Un		
2019				ntical Assets		Inputs	(Inputs	
	10.10.000 0000 0000	mber 31 900.000	\$	(Level 1) 900,000	\$	(Level 2)	\$	Level 3)	
Certificates of deposit-restricted	-	-	Э		Φ	-	Φ		
Common trust-domestic equity		,908,099		5,908,099		-		-	
Common trust-emerging markets equity		,579,380		1,579,380		-		-	
Common trust-international equity		,747,103		1,747,103		-			
Common trust-domestic bonds		,575,819		-		2,575,819		-	
Common trust-government bonds		744,534		-		744,534		-	
Common trust-domestic REIT		634,250		-		-		634,250	
Common trust-domestic alternative assets	1,	,704,179	3	-	-		-	1,704,179	
Total assets at fair value	\$ 15	,793,364	\$	10,134,582	\$	3,320,353	\$	2,338,429	
2018									
Certificates of deposit-restricted	\$	400,000	\$	400,000	\$	-	\$		
Money market funds	5.	,103,015		5,103,015		-		-	
Common trust-domestic equity	3.	,221,027		3,221,027		-		-	
Common trust-emerging markets equity		428,827		428,827		-		-	
Common trust-international equity	1.	,262,244		1,262,244		-		-	
Common trust-domestic bonds	1.	,953,191		-		1,953,191		-	
Common trust-government bonds		509,437		-		509,437		-	
Common trust-domestic REIT		385,075		-		-		385,075	
Common trust-domestic alternative assets	1	,045,675		-		-		1,045,675	
Common trust-global alternative assets		480,862		-	_			480,862	
Total assets at fair value	<u>\$ 14</u>	,789,353	\$	10,415,113	\$	2,462,628	\$	1,911,612	

5. ACCRUED EXPENSES

		2019	2018	
Breeders' Trust Programs payouts		411,994	\$	469,251
Taxes payable		91		(1,572)
Compensation expenses		13,092		76,595
Compensated absences & accrued vacation		177,588		197,268
Related party-APH Heritage Foundation		46,088		18,912
Total Accrued Expenses	\$	648,853	\$	760,454

AMERICAN PAINT HORSE ASSOCIATION Notes to Financial Statements

For the Years Ended December 31, 2019 and 2018

6. DEFERRED REVENUE

We adopted the modified cash basis of accounting in 2014, and stopped recording deferred revenue for membership fees and subscription dues. We elected to amortize the existing balances in these deferred revenue accounts on a straight-line basis over time, as follows:

	2019 Revenue	2019 Cash	2019 Deferred Revenue	2019 Deferred	Date Deferred Revenue
Memberships	Earned	Received	Recognized	Rev. Balance	Expires
5 Year	137,194	109,021	28,174	-	6/30/2019
Lifetime	74,918	27,315	47,604	71,405	6/30/2021
J Term	27,594	16,635	10,959	16,439	6/30/2021
Totals	\$ 239,706	\$ 152,971	\$ 86,737	\$ 87,844	
		Work order unearned income		402,811	
		Total De:	ferred Revenue	\$ 490,655	

Deferred Revenue will be recognized as follows:

2020		\$ 58,563
2021		 29,281
	Total	\$ 87,844

7. RETIREMENT PLANS

We offer our employees the opportunity to participate in a qualified defined contribution pension plan under section 401(k), which covers substantially all employees. The plan allows employees to defer compensation each year not to exceed the maximum dollar amount determined by the U.S. Internal Revenue Code. There were no matching contributions in either 2019 or 2018.

8. COMMITMENTS

Operating Leases

We lease certain pieces of office equipment, our office space and storage space under non-cancelable operating leases that expire at various dates through September 2030. For the year ended December 31, 2019, the leases required monthly payments of approximately \$ 18,980. Rental expense was approximately \$ 227,800 in 2019 and \$ 75,723 for 2018. The storage space is on an annual twelve-month lease.

We entered into a ten-year lease for our office space in the historic stockyards area of Fort Worth, Texas and moved in with an acknowledged delivery date of January 15, 2020. After receiving the first eight months free, rent payments will begin on September 1, 2020 and continue for 120 months (10 years) with a one-time escalation clause at the end of the first five years. The lease allows for two five-year additional options allowing for a potential twenty-year lease.

FASB has issued Accounting Standards Codification (ASC) Topic 842, *Leases*, as amended, supersedes and replaces nearly all GAAP lease recognition guidance. This standard will establish a new lease asset and liability recognition model and expand disclosures about leases. Due to the COVID-19 pandemic, FASB has delayed implementation of ASC 842 for annual periods beginning after December 15, 2021. We anticipate a significant effect on the statement of financial position with the implementation of ASC 842 in the year 2022.

AMERICAN PAINT HORSE ASSOCIATION

Notes to Financial Statements For the Years Ended December 31, 2019 and 2018

8. COMMITMENTS-cont.

Future current approximate minimum operating lease obligations are as follows:

2020	\$ 111,836
2021	210,000
2022	210,000
2023	210,000
2024	210,000
2024 through 2030	1,312,500
Total Commitment	<u>\$</u> 2,264,336

9. RELATED PARTIES

American Paint Horse Foundation (APHF)

APHF is a separate corporation (not-for-profit) organized for the purpose to reward and educate young horsemen and women and to preserve the history of the breed's accomplishments and artifacts associated with the outstanding bloodlines of the breed and individuals and institutions who contributed to these accomplishments. It is chartered as a non-profit corporation in the state of Texas and is exempt under U.S. Internal Revenue Service Revenue Code 501(c)(3) as a charitable publicly supported organization under 509(a)(1).

We provide the administrative services necessary for the ordinary day-to-day operations of APHF. During 2019 and 2018, the amount of like-kind contributions to the Foundation in expenses and services rendered amounted to \$ 13,866 and \$ 13,633, respectively.

During the year we advanced APHF funds to construct the Heritage Center within our new international headquarters in Fort Worth, Texas. The balance due of these advances at December 31, 2019, \$ 1,001,658, is reflected on our statements of financial position as due from related party, APHF.

16. SUBSEQUENT EVENTS

We have evaluated subsequent events through June 26, 2020, which is the date the financial statements were available to be issued. In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple businesses and industries. The disruption is expected to be temporary, there is uncertainty around the duration of the closings. We expect the matter to have some impact on our operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

Subsequent to our year-end we received \$ 180,000 from APHF towards the advance for the Heritage Center construction.







2019 Scholarship Recipients

The APHF awarded \$1,000 academic scholarships to 30 students for 2019-2020 Six of the recipients are new to the scholarship program, while the remaining 24 were scholarship renewals.

New Scholarships

Allison Wichrowski	Paul White Memorial	North Carolina Wesleyan College
Cali Pontnack	Bud & Beverly Shoemaker	West Texas A & M
CarolineTasker	ZoneTwo	Seawolf Service Center
Kaden Strom	ZoneThree #2	North Dakota State University
Natalie Staas	Keith Lemoine Memorial	Yuba College
Saryn Paulsen	Crosstimbers #2	Texas A & M University

Scholarship Renewals

Kieli Adkins	Garnier Memorial	University of Advancing Technology
Mackenzie Chapman	Jason Sheriff Memorial	Oklahoma State University
**Alyssa Donelson	Roland & Joan Hoch	Embry-Riddle Aeronautical University
Sarah Eliason	Utah PHC #2	William Woods University
Megan McClain	Washington State PHC	Otterbein University
Halle Shoults	Nevada PHC # 1/Plimpton	Purdue University
Falon Sonnen	Zone One #1	Oregon State University
Anna Lia Sullivan	Matt Diamond Memorial	University of Delaware
Anna Clair Tucker	Duane Pettibone	Mississippi State University
Caleigh Anderson	California Paint Racing	Penn State University
Lauren Barker	Zone One #2	Oregon State University
Jocilynn Behlen	ZoneThree #3	University of Nebraska-Lincoln
Sarah Beth Felker	Nevada PHC #2 / Shiela Plimpton	St. Andrews University
Alexa Hattan	Arizona PHC #3	Methodist College of Nursing
Kylin Korb	Butch & Doc Wonderlich	University of Wisconsin-Madison
Olivia Long	Dr. Bill Jackson #2	University of Oklahoma
Kellianne Lunny	Robert Haas Memorial	Wingate University
Madison Martin	Bill & Rachael Yoesel Memorial	Central Virginia Community College
Justin Moody	Lynn Simons #1	Schreiner University
Amanda Nelson	Idaho PHC	Utah State University
Jordan Olson	Lynn Titlow Memorial	State College of Florida
Kyra Petty	Robert & Mary Parrott	University of Tennessee-Martin
Hannah Stokan	CrossTimbers PHC #1	Baylor University
Madison Vance	Floyd & Maryann Moore #1	

2019 Scholarship Recipients

The APHF awarded \$91,550 in scholarships at the 2019 Youth World Show. A total of \$63,950 in scholarship funds earned since the beginning of the scholarship program were redeemed for the 2019-2020 academic

year. Youth World Show Scholarships Redeemed for 2019

Abby Rasmussen	\$1,950	Clemson University
Alexis Everett	\$1,100	TexasTech University
Alexis Miller	\$3,200	Fresno State University
Alexus Cole	\$8,450	IUPUI
Amanda Nelson	\$1,400	Utah State University
Amy McClure	\$800	Front Range Community College
Blaine Jacobi	\$650	University of Nebraska Lincoln
Brylee Powers	\$950	Cisco Junior College
Caitlyn Carstens	\$2,300	University of Colorado Boulder
Cammi Giesman	\$250	Texas Christian University
Caroline Nielson	\$3,800	Oklahoma State University
Courtney Yohey	\$1,750	Northeast Community College
Cynthia Swartzel	\$1,700	University of Texas at Austin
Emory Marsh	\$400	Texas A&M University
Isabella Andrews	\$500	Texas Christian University
Isabeela Applegarth	\$550	Indiana University
Justin Moody	\$1,500	Schreiner University
Keely Lane	\$7,350	WestTexas A&M University
Kelsey Kupferschmid	\$650	Illinois Central College
Kelsie Ross	\$400	El Centro College
Mackenzie Preston	\$2,400	Texas Christian University
Margaret Steinbach	\$400	Ryerson University
Mary Knight	\$250	Collin County Community College
Megan Williams	\$550	College of Charleston
Meredith Scroggs	\$6,200	Hill College
Micah Limdstrom	\$1,500	TexasTech University
Mikayla Solberg	\$400	West Texas A&M University
RaeleighTanos	\$550	North Central Texas College
Raven Clagg	\$1,250	University of West Alabama
Sydney Shaw	\$2,950	Sam Houston University
Taylor Burgess	\$4,100	University of Georgia
Taylor Daniel	\$3,750	San Francisco State University

Scholarship Endowments

Endowments may be established in the form of an honorarium or a memorial in any name. Donations to these endowments are totaled together until the current minimum of \$25,000 is reached. When the minimum amount is reached, the fund becomes permanent and the American Paint Horse Foundation issues a \$1,000 academic scholarship, annually, in that club or individual's memory or honor. Any amount of money may be donated to an established honorarium or memorial endowment, but a minimum of \$1,000 must be donated to begin one. All scholarships go directly to the college, university or trade school.

Permanent Endowment Benefactor

This endowment perpetuates scholarships at each Youth World Show Robyn Hanna Sportsmanship Endowment, established 2019 Marx Endowment, established 2019 Arizona PHC Endowment, established 2019 Rebecca Baker Memorial Endowment Scholarships, established 2014 Perpetuates a \$1,000 scholarship annually in their name: Gulf Coast Paint Horse Club Members Endowment, established 2018

Rocky Mountain Paint Horse Association YDF Scholarship, established 2017 Lynn Titlow Memorial Endowment, established 2017 Jason Sheriff Memorial Endowment, established 2014 Bob & Theda Bartholomew Endowment, established 2014 Bud & Beverly Shoemaker Endowment, established 2014 Williamson/Brashears Endowment, established 2014 Robyn Hanna Sportsmanship Award Memorial Endowment, established 2014 Ashley Huntington Memorial Endowment, established 2013 Bill and Rachael Yoesel Memorial Endowment, established 2013 Cross Timbers Paint Horse Club Endowment #2, established 2013 Zone Three Endowment #4, established 2010 Floyd & Maryann Moore Honorarium Fund #2, established 2008 CrossTimbers Paint Horse Club Endowment #1, established 2008 Mickea Smith Endowment, established 2008 Nevada PHC #1 / Sheila Plimpton Memorial Endowment, established 2007 Lynn Simons Memorial Endowment #2, established 2007 Bill & Joye Bryan Endowment, established 2007 Floyd and Maryanne Moore Endowment #1, established 2007 Washington State Paint Horse Club Endowment, established 2005 Lynn Simons Memorial Endowment #1, established 2005 Robert and Mary Parrott Endowment, established 2005 Ark LaTex Paint Horse Club Endowment, established 2005 Paul White Memorial Endowment, established 2004 Illinois Paint Horse Club Endowment #2, established 2003 Zone Three Endowment #3, established 2003 Arizona Paint Horse Club Endowment #3, established 2002 Utah Paint Horse Club Endowment #3, established 2001 Zone One Endowment #3, established 2001 ZoneThree Endowment #2, established 2000 ZoneTwo Endowment, established 2000 Utah Paint Horse Club Endowment #2, established 2000 Zone II/Duane Pettibone Memorial, established 2000 Nevada Paint Horse Club Endowment #1, established 2000 Illinois Paint Horse Club Endowment #1, established 1999 Dr. Bill Jackson Memorial Endowment #2, established 1999 Robert Haas Endowment, established 1998 Utah Paint Horse Club Endowment #1, established 1998 Zone Three Endowment #1, established 1997 Arizona Paint Horse Club Endowment #1, established 1997

Scholarship Endowments

Arizona Paint Horse Club Endowment #2, established 1997 Joann Cook Memorial Endowment, established 1996 Dr. Bill Jackson #1 Endowment, established 1996 Zone One Endowment Scholarship #2, established 1996 California Paint Racing Association Endowment, established 1995 Matt Diamond Memorial Endowment, established 1995 Zone One Endowment #1, established 1995 Idaho Paint Horse Club Endowment, established 1994 Keith LaMoine Memorial Endowment, established 1994 Roland & Joan Hoch Endowment, established 1994 Nebraska Paint Horse Club Endowment, established 1991 Central California Paint Horse Club Endowment, established 1991 Southwest Washington Paint Horse Club Endowment, established 1989 Dr. & Mrs. W.V. Garnier Family Endowment, established 1987 Dr. & Mrs. Lyle Wonderlich Endowment, established 1985 Lee Newsom Endowment, established 1983

Incomplete Honorarium Endowment Funds

These honorariums require a minimum of \$25,000 to issue a scholarship:

Banks Ready Youth World Show Courage Honorarium, c/o George Ready, Hernando,

Mississippi AjPHA Youth World Show Honorarium Jan Anderson Honorarium Fund AjPHA Honorarium Fund

These honorariums require a minimum of \$15,000 to issue a scholarship:.

Zone Three Honorarium Fund #4 c/o Jean Fell, Franktown, Colorado Nevada Paint Horse Club Honorarium Fund #2, c/o Sharon Avery

These honorariums require a minimum of \$12,000 to issue a scholarship:

Mississippi Paint Horse Club Honorarium Fund, c/o Betty Sikes, Brandon, Mississippi New Mexico Paint Horse Club Honorarium Fund, c/o Bill Golliet, Hagerman, New Mexico Utah Paint Horse Club Honorarium Fund #4, c/o Brad Jones, Ogden, Utah

These honorariums require a minimum of \$10,000 to issue a scholarship:

Mr. & Mrs. Joe Bachmuth Honorarium Fund, Cullman, Alabama

Incomplete Memorial Endowment Funds

These memorial funds require a minimum of \$25,000 to issue a scholarship:

- Suzette Busby Memorial Fund
- Wanda West Memorial Fund
- Michael Ochetto, Jr Memorial Fund
- Marti Cibrowski McLain Memorial Fund
- Zippos Sensation Memorial Fund
- Suzanna Smiles Memorial Fund
- Brett Scott Fredericks Memorial Fund

Nevada PHC #3 / Ken Winder Memorial Fund

These memorial funds require a minimum of \$15,000 to issue a scholarship:

Dean Jones Memorial Fund

Jim Pacelli Memorial Fund

This memorial funds requires a minimum of \$12,000 to issue a scholarship:

A J "Jack" Campbell Memorial Fund

These memorial funds require a minimum of \$10,000 to issue a scholarship:

Shirley Bilton Memorial Fund

Rachel Ryan Burns Memorial Fund

Tad Dahms Memorial Fund

Avis Schnurr Memorial Fund

Planned Giving

Robert Ward Memorial Fund Sue Williamson Memorial Fund

Will or Planned Giving Vehicle

These members have provided for the future benefit of the American Paint Horse Foundation by including the association in their will or other planned giving vehicle.

Wendall and Peggy Cummings, Sedalia, Colorado

Chuck and Sherry Marx, Prescott, Arizona

Robert and June Reimers, Hurst, Texas

Renna Royse, El Reno, Oklahoma

Yvette and Lester Spear Jr., Concord, New Hampshire

Lasting Legacy Capital Campaign

Champion \$100,000 to \$499,999

Amon Carter Foundation Grant, Ft Worth, TX Jerry Baker, Bandera, TX Rebecca's (Baker) Foundation, Bandera, TX *Marylyn & Paul Caliendo, Pilot Point, TX

All-Around \$50,000 to \$99,999

*Patrick L. Newman Family

Honor Roll \$25,000 to \$49,999

*Mike & Colleen Holloway, Brandon, MS City of Fort Worth

Rider \$10,000 to \$24,999

*Tom & Marilyn Crowley, Kellogg, MN
Paint Horse Congress sponsored by Kansas Paint Horse Association
Ron Shelly, Georgetown, TX
*Billy & Mindy Smith, Rhome, TX
Westwood Group

\$5,000 to \$9,999

Jennifer Leavengood, Seminole, FL Jackie & Steve Mellon, Navasota, TX Herb Kohl Philanthropies, Milwaukee, WI Craig Wood, Owenton, KY Ann Woodruff, Atlanta, GA

