

AMERICAN VOLKSSPORT ASSOCIATION, INC.

***FINANCIAL REPORT AND
SUPPLEMENTARY INFORMATION***

FOR THE YEAR ENDED

JUNE 30, 2018



Fun, Fitness, Friendship

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
American Volkssport Association, Inc,
Universal City, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the American Volkssport Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows for the year 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 audit. We conducted our audit 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 financial position of the American Volkssport Association, Inc. as of June 30, 2018, and the changes in net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.


Report on Summarized Comparative Information

We have previously audited American Volkssport Association, Inc.'s financial statements for the year ended June 30, 2017, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 5, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise American Volkssport Association, Inc.'s financial statements. The comparative schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The comparative schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Armstrong, Vaughan & Associates, P.C.

October 19, 2018

AMERICAN VOLKSSPORT ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018
(SUMMARIZED COMPARATIVE INFORMATION FOR YEAR ENDED JUNE 30, 2017)

	2018	2017
ASSETS		
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$ 102,126	\$ 133,419
Investments	669,768	780,591
Accounts Receivable	37,885	60,110
Prepaid Expenses	20,707	21,289
Inventory	10,868	6,594
<i>Total Current Assets</i>	841,354	1,002,003
 <i>Noncurrent Assets:</i>		
Property and Equipment (Net)	21,005	22,602
<i>Total Noncurrent Assets</i>	21,005	22,602
TOTAL ASSETS	\$ 862,359	\$ 1,024,605
 LIABILITIES AND NET ASSETS		
<i>Current Liabilities:</i>		
Accounts Payable	\$ 19,516	\$ 16,528
Accrued Wages	5,060	5,742
Accrued Vacation	8,477	6,370
Deferred Revenues	32,389	46,992
Current Portion of Capital Lease	-	2,699
<i>Total Current Liabilities</i>	65,442	78,331
 <i>Net Assets:</i>		
Unrestricted	169,417	946,274
Unrestricted - Board Designated	625,000	-
Temporarily Restricted	2,500	-
<i>Total Net Assets</i>	796,917	946,274
TOTAL LIABILITIES AND NET ASSETS	\$ 862,359	\$ 1,024,605

The accompanying notes are an integral part of these financial statements.

AMERICAN VOLKSSPORT ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2018
(SUMMARIZED COMPARATIVE INFORMATION FOR YEAR ENDED JUNE 30, 2017)

	Unrestricted	Temporarily Restricted	2018 Total	2017 Total
REVENUES, GAINS AND SUPPORT				
<i>Revenues and Support:</i>				
Events	\$ 258,139	-	\$ 258,139	\$ 260,185
Membership Income	38,462	-	38,462	25,309
Program Income	13,641	-	13,641	-
Convention Income	-	-	-	90,028
Donations	206,705	2,500	209,205	83,617
Awards, Net of Cost	-	-	-	6,960
Merchandise, Net of Cost	18,594	-	18,594	9,926
Miscellaneous Income	1,976	-	1,976	22,321
Publication Income	2,890	-	2,890	40,886
Interest Income	-	-	-	74
Loss on Disposal of Equipment and Obsolete Merchandise	-	-	-	(41,262)
<i>Total Revenues and Support</i>	<u>540,407</u>	<u>2,500</u>	<u>542,907</u>	<u>498,044</u>
<i>Investment Earnings:</i>				
Investment Income	3,317	-	3,317	10,610
<i>Total Investment Earnings</i>	<u>3,317</u>	<u>-</u>	<u>3,317</u>	<u>10,610</u>
TOTAL REVENUES, GAINS AND SUPPORT	<u>543,724</u>	<u>2,500</u>	<u>546,224</u>	<u>508,654</u>
EXPENSES				
Program Services	561,547	-	561,547	468,698
Supporting Services:				
Management and General	134,034	-	134,034	111,695
TOTAL EXPENSES	<u>695,581</u>	<u>-</u>	<u>695,581</u>	<u>580,393</u>
CHANGE IN NET ASSETS	(151,857)	2,500	(149,357)	(71,739)
BEGINNING NET ASSETS	<u>946,274</u>	<u>-</u>	<u>946,274</u>	<u>1,018,013</u>
ENDING NET ASSETS	<u>\$ 794,417</u>	<u>\$ 2,500</u>	<u>\$ 796,917</u>	<u>\$ 946,274</u>

The accompanying notes are an integral part of these financial statements.

AMERICAN VOLKSSPORT ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2018
(SUMMARIZED COMPARATIVE INFORMATION FOR YEAR ENDED JUNE 30, 2017)

	Program Expenses	Supporting Services Management & General	2018 Total	2017 Total
FUNCTIONAL EXPENSES				
<i>Personnel Costs:</i>				
Salaries and Wages	\$ 184,914	\$ 46,229	\$ 231,143	\$ 223,671
Employee Benefits	26,188	6,547	32,735	33,882
Payroll Taxes	14,677	3,669	18,346	21,896
<i>Total Personnel Costs</i>	<u>225,779</u>	<u>56,445</u>	<u>282,224</u>	<u>279,449</u>
Administrative Expenses	4,828	27,355	32,182	29,685
Awards and Events	26,065	-	26,065	17,047
Bad Debt Expense	-	-	-	3
Bank and Credit Card Fees	-	3,635	3,635	2,275
Convention	7,475	-	7,475	76,949
Depreciation	5,943	-	5,943	7,474
Equipment Repairs and Maintenance	9,675	2,419	12,094	17,324
Insurance	30,415	7,604	38,019	38,297
Interest Expense	-	94	94	574
International Expenses	9,834	-	9,834	7,135
Miscellaneous	879	1,319	2,198	5,242
Professional	118,700	20,925	139,625	16,497
Promotions	41,653	-	41,653	30,459
Rent	32,726	8,182	40,908	40,908
Supplies	1,195	298	1,494	-
Telephone	2,200	550	2,750	3,091
Travel	44,180	5,208	49,388	7,984
TOTAL FUNCTIONAL EXPENSES	<u>\$ 561,547</u>	<u>\$ 134,034</u>	<u>\$ 695,581</u>	<u>\$ 580,393</u>

The accompanying notes are an integral part of these financial statements.

AMERICAN VOLKSSPORT ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018
(SUMMARIZED COMPARATIVE INFORMATION FOR YEAR ENDED JUNE 30, 2017)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ (149,357)	\$ (71,739)
Adjustments to Reconcile Excess (Deficiency) of Revenues Over (Under) Expenses to Net Cash Provided (Used) by Operating Activities:		
Depreciation	5,943	7,474
Loss on Disposal of Equipment	-	3,508
Loss on Disposal of Obsolete Inventory	-	37,754
Realized & Unrealized (Gain) Loss on Investments	10,736	3,674
(Increase) Decrease in Current Assets:		
Accounts Receivable	22,225	24,471
Prepaid Expenses	582	1,492
Inventory	(4,274)	4,904
Increase (Decrease) in Liabilities:		
Accounts Payable	2,988	3,563
Accrued Wages	(682)	199
Accrued Vacation	2,107	(796)
Deferred Revenues	(14,603)	(13,136)
NET CASH PROVIDED (REQUIRED) BY OPERATING ACTIVITIES	(124,335)	1,368
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(92,000)	(90,000)
Proceeds From Redemption of Investments	192,087	72,041
Purchase of Furniture and Equipment	(4,346)	(12,000)
NET CASH PROVIDED (REQUIRED) BY INVESTING ACTIVITIES	95,741	(29,959)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Capital Lease Obligations	(2,699)	(5,501)
NET CASH PROVIDED (REQUIRED) BY FINANCING ACTIVITIES	(2,699)	(5,501)
NET INCREASE (DECREASE) IN CASH	(31,293)	(34,092)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	133,419	167,511
CASH & CASH EQUIVALENTS AT END OF YEAR	\$ 102,126	\$ 133,419
SUPPLEMENTAL INFORMATION:		
Interest Paid	\$ 94	\$ 574

The accompanying notes are an integral part of these financial statements.

AMERICAN VOLKSSPORT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 -- ORDER AND PURPOSE

American Volkssport Association, Inc. (the Association) is a nonprofit, voluntary membership corporation, organized under the laws of the State of Texas, exclusively for charitable and educational purposes. The Association is committed to the promotion of public health, physical fitness, and the well-being of the people of the United States by organizing, promoting, and conducting scheduled programs of noncompetitive, family-oriented, participatory lifetime sports including, but not limited to, walking, bicycling, swimming, cross-country skiing, and such other events as may be sanctioned by the International Federation of Popular Sports (IVV). Revenue from member club-sanctioned events is included in these financial statements, while individual member club activities are not included.

NOTE 2 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Basis of Presentation*

The accompanying financial statements of the American Volkssport Association, Inc. have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) whereby revenues are recognized when earned and expenses are recognized when they are incurred.

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. If donor-imposed restrictions are met in the same period as the gift or investment income is received, the amount is reported as unrestricted revenues. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations. Assets restricted solely through actions of the Board of Directors are reported as unrestricted net assets.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Association and/or passage of time. Donor-restricted contributions are reported as increases in temporarily restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that may be maintained permanently by the Association. Generally, the donors of these assets permit the Association to use all or part of the income earned on the related investments for a general or specific purpose. Currently there are no permanently restricted assets.

B. *Fiscal Year*

The Association has a fiscal year beginning on July 1 and ending on June 30.

AMERICAN VOLKSSPORT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2018

NOTE 2 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

C. *Income Taxes*

The Association is exempt from state and federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Additionally, the Association has been further classified as an organization that is not a private foundation under Section 509(a)(2) which allows the donors of property, services or money to take the maximum charitable donation allowed by law.

The most significant tax positions of the Association is its assertion that it is exempt from income taxes and its determination of whether any amounts are subject to unrelated business income tax (UBIT). All significant tax positions have been considered by management. It has been determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities. The Association's tax filings are open to Internal Revenue Service audit for the years ending June 30, 2017, 2016, and 2015.

D. *Cash and Cash Equivalents*

Cash and cash equivalents include interest-bearing checking, savings accounts, and money market funds. Certificates of deposit with an original maturity of three months or less are also included as cash equivalents on the statement of financial position and statement of cash flows.

E. *Investments*

The Association's financial instruments consist primarily of cash and cash equivalents and debt securities. The carrying amount of the cash and cash equivalents approximate their fair market value due to the short-term nature of such instruments (Level 1).

The carrying value of debt securities is the fair market value based upon quoted prices (Level 1).

The Association uses the following hierarchical disclosure framework:

Level 1 - Measurement based upon quoted prices for identical assets in an active market as of the reporting date.

Level 2 - Measurement based upon marketplace inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Measurement based on assumptions about hypothetical marketplace because observable market inputs are not available as of the reporting date.

The Association uses appropriate valuation techniques based on available inputs to measure the fair value of its assets and liabilities. When available, the Association measures fair market value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs have the lowest priority. All of the Association's investments are according to the fair value hierarchy at level 1.

AMERICAN VOLKSSPORT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2018

NOTE 2 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

F. *Accounts Receivable*

Accounts receivable consists of membership dues, sanction fees, participation fees, merchandise sales, and subscription fees that have not yet been received. Accounts receivables are stated at the amount management expects to collect from outstanding balances. Management uses the direct write-off method to provide for probable uncollectible amounts.

G. *Prepaid Expenses*

Expenses recorded in advance of the service or product being received are deferred and carried on the statement of financial position as prepaid expenses.

H. *Inventory*

The Association maintains an inventory of t-shirts, patches, stickers, and stamps to provide to member clubs for use in conducting and promoting Volkssporting events. Inventory is reported on the statement of financial position using the first-in, first-out method of valuation.

I. *Property and Equipment*

It is the Association's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Property and equipment is stated at cost at date of acquisition or fair value at date of donation in the case of gifts. Property and equipment are depreciated using the straight-line method.

J. *Depreciation*

Depreciation on the property and equipment owned by the Association has been computed using the straight-line method. The estimated useful lives of the assets are as follows:

	<u>Years</u>
Computer & Electronics	3
Furniture	8 to 10
Office Equipment	5

K. *Compensated Absences*

Employees of American Volkssport Association, Inc. are entitled to two to three personal days and paid time off depending on length of service ranging from 40 hours to 160 hours annually. Employees are allowed to carryover accrued but unused personal time and paid time off at the rate of one year's worth of time. Employees also accrue 48 hours of sick pay annually and may carryover 96 hours at year end. Upon termination, only unused earned vacation time is paid out to an employee. Compensated absences are reported on the statement of financial position as Accrued Vacation.

AMERICAN VOLKSSPORT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2018

NOTE 2 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

L. *Deferred Revenue*

Lifetime Membership dues have been included in deferred revenue in the accompanying Statement of Financial Position and are recognized over a five year period.

M. *Donated Services and In-Kind Support*

The Association may receive services, supplies and equipment without payment or compensation. When the value of such services meets recognition criteria, it is reflected in the accompanying financial statements as revenues and expenditures in a like amount. In-kind contributions are measured and recorded at fair value on the date of donation. Equipment and other non-cash donations are recorded as contributions at cost or estimated fair value determined at the date of the donation. In 2018, the fair market value of in-kind contributions was determined to be \$119,200. There were no in-kind contributions made in 2017. Donated contributions and services are included in donations on the Statement of Activities.

N. *Revenue Recognition*

Membership dues are recognized as revenue in the applicable membership year. Sanction fees are recognized quarterly. Participation fees are accrued when the related event is held. Sales of merchandise are recognized at the time of sale.

O. *Estimates*

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

P. *Functional Expense Allocations*

Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification. Other costs have been allocated on the basis of estimates by management among the programs and supporting services, based primarily on the nature of the expense.

Q. *Comparative Totals*

The financial statements and footnote disclosures for the year ended June 30, 2017 are presented only to provide a basis for comparison with the year ended June 30, 2018. The 2017 financial statements and footnote disclosures are not intended to represent all information necessary for the fair presentation in accordance with U.S. Generally Accepted Accounting Principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2017 from which the summarized information was derived.

AMERICAN VOLKSSPORT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2018

NOTE 2 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

R. *Subsequent Events*

Subsequent events were considered through October 19, 2018, which is the date the financial statements were available to be issued.

NOTE 3 -- CREDIT RISK OF FINANCIAL INSTRUMENTS

The Association's cash and cash equivalents are held in four financial institutions and cash balances of up to \$250,000 in each financial institution are secured by the Federal Deposit Insurance Corporation (FDIC). All cash balances held in the financial institutions were fully secured.

NOTE 4 -- INVESTMENTS

As of June 30, 2018, the Association's investment portfolio consists of the following:

	6/30/2018		
	Cost	Fair Value	Accumulated Gain (Loss)
Certificates of Deposit	\$ 358,676	\$ 353,381	\$ (5,295)
Corporate Bonds	323,000	316,387	(6,613)
	\$ 681,676	\$ 669,768	\$ (11,908)

As of June 30, 2017, the Association's investment portfolio consists of the following:

	6/30/2017		
	Cost	Fair Value	Accumulated Gain (Loss)
Certificates of Deposit	\$ 358,676	\$ 358,028	\$ (648)
Corporate Bonds	423,000	422,563	(437)
	\$ 781,676	\$ 780,591	\$ (1,085)

NOTE 5 -- PROPERTY AND EQUIPMENT

Property and equipment for each year ended is comprised of the following:

	6/30/2018	6/30/2017
Computer & Electronics	\$ 32,755	\$ 35,196
Office Equipment	12,376	12,376
Furniture	22,477	22,477
IVV Stamps	-	34,655
Less: Accumulated Depreciation	(46,603)	(82,102)
Net Property and Equipment	\$ 21,005	\$ 22,602

AMERICAN VOLKSSPORT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2018

NOTE 6 -- LINE OF CREDIT

The Association has a \$435,349 line of credit available with their investment broker. The Association is charged a variable interest rate, currently at 4.75%, on outstanding loan balances. The loan balance is due on demand with no scheduled payments. If the value of the investments declines, the Association may be required to deposit cash or additional securities, or the securities in the account may be sold to meet the margin call. Any draws on the line of credit are collateralized by the investments. There were no outstanding amounts on the line of credit as of June 30, 2018 and 2017.

NOTE 7 -- OPERATING LEASES

The Association leases office space in Universal City, Texas under terms of a two year, non-cancelable operating lease. The lease was renewed on January 11, 2017 for \$3,409 per month and will run through December 31, 2019.

The Association leases a copier machine with DOCUmentation. The term of the lease began on April 1, 2017 with a term length of 63 months. The monthly payment for the copier machine is \$695.

The Association leases a postage meter with Neopost USA. The term of the lease began on June 1, 2015 with a term length of 39 months and the monthly payment for the meter is \$271.

Future minimum lease commitments required under these leases as of June 30, 2018 are as follows:

For the Fiscal Year Ended June 30,	Minimum Lease
2019	\$ 34,065
2020	13,612
2021	12,800
2022	10,362
	<u>\$ 70,839</u>

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS

As of June 30, 2018, the Association has \$2,500 of temporarily restricted net assets that are restricted for the 2019 Biennial Convention.

AMERICAN VOLKSSPORT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2018

NOTE 9 – BOARD DESIGNATED NET ASSETS

As of June 30, 2018, the Association has board designated net assets as follows:

Information Technology Improvements	\$ 300,000
Strategic Planning Initiatives	200,000
Biennial Conventions	75,000
International Activities	<u>50,000</u>
	<u><u>\$ 625,000</u></u>

NOTE 10 -- LITIGATION

The management of the Association is unaware of any pending or threatened litigation.

SUPPLEMENTARY INFORMATION

Supplementary information includes schedules not required by GAAP, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such schedules include:

- Schedules of Revenues
- Schedules of Expenses

AMERICAN VOLKSSPORT ASSOCIATION, INC.
SCHEDULE OF REVENUES
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>Percentage</u>
REVENUES, GAINS AND SUPPORT EVENTS				
Sanction and Participation Fees:				
Traditional	\$ 93,888	\$ 127,055	\$ (33,167)	-26.10%
Year-Round/Seasonal	160,813	132,784	28,029	21.11%
Other Events	3,438	346	3,092	893.64%
TOTAL EVENTS	<u>258,139</u>	<u>260,185</u>	<u>(2,046)</u>	<u>-0.79%</u>
MEMBERSHIP INCOME				
Club Annual Dues	20,980	11,700	9,280	79.32%
Charter Fees	150	200	(50)	-25.00%
Volkssport Associate Dues	17,332	13,409	3,923	29.26%
TOTAL MEMBERSHIP INCOME	<u>38,462</u>	<u>25,309</u>	<u>13,153</u>	<u>51.97%</u>
PROGRAM INCOME				
Youth Program	1,213	-	1,213	100.00%
Special Program	3,620	-	3,620	100.00%
National Program	8,808	-	8,808	100.00%
TOTAL PROGRAM INCOME	<u>13,641</u>	<u>-</u>	<u>13,641</u>	<u>100.00%</u>
CONVENTION INCOME	<u>-</u>	<u>90,028</u>	<u>(90,028)</u>	<u>-100.00%</u>
DONATIONS	<u>209,205</u>	<u>83,617</u>	<u>125,588</u>	<u>150.19%</u>
AWARDS, NET OF COST				
IVV Book Sales	-	21,857	(21,857)	-100.00%
Award Sales	-	544	(544)	-100.00%
Special Packets	-	8,232	(8,232)	-100.00%
Cost of Goods Sold	-	(23,673)	23,673	100.00%
TOTAL AWARDS, NET OF COST	<u>-</u>	<u>6,960</u>	<u>(6,960)</u>	<u>-100.00%</u>
MERCHANDISE, NET OF COST	<u>18,594</u>	<u>9,926</u>	<u>8,668</u>	<u>87.33%</u>
MISCELLANEOUS	<u>1,976</u>	<u>22,321</u>	<u>(20,345)</u>	<u>-91.15%</u>
PUBLICATION INCOME				
The American Wanderer Advertising	2,890	2,610	280	10.73%
The American Wanderer Subscriptions	-	38,276	(38,276)	-100.00%
TOTAL PUBLICATION INCOME	<u>2,890</u>	<u>40,886</u>	<u>(37,996)</u>	<u>-92.93%</u>
INTEREST INCOME	<u>-</u>	<u>74</u>	<u>(74)</u>	<u>-100.00%</u>
INVESTMENT INCOME	<u>3,317</u>	<u>10,610</u>	<u>(7,293)</u>	<u>388.90%</u>
LOSS ON DISPOSAL OF EQUIPMENT AND OBSOLETE MERCHANDISE	<u>-</u>	<u>(41,262)</u>	<u>41,262</u>	<u>-100.00%</u>
TOTAL REVENUES, GAINS AND SUPPORT	<u>\$ 546,224</u>	<u>\$ 508,654</u>	<u>\$ 37,570</u>	<u>7.39%</u>

See Independent Auditor's Report

AMERICAN VOLKSSPORT ASSOCIATION, INC.
SCHEDULE OF EXPENSES
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>Percentage</u>
SALARIES AND BENEFITS				
Salaries and Wages	\$231,143	\$ 223,671	\$ 7,472	3.34%
Employee Benefits	32,735	33,882	(1,147)	-3.39%
Payroll Taxes	18,346	21,896	(3,550)	-16.21%
TOTAL SALARIES AND BENEFITS	<u>282,224</u>	<u>279,449</u>	<u>2,775</u>	<u>0.99%</u>
ADMINISTRATIVE EXPENSES				
Website and Computer Support	12,802	1,202	11,600	965.06%
Postage	4,438	14,064	(9,626)	-68.44%
Training	2,915	1,632	1,283	78.62%
National Headquarters Administration	12,027	12,787	(760)	-5.94%
TOTAL ADMINISTRATIVE EXPENSES	<u>32,182</u>	<u>29,685</u>	<u>2,497</u>	<u>8.41%</u>
AWARDS AND EVENTS				
Award Program	10,440	6,561	3,879	59.12%
Membership Program	2,588	2,832	(244)	-8.62%
Event Program	5,139	5,255	(116)	-2.21%
Youth Program	300	697	(397)	-56.96%
Special Program	6,598	1,417	5,181	365.63%
Grants and Sponsorship	1,000	285	715	100.00%
TOTAL AWARDS AND EVENTS	<u>26,065</u>	<u>17,047</u>	<u>9,018</u>	<u>52.90%</u>
BAD DEBT EXPENSE	-	3	(3)	-100.00%
BANK AND CREDIT CARD FEES	3,635	2,275	1,360	59.78%
CONVENTION	7,475	76,949	(69,474)	-90.29%
DEPRECIATION	5,943	7,474	(1,531)	-20.48%
EQUIPMENT MAINTENANCE				
Equipment Rental	11,111	8,664	2,447	28.24%
Equipment Repairs and Maintenance	983	8,660	(7,677)	-88.65%
TOTAL EQUIPMENT MAINTENANCE	<u>\$ 12,094</u>	<u>\$ 17,324</u>	<u>\$ (5,230)</u>	<u>-30.19%</u>

See Independent Auditor's Report

AMERICAN VOLKSSPORT ASSOCIATION, INC.
SCHEDULE OF EXPENSES (CONT.)
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>Percentage</u>
INSURANCE				
Event	\$ 35,739	\$ 35,373	\$ 366	1.03%
National Headquarters	2,280	2,924	(644)	-22.02%
TOTAL INSURANCE	<u>38,019</u>	<u>38,297</u>	<u>(278)</u>	<u>-0.73%</u>
INTEREST EXPENSE	<u>94</u>	<u>574</u>	<u>(480)</u>	<u>-83.62%</u>
INTERNATIONAL EXPENSES				
Dues	1,938	3,278	(1,340)	-40.88%
Meetings and Travel	7,896	44	7,852	17845.45%
Stamps	-	3,813	(3,813)	-100.00%
TOTAL INTERNATIONAL EXPENSES	<u>9,834</u>	<u>7,135</u>	<u>2,699</u>	<u>37.83%</u>
MISCELLANEOUS	<u>2,198</u>	<u>5,242</u>	<u>(3,044)</u>	<u>-58.07%</u>
PROFESSIONAL				
Accounting	12,800	12,422	378	3.04%
Legal	8,125	3,950	4,175	105.70%
Contracting	118,700	125	118,575	94860.00%
TOTAL PROFESSIONAL	<u>139,625</u>	<u>16,497</u>	<u>123,128</u>	<u>746.37%</u>
PROMOTIONS				
TAW Printing and Publishing	32,512	25,262	7,250	28.70%
Event Promotions	9,141	5,197	3,944	75.89%
TOTAL PROMOTIONS	<u>41,653</u>	<u>30,459</u>	<u>11,194</u>	<u>36.75%</u>
RENT	<u>40,908</u>	<u>40,908</u>	<u>-</u>	<u>100.00%</u>
SUPPLIES	<u>1,494</u>	<u>-</u>	<u>1,494</u>	<u>-100.00%</u>
TELEPHONE	<u>2,750</u>	<u>3,091</u>	<u>(341)</u>	<u>-11.03%</u>
TRAVEL	<u>49,388</u>	<u>7,984</u>	<u>41,404</u>	<u>518.59%</u>
TOTAL EXPENSES	<u>\$695,581</u>	<u>\$ 580,393</u>	<u>\$ 115,188</u>	<u>19.85%</u>



Fun, Fitness, Friendship