

Audited Financial Statements

2020

American Saddlebred Horse Association, Inc.

December 31, 2020



Audited Financial Statements

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Independent Auditors' Report

Board of Directors
American Saddlebred Horse Association, Inc.
Lexington, Kentucky

We have audited the accompanying financial statements of American Saddlebred Horse Association, Inc. (the "Association") which are comprised of the statement of financial position as of December 31, 2020, 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.

Auditors' 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 auditors' 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 auditors consider internal control relevant to the Association'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 Association'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 Association as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note M, the Association adopted the requirements of Financial Accounting Standards Board Accounting Standards Updates No. 2014-09 and No. 2018-08. Our opinion is not modified with respect to this matter.

Strothman and Company

Louisville, Kentucky
September 15, 2021

Statement of Financial Position

American Saddlebred Horse Association, Inc.

December 31, 2020

Assets

Cash	\$	192,234
Accounts receivable		
Trade		10,874
Due from related party		18,227
Prepaid expenses		4,088
Investments		1,229,618
Property and equipment, net		<u>542,765</u>

Total Assets \$ 1,997,806

Liabilities and Net Assets

Liabilities

Accounts payable	\$	17,653
Accrued expenses		23,082
Deferred revenue		<u>53,781</u>

Total Liabilities 94,516

Net Assets

Without donor restrictions		1,143,215
With donor restrictions		<u>760,075</u>

Total Net Assets 1,903,290

Total Liabilities and Net Assets \$ 1,997,806

See Notes to Financial Statements

Statement of Activities

American Saddlebred Horse Association, Inc.

Year Ended December 31, 2020

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenues and Support			
Revenues			
Management fees	\$ 245,802		\$ 245,802
Journal revenue	139,120		139,120
Other fees revenue	16,391		16,391
State fair	66,159		66,159
Special event fees	46,637		46,637
Rent	27,524		27,524
Miscellaneous	12,394		12,394
	<hr/>		<hr/>
Total Revenues	554,027		554,027
Support			
Net investment return	93,778	\$ 70,314	164,092
Memberships	166,365		166,365
Youth programs	44,906		44,906
Donations	173,993	10,000	183,993
Net Assets Released from Restrictions	9,167	(9,167)	
	<hr/>	<hr/>	<hr/>
Total Support	488,209	71,147	559,356
	<hr/>	<hr/>	<hr/>
Total Revenues and Support	1,042,236	71,147	1,113,383
Expenses			
Program services			
Communications and publications	255,661		255,661
Advancement	570,563		570,563
Technology	45,997		45,997
	<hr/>		<hr/>
Total Program Services Expenses	872,221		872,221
Administration			
Fundraising	167,715		167,715
	<hr/>		<hr/>
Total Expenses	1,092,841		1,092,841
Other Income			
Paycheck Protection Program loan forgiveness	144,000		144,000
Economic Injury Disaster Loan advance	9,000		9,000
	<hr/>		<hr/>
Total Other Income	153,000		153,000
	<hr/>		<hr/>
Change in Net Assets	102,395	71,147	173,542
Net Assets Beginning of Year	1,040,820	688,928	1,729,748
	<hr/>	<hr/>	<hr/>
Net Assets End of Year	<u>\$ 1,143,215</u>	<u>\$ 760,075</u>	<u>\$ 1,903,290</u>

See Notes to Financial Statements

Statement of Functional Expenses

American Saddlebred Horse Association, Inc.

December 31, 2020

	Program Services			Total Program Services	Administration	Fundraising	Totals
	Communications and Publications	Advancement Programs	Technology Program				
Salaries	\$ 186,221	\$ 251,274		\$ 437,495	\$ 109,712	\$ 34,646	\$ 581,853
Payroll taxes	14,499	19,219		33,718	8,542	2,697	44,957
Benefits	18,358	24,335		42,693	10,815	3,415	56,923
Total Salaries and Benefits	219,078	294,828		513,906	129,069	40,758	683,733
Advertising and promotion		33,890		33,890			33,890
Bank charges	8,371	11,097		19,468	4,932	1,557	25,957
Computer fees			\$ 10,130	10,130	2,566	810	13,506
Contract labor	430			430	109	34	573
Depreciation and amortization			35,867	35,867	9,268	2,869	48,004
Donations	1,938	2,570		4,508	1,142	361	6,011
Dues and subscriptions	195	259		454	115	36	605
Insurance	7,985	10,585		18,570	4,704	1,486	24,760
Interest expense	36	48		84	21	7	112
Meetings and conferences		62,715		62,715			62,715
Miscellaneous	2,453	3,142		5,595	1,446	458	7,499
Office supplies	1,480	1,961		3,441	872	275	4,588
Payroll processing fees	1,455	1,929		3,384	857	271	4,512
Postage and shipping	2,610	3,460		6,070			6,070
Printing	2,916	3,865		6,781			6,781
Prizes and awards		94,327		94,327			94,327
Professional fees		33,335		33,335	8,445	2,667	44,447
Recruitment		842		842	213	67	1,122
Repairs and maintenance	930	1,233		2,163	548	173	2,884
Security	193	257		450	114	36	600
State fair		1,691		1,691			1,691
Telephone	1,193	1,581		2,774	703	222	3,699
Travel		1,118		1,118			1,118
Utilities	4,398	5,830		10,228	2,591	818	13,637
Total	\$ 255,661	\$ 570,563	\$ 45,997	\$ 872,221	\$ 167,715	\$ 52,905	\$ 1,092,841

See Notes to Financial Statements

Statement of Cash Flows

American Saddlebred Horse Association, Inc.

Year Ended December 31, 2020

Operating Activities

Change in net assets	\$ 173,542
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation and amortization	48,004
Realized and unrealized gains on investments	(138,644)
Changes in	
Accounts receivable	(26,706)
Prepaid expenses	6,477
Accounts payable	(10,455)
Accrued expenses	(2,194)
Deferred revenue	(29,251)

Net Cash Provided By Operating Activities 20,773

Investing Activities

Proceeds from sales of investments	552,852
Purchases of investments	(563,613)

Net Cash Used In Investing Activities (10,761)

Net Increase in Cash 10,012

Cash Beginning of Year 182,222

Cash End of Year \$ 192,234

Supplemental Disclosure of Cash Flow Data

Cash paid during the year for interest	<u><u>\$ 112</u></u>
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See Notes to Financial Statements

Notes to Financial Statements

American Saddlebred Horse Association, Inc.

December 31, 2020

Note A--Nature of Operations

American Saddlebred Horse Association, Inc. (the "Association") was incorporated within the Commonwealth of Kentucky on April 18, 1990. The purposes for which the Association was organized shall be exclusively charitable, educational, and scientific within the meaning of Section 501 (c)(3) of the Internal Revenue Code. To that end, the Association shall have the purposes of advancing, promoting, improving and protecting the grace, intelligence and versatility of the American Saddlebred, and providing programs and services supporting our members, while fostering public awareness of the breed. The Association's primary revenue sources are memberships, advertising sales, donations and management fees.

Note B--Summary of Significant Accounting Policies

Basis of Accounting--The *Accounting Standards Codification* ("ASC") as produced by the Financial Accounting Standards Board ("FASB") is the sole source of authoritative generally accepted accounting principles for non-profit entities.

Donor-Imposed Restrictions--The Association records and reports its assets, net assets, and revenues based on the existence or absence of donor-imposed restrictions.

The Association reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Funds of Perpetual Duration assets include those contributions and other inflows of assets whose use by the Association is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Association.

Accounts Receivable--Accounts receivable are reported at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through a charge to expense and a credit to an allowance for doubtful accounts receivable based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable. There was no allowance for doubtful accounts receivable as of December 31, 2020.

Continued

American Saddlebred Horse Association, Inc.

December 31, 2020

Note B--Summary of Significant Accounting Policies--Continued

Investment Valuation and Income Recognition--Investments in equity securities and in debt securities are reported at their fair values. Purchases and sales are recorded on a trade-date basis. Realized and unrealized gains and losses are included in the statements of activities. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Investments are made according to the investment policies adopted by the Association's Board of Directors. These guidelines outline the allowable securities the Association can invest in and authorize retaining an investment advisor to assume investment management functions.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restriction. Other investment return is reflected in the statement of activities as net assets without donor restrictions or net assets with donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

Property and Equipment--Property and equipment purchased by the Association is stated at cost. Property and equipment donated to the Association is stated at estimated fair value at the date of the donation. Depreciation of property and equipment is provided on a straight-line basis over the estimated useful lives of the assets. Estimated useful lives are as follows:

Building	39 years
Building improvements	Up to 15 years
Furniture and fixtures	Up to 7 years
Office equipment	2 – 5 years

The cost of normal repairs and maintenance is charged to operating expense as incurred. Acquisitions of property and equipment in excess of \$500 that meet the requirements are capitalized. Depreciation and amortization expense for the year ended December 31, 2020 was \$48,004.

Impairment of Long-Lived Assets--Management of the Association reviews for the impairment of the long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when estimated future cash flows expected to result from the use of the asset and its eventual disposition, are less than the carrying amount. There were no charges for impairment of long-lived assets during 2020.

Revenue Recognition--The Association recognizes revenue from exchange transactions, primarily advertisements, events and membership dues, when the earnings process is complete and goods have been delivered or services performed. Advertising revenue is recognized once publications are printed. Special events revenue is recognized at the time of the event. Membership dues, which are nonrefundable, are comprised of an exchange element based on the value of benefits provided, and a contribution element for the difference between the total fees paid and the exchange element. The Association recognizes the exchange portion of membership fees as revenue over the membership period (which is normally one year from date of purchase), and the associated contribution revenue when received.

Continued

Notes to Financial Statements--Continued

American Saddlebred Horse Association, Inc.

December 31, 2020

Note B--Summary of Significant Accounting Policies--Continued

Membership fees related to the exchange element of the transaction that carry member benefits which can be utilized in future periods have been recorded as deferred program revenue in the statement of financial position.

Contributions--Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Income Taxes--The Association qualifies as a tax-exempt organization under Section 501 (c)(3) of the Internal Revenue Code ("IRC"); therefore, no provision for federal or state income taxes has been made. Although the Association is exempt from income taxes, any income generated from activities unrelated to its exempt purpose is subject to tax under IRC Section 511. Unrelated business income for the year ended December 31, 2020 was \$0. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Generally accepted accounting principles prescribe a comprehensive model for how an organization should measure, recognize, present and disclose in its financial statements uncertain tax positions that an organization has taken or expects to take on a tax return. There is no impact on the Association's financial statements as a result of the implementation of these accounting principles.

Functional Allocation of Expenses--The cost of providing various programs and activities have been summarized on a functional basis in the statement of functional expenses. Certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include management fees, rent, telephone, insurance, and utilities, which are allocated based on estimated time and effort. Administration expenses include those expenses that are not directly identifiable with the Association's program, but provide for the overall support and direction of the Association. Although the methods used were appropriate, alternative methods may have provided different results.

Use of Estimates--The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

American Saddlebred Horse Association, Inc.

December 31, 2020

Note C--Investments and Fair Value Measurements

Generally accepted accounting principles provide a framework for measuring fair value, and expand the disclosures required for fair value measurements. They also establish a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels. These levels, in order of highest to lowest priority are described below:

Level 1 - Quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Observable inputs other than Level 1 and Level 2, that are not actively traded, and significant other observable inputs are not available.

The fair values of investments as of December 31, 2020 are summarized as follows:

	Fair Value Measurement Using:	
	Fair Value	Quoted Prices in Active Markets (Level 1)
Equities	\$ 780,573	\$ 780,573
Fixed income	359,642	359,642
Cash and cash alternatives	68,642	68,642
Other	20,761	20,761
	<u>\$ 1,229,618</u>	<u>\$ 1,229,618</u>

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Continued

Notes to Financial Statements--Continued

American Saddlebred Horse Association, Inc.

December 31, 2020

Note C--Investments and Fair Value Measurements--Continued

Investment securities are exposed to various risks such as interest rate risk, market risk and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would result in material changes in the fair value of investments and net assets of the Association.

The table below provides detail of the net investment return presented in the accompanying statement of activities during 2020.

Interest and dividend income	\$	39,753
Realized gains		34,486
Unrealized gains		104,158
Investment fees		<u>(14,305)</u>
	\$	<u>164,092</u>

Note D--Property and Equipment

As of December 31, 2020, property and equipment consist of the following:

Buildings	\$	863,175
Building improvements		203,202
Furniture and equipment		62,257
Software and web page		<u>588,996</u>
		1,717,630
Less accumulated depreciation and amortization		<u>1,174,865</u>
Property and Equipment, Net	\$	<u>542,765</u>

Notes to Financial Statements--Continued

American Saddlebred Horse Association, Inc.

December 31, 2020

Note E--Net Assets with Donor Restrictions

As of December 31, 2020, net assets with donor restrictions are restricted for the following purposes:

Subject to Expenditure for Specified Purpose

Belle Elegant	\$ 215,059
Lordosis Fund	13,035
Goth Fund	1,572
Scholarship	59,225
Equine Welfare	35,602
Genetic Research	106,756
Vera Gatch Fund	120,952
Riding Program	<u>7,874</u>

560,075

**Subject to Endowment Spending
Policy and Appropriations**

Belle Elegant	100,000
Genetic Research	<u>100,000</u>

200,000

Total Net Assets With Donor Restrictions \$ 760,075

Net assets were released from donor restrictions during 2020 (scholarships, research, educational purposes and other programs) when expenses were incurred to satisfy the restricted purposes or by occurrence of other events as specified by donors.

Note F--Endowments

Generally accepted accounting principles provide guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"). They also require additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

Continued

Notes to Financial Statements--Continued

American Saddlebred Horse Association, Inc.

December 31, 2020

Note F--Endowments--Continued

Endowment Funds

The Association's investment and management of donor-restricted endowment funds is governed by UPMIFA and its own governing documents. UPMIFA requires the historical dollar amount of a donor-restricted endowment fund to be preserved. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable under UPMIFA.

Endowment Investment and Spending Policy

The Association has adopted an investment policy, approved by the Board of Directors, for endowment assets that attempts to provide a systematic and growing stream of funds to the Association to support its activities. The investment policy guidelines utilize a balanced approach that provides a range and a target asset mix between cash equivalents, fixed income and equity investments. Earnings on endowment investments are available to support the endowments' purposes and management has historically accessed those earnings annually.

Changes in endowment net assets are as follows:

Balance at January 1, 2019	\$ 200,000
Endowment Investment Return	80,122
Appropriated for expenditure	<u>(80,122)</u>
Total Change in Endowment Funds for the Year	<u> </u>
Balance at January 1, 2020	200,000
Endowment Investment Return	45,765
Appropriated for expenditure	<u>(45,765)</u>
Total Change in Endowment Funds for the Year	<u> </u>
Balance at December 31, 2020	<u><u>\$ 200,000</u></u>

Notes to Financial Statements--Continued

American Saddlebred Horse Association, Inc.

December 31, 2020

Note G--Employee Retirement Plan

The Association maintains a Simple-IRA plan which allows employees to participate with tax deferred contributions and the Association is limited to a 3% employer contribution. The Association's expense was \$12,250 for the year ended December 31, 2020.

Note H--Paycheck Protection Program Loan and EIDL Advance

In April 2020, the Association obtained a Small Business Administration ("SBA") Paycheck Protection Program ("PPP") loan of \$144,000. The PPP loan, when used for certain expenses (payroll, retirement contributions, health insurance costs, rent and utilities), can be forgiven.

The Association received confirmation of forgiveness of this loan from the SBA on March 18, 2021 for 100% of the balance. Management therefore elected to account for this unique lending vehicle as a government grant, for which the Association recognized other income of \$144,000 for the year ended December 31, 2020.

In April 2020, the Association obtained an SBA COVID-19 Economic Injury Disaster Loan ("EIDL") advance of \$9,000. The EIDL advance was a grant program offered together with the economic injury disaster loan program. The advance does not have to be repaid.

Note I--Related Party Transactions

The Association received \$245,802 in management fees during 2020 from the Registry to pay for the time and expenses that Association employees expended providing services to the Registry. The Association charged rent to the Registry for the use of office space and office equipment totaling \$27,524 for the year ended December 31, 2020. As of December 31, 2020, the Association had amounts receivable from the Registry of \$18,227.

Note J--Contingencies

In March 2020, the World Health Organization declared the spread of Coronavirus Disease ("COVID-19") a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Association, COVID-19 may impact various parts of its operations and financial results for 2021. Management believes the Association is taking appropriate actions to mitigate the negative impact. However, the full impacts of COVID-19 are unknown, cannot be reasonably estimated, and are still developing.

Notes to Financial Statements--Continued

American Saddlebred Horse Association, Inc.

December 31, 2020

Note K--Liquidity and Availability of Financial Assets

The Association's major sources of support are membership dues, donations, and investment income. Even though support can fluctuate significantly from year to year, the Association has a strong cash position to cover its monthly financial obligations.

The following table reflects the Association's financial assets as of December 31, 2020, reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions or internal designations.

Cash	\$ 192,234
Accounts receivable, to be collected in less than one year	29,101
Investments	<u>1,229,618</u>
Total Financial Assets, Excluding Noncurrent Receivables	1,450,953
Contractual or donor-imposed restrictions:	
Endowment fund investments	<u>(760,075)</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u>\$ 690,878</u>

Note L--Concentrations

The Association maintains its cash deposits with two financial institutions insured by the Federal Deposit Insurance Corporation up to \$250,000 at each institution. The Association did not have cash deposits in excess of insured limits as of December 31, 2020.

Note M--Adoption of New Accounting Principles

Effective January 1, 2020, the Association adopted the guidance in FASB's *Accounting Standards Update* ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606). This ASU introduces a new five-step revenue recognition model in which an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The five requirements under the ASU are as follows: Identify the contract(s) with the customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract, and recognize revenue when (or as) the entity satisfies a performance obligation. The adoption of this ASU did not materially impact the Association's financial statements.

Continued

Notes to Financial Statements--Continued

American Saddlebred Horse Association, Inc.

December 31, 2020

Note M--Adoption of New Accounting Principles--Continued

Effective January 1, 2020, the Association adopted the requirements of the FASB's ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, in the current year, applying the changes using a modified prospective approach. This update clarifies and improves current guidance about whether a transfer of assets is a contribution or an exchange transaction. The Association has adopted the guidance in the ASU as of January 1, 2020; however, adoption did not materially impact the Association's financial statements.

Note N--Future Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This new standard, which the Association is not required to adopt until its year ending December 31, 2022, is intended to improve financial reporting about leasing transactions by requiring entities that lease assets to recognize on their statement of financial position the assets and liabilities for the rights and obligations created by those leases, and to provide additional disclosures regarding the leases.

On September 17, 2020, the FASB issued ASU No. 2020-07 *Not-for-Profit Entities (Topic 958)*. This new standard, which the Association is not required to adopt until its year ending December 31, 2022, is intended to increase transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. Nonfinancial assets include fixed assets, use of fixed assets or utilities, materials and supplies, intangible assets, services and unconditional promises of those assets.

The Association is evaluating the effects that these ASUs will have on its future financial statements, including related disclosures.

Note O--Subsequent Events

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes to the financial statements. Management evaluated the activity of the Association through September 15, 2021.

On February 18, 2021, the Association and the American Saddlebred Registry, Inc. merged operations and the resulting entity is the American Saddlebred Horse And Breeders Association, Inc.