Frye & Company, CPAs

UNITED STATES EVENTING ASSOCIATION & AFFILIATE

USEA

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED NOVEMBER 30, 2022

F&Co

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INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Governors
United States Eventing Association & Affiliate
Leesburg, Virginia

Opinion

We have audited the accompanying consolidated financial statements of the United States Eventing Association and its affiliate, the USEA Foundation, (a nonprofit organization), which comprise the consolidated statement of financial position as of November 30, 2022, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of United States Eventing Association and its affiliate, the USEA Foundation, as of November 30, 2022, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the United States Eventing Association and its affiliate, the USEA Foundation, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

To the Board of Governors
United States Eventing Association
& Affiliate

Responsibilities of Management for the Consolidated Financial Statements

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the United States Eventing Association and its affiliate's, the USEA Foundation, ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 United States Eventing Association and its affiliate, the USEA Foundation. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the United States Eventing Association and its affiliate's, the USEA Foundation, ability to continue as a going concern for a reasonable period of time.

To the Board of Governors
United States Eventing Association
& Affiliate

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements – Continued

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities and changes in net assets is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Frye & Company, CPAs

Frye & Company, CPAs
Manassas, Virginia
November 22, 2023

UNITED STATES EVENTING ASSOCIATION & AFFILIATE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF NOVEMBER 30, 2022

Assets	
Cash and cash equivalents (see Note D)	$ 1,433,418
Marketable securities (see Note G)	2,552,380
Accounts receivable, net (see Note F)	192,678
Other receivables	467,926
Inventory, net	167,523
Prepaid expenses and other	57,676
Property and equipment:	
Land	174,200
Building and improvements	957,049
Furniture and equipment	371,969
Computer software	987,865
Property and equipment, at cost	2,491,083
Accumulated depreciation	(1,397,405)
Property and equipment, net	1,093,678
Total Assets	$ 5,965,279

Liabilities and Net Assets	
Liabilities	
Accounts payable and accrued expenses	$ 437,648
Accrued payroll and taxes	107,893
Accrued leave liability	137,839
Accrued retirement	5,284
Deferred revenue (see Note I):	
Membership dues	581,499
Events and sponsorships	218,527
Subtotal	800,026
Total liabilities	1,488,690
Net assets (see Note J):	
Net assets without donor restrictions:	
General operating fund	1,213,175
Board designated funds	1,203,812
Total net assets without donor restrictions	2,416,987
Net assets with donor restrictions	2,059,602
Total net assets	4,476,589
Total Liabilities and Net Assets	$ 5,965,279

See accompanying auditors' report and notes to consolidated financial statements.

UNITED STATES EVENTING ASSOCIATION & AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES & CHANGE IN NET ASSETS

YEAR ENDED NOVEMBER 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Events income and registrations	$ 1,287,181	$ -	$ 1,287,181
Membership dues and fees	1,139,486	-	1,139,486
Contribution and donations	122,906	466,701	589,607
Sponsorships and in-kinds (see Note L)	587,727	-	587,727
Educational fees and registrations	399,264	-	399,264
Administrative and other fees	276,385	-	276,385
Merchandise inventory	149,802	-	149,802
Annual meeting income	60,757	-	60,757
Royalties and other income	50,029	-	50,029
Publication advertising	25,465	-	25,465
Investment income (see Note G)	(212,013)	-	(212,013)
Net assets released from restriction:			
Educational scholarships and grants	594,912	(594,912)	-
Total revenue and support	4,481,901	(128,211)	4,353,690
Expense			
Program services:			
Competition and events	1,691,592	-	1,691,592
Area programs	683,337	-	683,337
Educational programs	668,170	-	668,170
Publications and media	399,188	-	399,188
Annual meeting	273,369	-	273,369
Merchandise inventory	155,146	-	155,146
Total program services	3,870,802	-	3,870,802
Supporting services:			
Management and general	525,445	-	525,445
Membership development	194,890	-	194,890
Fundraising and sponsorships	269,585	-	269,585
Total supporting services	989,920	-	989,920
Total expense	4,860,722	-	4,860,722
Change in Net Assets	(378,821)	(128,211)	(507,032)
Net assets, beginning of year	2,297,193	2,187,813	4,485,006
Prior period adjustments	498,615	-	498,615
Net assets, beginning of year, restated	2,795,808	2,187,813	4,983,621
Net Assets, End of Year	$ 2,416,987	$ 2,059,602	$ 4,476,589

See accompanying auditors' report and notes to consolidated financial statements.

UNITED STATES EVENTING ASSOCIATION & AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED NOVEMBER 30, 2022

	Program Services						Total	Supporting Services			Total	
	Competition and Events	Area Programs	Educational Programs	Publications and Media	Annual Meeting	Merchandise Inventory	Program Services	Management and General	Membership Development	Fundraising and Sponsorships	Supporting Services	Total Expenses
Expenses												
Salaries and wages	$ 487,870	$ 42,801	$ 127,534	$ 134,475	$ 73,021	$ 47,283	$ 912,984	$ 301,774	$ 106,568	$ 124,643	$ 532,985	$ 1,445,969
Instructor and consultants	93,315	210,048	59,518	43,274	5,898	1,903	413,956	12,146	4,289	5,017	21,452	435,408
Travel and meetings	38,751	194,610	48,489	27,487	94,863	12,080	416,280	5,568	1,966	2,300	9,834	426,114
Scholarship and grants	15,556	15,649	333,268	4,286	2,332	1,508	372,599	41,679	3,400	3,972	49,051	421,650
In-kind sponsorships	180,373	-	-	-	17,773	-	198,146	-	-	54,800	54,800	252,946
Awards and trophies	113,159	78,906	182	192	19,078	68	211,585	431	152	178	761	212,346
Bank and credit card fees	144,003	2,947	4,225	2,431	3,086	7,292	163,984	4,714	12,856	1,947	19,517	183,501
Drug and medical fees	175,000	-	-	-	-	-	175,000	-	-	-	-	175,000
Employee benefits	52,981	4,648	13,850	14,604	7,930	5,135	99,148	32,772	11,573	13,536	57,881	157,029
Insurance	110,316	4,193	17,239	3,902	2,119	1,372	139,141	8,757	3,092	3,617	15,466	154,607
Computer expenses	35,719	10,499	9,337	10,178	5,346	4,421	75,500	22,094	7,802	9,126	39,022	114,522
Payroll taxes	35,064	3,076	9,166	9,665	5,248	3,398	65,617	21,689	7,659	8,958	38,306	103,923
Professional fees	31,214	2,738	8,160	8,604	4,672	3,025	58,413	19,307	6,818	7,975	34,100	92,513
Postage and handling	29,230	4,148	1,388	26,979	10,020	8,747	80,512	598	5,229	247	6,074	86,586
Printing and reproduction	1,759	2,186	1,184	78,449	191	741	84,510	221	1,388	91	1,700	86,210
Supplies and materials	8,878	54,603	3,951	2,487	3,610	1,273	74,802	2,603	4,055	1,075	7,733	82,535
Cost of goods sold	28,754	-	-	-	-	48,774	77,528	-	-	-	-	77,528
Occupancy costs	25,645	2,250	6,704	7,068	3,838	2,485	47,990	15,863	5,602	6,552	28,017	76,007
Depreciation expense	31,562	3,272	4,352	6,191	3,798	1,613	50,788	10,297	3,636	4,253	18,186	68,974
Pension contributions	16,555	1,452	4,328	4,563	2,478	1,604	30,980	10,240	3,616	4,230	18,086	49,066
Miscellaneous expenses	7,252	26,457	9,612	874	913	214	45,322	1,363	481	563	2,407	47,729
Advertising and promotion	10,122	15,617	2,646	2,895	1,515	981	33,776	6,261	2,211	2,586	11,058	44,834
Bad debts expense	5,237	7	70	7,294	1,328	128	14,064	47	17	11,019	11,083	25,147
Telephone and internet	7,385	2,882	1,930	2,044	1,105	716	16,062	4,568	1,613	1,887	8,068	24,130
Payroll processing fees	2,224	195	582	613	333	216	4,163	1,376	486	568	2,430	6,593
Dues and subscriptions	2,098	110	326	344	187	121	3,186	772	273	319	1,364	4,550
Loss on disposal of assets	493	43	129	289	2,687	48	3,689	305	108	126	539	4,228
Program development	1,077	-	-	-	-	-	1,077	-	-	-	-	1,077
Total Expenses	$ 1,691,592	$ 683,337	$ 668,170	$ 399,188	$ 273,369	$ 155,146	$ 3,870,802	$ 525,445	$ 194,890	$ 269,585	$ 989,920	$ 4,860,722

See accompanying auditors' report and notes to consolidated financial statements.

UNITED STATES EVENTING ASSOCIATION & AFFILIATE

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED NOVEMBER 30, 2022

Cash Provided (Used) by Operating Activities	
Change in net assets	$ (507,032)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation and amortization	68,974
Realized (gain) loss on marketable securities	(2,353)
Unrealized (gain) loss on marketable securities	264,068
Provision for doubtful accounts	25,147
Loss on disposition of assets	4,228
Changes in assets and liabilities:	
Accounts and other receivables	(149,907)
Inventory and merchandise	(38,489)
Prepaid expenses and deposits	(28,687)
Accounts payable and accrued expenses	(59,349)
Accrued payroll, benefits, and retirement	55,584
Deferred and unearned revenue	96,418
Total adjustments	235,634
Net cash provided (used) by operating activities	(271,398)
Cash Provided (Used) by Investing Activities	
Sales of marketable securities	816,447
Purchases of marketable securities	(761,092)
Proceeds on the sale of property and equipment	-
Purchases of property and equipment	(92,311)
Net cash provided (used) by investing activities	(36,956)
Cash Provided (Used) by Financing Activities	
Principal advances on debt obligations	-
Principal repayments on debt obligations	-
Net cash provided (used) by financing activities	-
Net Increase (Decrease) in Cash and Cash Equivalents	(308,354)
Cash and cash equivalents, beginning of year	1,741,772
Cash and Cash Equivalents, End of Year	$ 1,433,418
Supplemental Cash Flows Information:	
Cash paid for interest	$ -
Cash paid for income taxes	$ 13,414
Supplemental Non-Cash Investing and Financing Activities	
In-kind donations, donated facilities and contributed services	$ 252,946
Assets acquired via exchange of services	$ -

See accompanying auditors' report and notes to consolidated financial statements.

UNITED STATES EVENTING ASSOCIATION & AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED NOVEMBER 30, 2022

Note A – Organization & Operations

Organization: The United States Eventing Association, Inc. (USEA) was founded in 1959 as a nonprofit educational organization dedicated to promoting and developing equestrian eventing throughout the United States of America. The Association accomplishes its mission by educating and assisting its members, including competitors, event organizers, and officials; maintaining responsible safety standards for events; registering qualified competitions and competitors; and providing training opportunities designed to improve the skills and abilities of both horse and rider. The Association's headquarters is in Leesburg, Virginia and it is activities are managed by its board of governors. The Association has approximately 13,000 members and affiliates.

Affiliate: The USEA Foundation (the "Foundation") was established in 1991 for the benefit of the United States Eventing Association (USEA). The Foundation was organized as a tax-exempt organization to support the charitable, scientific, literary and educational activities and to perform certain charitable functions and purposes of USEA. The Foundation is governed by a trust agreement and by-laws and managed by an independent board of trustees. The Association provides administrative and management services at the request of the Foundation.

Activities: The Association also carries outs its activities through various Area programs which are administered by locally appointed officials. The Association sponsors various competitions, events, educational programs, and sells educational materials, videos, and publications, and the Foundation also helps underwrite and support the Association programs and initiatives.

Note B - Summary of Significant Accounting Policies

Basis of Accounting: The Association prepares the consolidated financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Consequently, revenue is recognized when earned and expense when obligations are incurred.

Principles of Consolidation: The accompanying consolidated financial statements include the accounts and activities of the Association and its affiliate with all significant inter-company accounts and transactions eliminated. The consolidated entity is referred as the "Association" in the consolidated financial statements and accompanying note disclosures.

Revenue Recognition: The Association recognizes revenue when earned and expense when obligations are incurred. Membership dues are recognized ratably over the respective membership terms. Program, events, sponsorship, and sales income are recognized when the program or event is held or when the goods are services are provided as agreed. Contributions and donations, including in-kind donations and contributed services, are recognized at fair value when an unconditional promise-to-give is both determinable and measurable by the Association.

Note B – Summary of Significant Accounting Policies – Continued

Income Tax Status: The Association received a favorable tax determination letter from the Internal Revenue Service in August 1981 stating that it is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code as a publicly supported organization under Section 509(a)(1). The Foundation received a favorable tax determination letter from the Internal Revenue Service in May 1992 stating that it is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code as a publicly supported organization under Section 509(a)(1). The Association and Foundation's tax exemption extends to activities related to their tax-exempt purpose to foster and promote equestrian evening. Any unrelated business activities, such as advertising, are subject to taxation.

Cash and Cash Equivalents: For financial statement presentation purposes, the Association considers highly liquid debt instruments with maturities of three months or less, including money market funds, to be cash equivalents. The Association typically has cash balances in excess of federal insurance limits. The Foundation's funds are primarily held in an investment portfolio that is generally not covered by federal insurance and is subject to economic and market risks.

Marketable Securities: Investments in marketable securities consist principally of cash and money market funds, fixed income securities, mutual bond and equity funds, and corporate stock and options reported at estimated fair value with any unrealized gain or loss included as a component of investment income. Fair value is generally determined by quoted market prices or observable quoted market prices for similar securities as of the last trading date of the fiscal year.

Accounts Receivable: The Association's accounts receivable consist of amounts due from the sales of sponsorships, advertisements, registrations and other fees. Accounts receivable are reported at their net realizable value by management periodically reviewing an aging of its receivables for collection purposes and to evaluate the necessity for an allowance for doubtful accounts. Allowances are established by management for potentially uncollectible balances. As of November 30, 2022, the Association's accounts receivable were reported net of an allowance for doubtful accounts of approximately $25,800. Bad debts expense was approximately $25,100 during the fiscal year ended November 30, 2022.

Inventory: Inventory consists primarily of educational publications, videos, eventing supplies and materials, and branded logo items purchased for resale. Inventory is also reported at its net realizable value based upon the lower of cost or market on an average cost basis. Management determined that a reserve for obsolescence was unnecessary as of November 30, 2022 and no significant provision for inventory obsolescence was recognized during the fiscal year then ended.

Prepaid Expenses and Deposits: The Association's prepaid expenses and other assets consist primarily of prepaid insurance, subscriptions, service contracts, membership materials, meeting expenses, and refundable security deposits generally recoverable within the subsequent fiscal year.

Note B – Summary of Significant Accounting Policies – Continued

Property and Equipment: The Association capitalizes property and equipment acquisitions at cost or estimated fair value at the time of donation and depreciates them using the straight-line method of depreciation over their estimated useful lives, which range from 3 to 30 years. Management reviews the carrying value of property and equipment to determine if the carrying value may not be recoverable and an impairment loss has been sustained. Management determined no such impairments occurred during the fiscal year ended November 30, 2022. Depreciation expense was $69,000 during the fiscal year ended November 30, 2022. Expenditures for repairs and maintenance that do not materially extend the useful life of an asset, supplies, and de minimis items are expensed as incurred.

Deferred Revenue: Deferred revenue consists principally of membership dues, event registrations, sponsorships, and costs reimbursements received in advance of the applicable membership period or corresponding meeting or event. Revenue from membership dues is recognized ratably over the applicable membership term. Revenue from meeting registrations, sponsorships, and costs reimbursements is recognized when the meeting or event is held. Sponsorships are either recognized in conjunction with the event being sponsored or ratably over the sponsorship agreement for agreements covering multiple program activities.

Net Assets: The Association classifies its net assets based upon the existence or lack of donor-imposed restrictions. When the Association recognizes contributions that are restricted by the donor or limited as to their use and the Association has not met the donor's restriction by the end of the reporting year, then the Association reports these amounts as net assets with donor restrictions. Restricted net assets in which the Association has met the donor's stipulations during the fiscal year are reflected as net assets released from restriction in the accompanying financial statements. Any restricted amounts received and released from restriction in the same reporting period are reported as net assets without restrictions. The components of the Association's net assets are as follows:

- *Without donor restrictions* – Represents unrestricted resources that are available to support the Association's operations at the discretion of the Association's board of governors. The Association's board of governors may internally earmark funds for specific purposes or earmark the net proceeds from certain events for educational scholarships and grants. As of November 30, 2022, the Association reported designated funds of approximately $956,900 Area administrative and young and adult riders' funds, approximately $200,900 of COVID registration funds, and approximately $46,000 equine research funds.
- *With donor restrictions* – Represents contributions and donations and interest earned on restricted investments in which donors and grantors have specified time periods or specific purposes for the funding. Net assets with donor restrictions are released from restriction by either the passage of time on time restricted support or by the Association using the funds in accordance with the donor or grantor's requirements on purpose restricted support.

Note B – Summary of Significant Accounting Policies – Continued

Net Assets – Continued:

- *With donor restrictions* – continued – Net assets with restrictions that are received and released from restriction during the same year are reported as revenue and support without donor restrictions. As of November 30, 2022, the Association reported net assets with donor restrictions totaling approximately $1,503,900 for competition and rider funds and approximately $555,800 from the corpus of an endowment fund.

Contributions and Donations: Contributions and donations are recognized in the period in which an unconditional promise-to-give is known or when a contribution is received, at the earliest point the donation is both determinable and measurable by the Association. Contributions, including any in-kind donations, donated facilities, and contributed services, are measured at fair value and recognized as net assets without donor restrictions or net assets with donor restrictions based upon the existence or lack of donor-imposed restrictions. Net assets with restrictions both received and released during the same reporting year are reflected as net assets without donor restrictions. Net assets with donor restrictions carried over from prior year that are released during the current report period are reflected as net assets released from restriction. Grants are treated as either contributory support or earned income depending upon the nature and terms of the grant agreement and other related awarding documentation, such as the proposals. Any unspent funds on conditional grants is reflected as deferred or unearned revenue.

In-kind Donations and Contributed Services: The Association receives in-kind donations, donated facilities, and contributed services from concerned citizens, community volunteers, board members and other professionals to carry out its activities. Volunteer services that do not create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation are not recognized in the accompanying financial statements although they are instrumental to the Association in carrying outs its program activities. In-kind donations, donated facilities, and contributed services meeting the requirements for recognition are recorded at estimated fair value at the time of receipt and allocated to the program and supporting services benefit in accordance with the Association functional expense allocation methodology as further detailed below. The Association may also recognize barter transactions with members similarly. As such, the Association recognized approximately $252,900 of in-kind sponsorships during the fiscal year ended November 30, 2022. The in-kind donations and contributed services were reflected as income and expenses with approximately $198,100 allocated to program services and $54,800 to supporting services during the fiscal year ended November 30, 2022.

Fair Value Measurements: The Association established a reporting framework for measuring and disclosing fair value measurements. Fair value measurement disclosures are required for assets and liabilities measured and reported at fair value in the accompanying financial statements.

Note B – Summary of Significant Accounting Policies – Continued

Fair Value Measurements – Continued: Management uses a fair value measurement hierarchy based upon the lowest level of any input that is significant to the measurement with Level 3 being the lowest level of recognition. Management also attempts to maximize the use of observable inputs (Level 1 and 2) and minimize unobservable inputs (Level 3). Accordingly, the Association classifies any financial instruments valued at fair value in the following categories:

- *Level 1* – valuation methodology based upon unadjusted quoted prices for identical assets or liabilities traded in an active market that the Association has the ability to access;
- *Level 2* – valuation methodology based upon unadjusted quoted prices for similar assets and liabilities traded in active markets or identical or similar assets and liabilities in inactive markets, observable market inputs for assets and liabilities not traded in active markets, observable market inputs derived or corroborated principally by correlation or other means, or Level 1 instruments where there is a contractual restriction; and
- *Level 3* – valuation methodology is unobservable and significant to the fair value measurement.

As of November 30, 2022, the Association determined that its investments in marketable securities would all generally be classified as Level 1 and 2 financial instruments as fair value is determined by unadjusted published market prices or observable market prices for similar assets and liabilities. Disclosures about estimated fair values and fair value measurements were determined by the Association based upon pertinent market data and other available information as of November 30, 2022. Considerable judgment may be necessary to interpret market and financial data and to develop fair value measurements in certain circumstances, especially in regards to Level 3 financial instruments. Although the Association is unaware of any factors that would significantly affect their estimates, the Association's estimate of fair values and fair value measurements may not be indicative of amounts realized at disposition. The Association's investment portfolio is also subject to market, economic, and other geopolitical risks outside of the Association's control.

Advertising Expense: Advertising and promotional expenses are expensed when incurred with no significant amounts deferred to future fiscal years. Advertising and promotion totaled approximately $44,800 during the fiscal year ended November 30, 2022.

Functional Allocation of Expenses: The Association summarizes the cost of providing its various programs and activities on a functional basis in the accompanying financial statements. Accordingly, certain expenses were allocated to the program and supporting services benefited as reflected in the statement of functional expenses. Expenses are allocated on a reasonable basis that is consistently applied by management. Expenses that are allocated include compensation and benefits, operating costs, and depreciation and amortization which are allocated based upon estimates of time and efforts devoted to the functional categories. Significant estimates are required to functionally allocate expenses to the program and supporting services benefited.

Note B – Summary of Significant Accounting Policies – Continued

Estimates: The preparation of financial statements in conformity 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 could differ from those estimates and the difference could be material.

Note C – Related Party Transactions

Given the Association's exempt purposes to foster and promoting equestrian eventing, the Association conducts business with companies that may be represented on the Association's board of governors or Foundation's board of trustees. The Association has a conflict of interest policy which requires individuals to disclose any potential conflicts and for individuals to recluse themselves from voting on matters in which apparent or perceived conflicts of interest exist. The Association also provides administrative and management services to the Foundation and the Foundation may hold and invest certain funds on behalf of the Association. During the fiscal year ended November 30, 2022, the Foundation owed the Association approximately $291,600 and also during the fiscal year then ended, the implied value of the administrative and management services provided to the Foundation on a pro bono basis was estimated at approximately $93,400. Both amounts were eliminated as inter-company transactions in the consolidated financial statements.

Note D – Concentrations of Risk

Financial Instruments: Financial instruments that potentially subject the Association to concentrations of risk consist of deposits with banking institutions that exceed the federal insurance available for such accounts. The Association typically has cash balances in excess of federal insurance. As of November 30, 2022, the Association reported approximately $319,500 in cash balances in excess of federal insurance. The Foundation's hold substantially all of its funds in investment portfolios that are not covered by federal depository insurance and are subject to economic and market risks and are subject to risk of loss.

Members and Areas: The Association receives substantial revenue and support from its member organizations in the form of sponsorships, memberships, and registration fees. Also, a significant portion of the Association's accounts receivable are due from member organizations. Additionally, the Association has ten Areas that are geographical regions as defined in the Association's by-laws. The Areas are locally governed, grass-roots educational and competitive riding activities. The Areas maintain their own bank accounts and raise funds in support of their activities. The Association provides some administrative oversight and endorses and promotes certain Area programs. The Area's account for approximately $956,900 or 67% of the Association's cash and cash equivalents and $956,300 or 21% of the Association's net assets.

Note E – Liquidity and Availability of Financial Assets

The Association reported no significant debt or other obligations, other than internal board designations and net assets with donor-imposed time or purpose restrictions. The following schedule reflects the Association's financial assets as of November 30, 2022 reduced by amounts not available for general use due to contractual or donor-imposed restrictions within one year of the fiscal year ended November 30, 2022:

Financial assets at end of fiscal year	$ 4,646,402
Amounts unavailable for general expenditure within one fiscal year of reporting period:	
Assets subject to donor-imposed time and purpose restrictions	2,059,602
Financial assets available to meet cash needs for general expenditure within one fiscal year	$ 2,586,800

As part of the Association's liquidity management, management may invest any excess funds within short-term cash money market funds or the Foundation invests its funds in an investment portfolio that also consists of fixed income securities, mutual bond and equity funds, and corporate stock and options that are subject to economic and market risk and risk of loss.

Note F – Accounts Receivable

The Association's accounts receivable consist of amounts due from the sales of sponsorships, advertisements, registrations and other fees. Accounts receivable are reported at their net realizable value by management periodically reviewing an aging of its receivables for collection purposes and to evaluate the necessity for an allowance for doubtful accounts. Allowances are established by management for potentially uncollectible balances. The Association also discounts any pledge or bequest receivable using a present value discount when the pledge or bequest receivables are due over an extended period of time. Given the nature of the Association's accounts receivable, management determined that a present value discount was unnecessary as of November 30, 2022. However, the Association's accounts receivable were reported net of an allowance for doubtful accounts of approximately $25,800 as of November 30, 2022, and bad debts expense was approximately $25,100 during the fiscal year then ended.

The Association also reported approximately $467,900 of other receivables of which approximately $456,500 pertains to Employee Retention Tax Credits (ERTC) under The CARES Act. The ERTC are refundable payroll tax credits available to eligible employees meeting specific requirements for quarters during 2020 and through September 30, 2021.

Note G – Marketable Securities

The Association reports its investments in marketable securities at fair value in the accompanying consolidated financial statements, with any unrealized gains or losses included as a component of investment income. Fair value is determined by quoted market prices or observable market quotes for similar assets or liabilities as of the last trading date of the fiscal year. The Association's marketable securities consist of the following as of November 30, 2022:

	Cost	Market
Marketable securities:		
Cash and money market funds	$ 166,586	$ 166,586
Fixed income and debt securities	1,504,415	1,370,217
Mutual bond and equity funds	437,751	472,203
Corporate stock and options	434,533	543,374
	$2,543,285	$2,552,380

Investment income consists of the following for the fiscal year ended November 30, 2022:

Investment income:	
Realized interest and dividends	$ 73,464
Realized gain (loss) on sales	2,353
Unrealized gain (loss) on securities	(264,068)
Investment advisory and broker fees	(23,762)
	$ (212,013)

Note H – Fair Value Measurements

The Association adopted a reporting framework for measuring and disclosing fair value measurements. Fair value measurement disclosures are required for assets and liabilities measured and reported at fair value in the accompanying consolidated financial statements. Management uses a fair value measurement hierarchy based upon the lowest level of any input that is significant to the measurement with Level 3 being the lowest level of recognition. Management also attempts to maximize the use of observable inputs (Level 1 and 2) and minimize unobservable inputs (Level 3). The Association determined that its investments in marketable securities would all generally be classified as Level 1 and 2 financial instruments as fair value is determined by unadjusted published market prices or observable market prices for similar assets and liabilities.

Note H – Fair Value Measurements

As of November 30, 2022, the Association's financial instruments were categorized as follows:

	Fair Value	Level 1	Level 2	Level 3
Cash and money market funds	$ 166,586	$ -	$ 166,586	$ -
Fixed income and debt securities	1,370,217	-	1,370,217	-
Mutual bond and equity funds	472,203	472,203	-	-
Corporate stock and options	543,374	543,374	-	-
Marketable securities	$ 2,552,380	$ 1,015,577	$ 1,536,803	$ -

Note I – Deferred Revenue

The Association accounts for revenue from membership dues, sponsorships, and registration fees on the accrual basis of accounting and as such, revenue is recognized when earned. Accordingly, membership dues are recognized ratably over the respective membership terms. Program, events, sponsorship, and sales income are recognized when the program or event is held. Sponsorships are either recognized in conjunction with the event being sponsored or ratably over the sponsorship agreement for agreements covering multiple program activities. The Association also evaluates any grants and other funding to determine if grants are unconditional promises-to-give and thus, accounted for as contributions and either earmarked as net assets without donor restrictions or net assets with donor restrictions. In situations in which the grants require significant stipulations, such as reclamation of unspent or misspent funds, the Association treats the grants as conditional promises-to-give in which revenue is not recognized until the grantor's stipulations are substantially met. As of November 30, 2022, deferred revenue and the amounts received and recognized as income ae as follows as of and for the fiscal year ended November 30, 2022:

	Membership Dues	Events and Sponsorships	Total
Deferred revenue, end of year	$ 581,499	$ 218,527	$ 800,026
Deferred revenue, beginning of year	$ 590,476	$ 221,632	$ 812,108
Amounts received during fiscal year	388,783	325,675	714,458
Income recognized during the fiscal year	(397,760)	(328,780)	(726,540)
Deferred revenue, end of year	$ 581,499	$ 218,527	$ 800,026

Note J – Net Assets

To adhere to the limitations and restrictions placed upon its resources, the Association classifies its net assets as net assets without donor restrictions or net assets with donor restrictions. Any restricted amounts received and released from restriction in the same reporting period are reported as net assets without restrictions. The Association's board of governors may also internally designate funds or reserves for specific purposes as established by the board of governors. Amounts internally earmarked by the board may also be redesignated at the discretion of the board of governors. The board designated funds consist of the following as of November 30, 2022:

Board designated funds:	
Area administrative funds	$ 956,923
COVID-19 reserve funds	200,929
Equine research fund	45,960
	$ 1,203,812

The Association also reported amounts restricted by donors and grantors as net assets with donor restrictions. These funds are released from restrictions by either the passage of time for time restricted funds or by the Association meeting the donor's stipulations for purpose restricted funds. Restricted contributions and support both received and released during the same fiscal year is reflected as net asset without restrictions. Net assets with restrictions consist of the following as of November 30, 2022:

Net assets with donor restrictions:	
Competition and rider funds	$ 1,503,852
Endowment corpus fund	555,750
	$ 2,059,602

During the fiscal year ended November 30, 2022, the changes in net assets with restriction consist of the following:

	Competition and Rider	Endowment Corpus	Total
Net assets with restrictions, beginning of year	$ 1,632,063	$ 555,750	$ 2,187,813
Restricted contributions during the fiscal year	556,274	-	556,274
Restricted net assets released during the fiscal year	(684,485)	-	(684,485)
Net assets with restrictions, end of year	$ 1,503,852	$ 555,750	$ 2,059,602

Note K – Endowment Funds

Endowment Funds: The Foundation maintains an endowment fund totaling approximately $555,800 as of November 30, 2022. The Association transferred various endowments to the Foundation that were designed to ensure the long-term viability of the Association and to provide financial assistance to equestrian eventing and event riders

Endowment funds may be created by internal designations by the board of governors or board of trustees or from contributions restricted by donors for the establishment of the endowments. As such, endowment funds may be reflected in board designated funds within the net assets without donor restrictions or within the net assets with restrictions based upon whether the endowment funds were established by internal designations by the board of governors or from donor restricted contributions or grants.

The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift at the time of donation for the donor-restricted endowment funds absent any explicit donor stipulation to the contrary. Accordingly, the Foundation classifies as net assets with restrictions the original value of additional donations to the fund, and accumulations of the fund in accordance with the original donors' gift instruments. The board of governors may also report earnings as a component of net assets with restrictions if so restricted by the original donor and unexpended as of the end of the reporting period. The board of governors may additionally earmark earnings from certain net assets with restrictions as board designed funds.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate internally designated or donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purpose of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Investment Strategies: The Foundation has adopted investment and spending policies, approved by the board of trustees, for endowment and other investment assets in an attempt to provide for a predictable stream of funding in support of the endowment purposes while preserving capital and maintaining the purchasing power of the endowment fund assets over the long-term. Accordingly, the investment policy seeks to achieve an after-cost total rate of return, including investment income as well as capital appreciation, with acceptable risk as set forth in the investment policy approved by the board of governors. As such, the investment policy calls for a well-diversified investment portfolio, including cash and money market funds to provide adequate liquidity, and certificate of deposits, government and corporate bonds, and mutual bond and equity funds that are intended to manage risk and inflation and provide for an overall reasonable market return.

Note K – Endowment Funds – Continued

Investment Strategies – Continued: Accordingly, the Foundation expects its endowment fund assets to produce an average rate of return commensurate with market returns over the long-term. Investment risk is determined by overall investment assets and allocations and is designed to manage overall risk with preservation of capital paramount.

Spending Policies: The Foundation, at least annually, reviews it financial condition and results of operations and the ongoing needs and initiatives of the Association to establish the spending policy. Other than preservation of the original corpus of the endowment, the Foundation may award financial support to the Association and to aspiring equestrian riders with limited resources required to prepare and complete international. The Foundation considers assistance for coaching, specialized training, entry fees, living costs for horse and rider, and travel. In establishing its spending policies, the Foundation considers the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, some of which may be required to be held in perpetuity as a component of net assets with restrictions as directed by the original donor or grantor, and the possible effects of risk, inflation, and other economic matters. The Foundation expects its spending policies to allow its endowment funds to grow annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment funds as well as provide additional growth from investments and new gifts.

Financial Activity: The Foundation's endowment funds and change in endowment funds consist of the following as of and for the fiscal year ended November 30, 2012:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Funds
As of November 30, 2022:			
Endowment Fund	$ -	$ 555,750	$ 555,750
Endowment fund balances as of November 30, 2021	$ -	$ 555,750	$ 555,750
Contributions	-	-	-
Investment income	-	-	-
Expenditures and other	-	-	-
Endowment fund balances as of November 30, 2022	$ -	$ 555,750	$ 555,750

Note L – In-Kind Donations and Contributed Services

The Association receives in-kind donations, donated facilities, and contributed services from concerned members, community volunteers, board members and other professionals to carry out its activities. In-kind donations, donated facilities, and contributed services meeting the requirements for recognition are recorded at estimated fair value at the time of receipt and allocated to the program and supporting services benefit in accordance with the Association's functional expense allocation methodology as further detailed below. The Association may also recognize barter transactions with members similarly. During the fiscal year ended November 30, 2022, the Association recognized approximately $252,900 of in-kind sponsorships, prizes and awards as summarized below and were allocated as follows for the fiscal year ended November 30, 2022:

	Program	Supporting Services		
	Services	Management	Fundraising	Total
In-kind sponsorships	$ 175,373	$ -	$ 54,800	$ 230,173
In-kind prizes and awards	22,773	-	-	22,773
	$ 198,146	$ -	$ 54,800	$ 252,946

Note M – Retirement Plan

The Association maintains a 401(k) defined contribution retirement plan covering all employees meeting minimum eligibility requirements. Under the 401(k) plan, the Association currently makes contributions of 3.5% of eligible employee compensation as a safe-harbor non-elective contribution. Employer contributions to the plan may be subject to vesting. During the fiscal year ended November 30, 2022, the Association incurred retirement plan and matching contribution expense totaling approximately $49,100, including plan administrative expenses.

Note N – Income Taxes

Unrelated Business Income Tax: The Association received a favorable tax determination letter from the Internal Revenue Service in August 1981 stating that it is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code. Activities unrelated to the Association's tax exemption, such as publication and web advertising, are subject to income taxes pursuant to IRS regulations. The Association reported a net operating loss on its unrelated business activities of approximately $62,200 during the fiscal year ended November 30, 2022. The net operating loss deduction is carried forward indefinitely to offset future unrelated business taxable income as set forth under current tax legislation.

Note N – Income Taxes – Continued

Unrelated Business Income Tax – Continued: The Tax Cuts & Job Act of 2017 establishes an annual imitation on the amount of the net operating loss deduction carryforward to 80% of annual net taxable income. Management is currently unable to determine if or when the Association will benefit from the net operating loss deductions and as such, any potential deferred tax asset is fully reserved by a valuation allowance. Accordingly, no provision for income taxes was reflected in the accompanying consolidated financial statements.

Income Tax Considerations: Although the Association has not received any notice of intent to examine its tax returns, the Association's tax returns remain subject to examination or review by tax authorities pursuant to various statutes of limitations. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Association and to recognize a tax liability (or asset) if the Association has taken uncertain tax positions that would more likely than not be sustained upon examination or review. Management is unaware of any significant uncertain tax positions arising during the fiscal year ended November 30, 2022 that more likely than not to be sustained should the Association's tax returns be subject to examination or review. Accordingly, the Association also did not incur or accrue any penalties or interest associated with uncertain tax positions during the fiscal year ended November 30, 2022.

Note O – Commitments & Contingencies

Disputes and Disagreements: The Association is party to various legal actions, claims, disputes and disagreements that result from the normal course of operation. The Association is contingently liable for any action not covered by insurance. It is the opinion of management that any such ongoing deliberations either would be covered by insurance or would not have a significant impact upon the financial condition or operation of the Association. As such, no contingent liabilities were accrued by management for such matters in the accompanying consolidated financial statements.

Competition and Events: The Association endorses or sponsors various competitive riding events throughout the United States of America. Given the risk associated with equestrian eventing, the Association periodically reviews the adequacy of its insurance coverage with agents and brokers specializing and insurance such activities. No assurance can be given regarding the adequacy of insurance coverage.

Group Membership and Drug Testing Agreement: The Association entered into a multi-year agreement with USA Equestrian Federation for group membership and drug testing services. The agreement expires in December 2022. Pursuant to the contractual agreement, the Association is committed to pay $175,000 annually for drug testing and other services. During the fiscal year ended November 30, 2022, the Association reported $175,000 in expenses under the group membership and drug testing agreements.

Note O – Commitments & Contingencies – Continued

Meetings and Conferences: The Association has contracts with hotels and other venues for future meetings, conferences, and events. These contracts may contain clauses whereby the Association is liable for liquidating damages in the event of cancellation. The amount of damages varies depending upon the date of cancellation, amount of space and number of rooms reserved, and percentage of rooms the hotel is able to resale. Additionally, the Association could forfeit any deposits paid upon cancellation. The Association also considers cancellation insurance depending upon the nature of the contract with the hotel when warranted.

Scholarships and Grants: The Foundation annually awards scholarship and grants to foster equestrian eventing and rider development. The Foundation accounts for any such scholarships and grants as conditional commitments per the awarding instruments in which no legal liability or contractual obligation exists with the recipients. A significant portion of the Foundation's net assets are also restricted for such scholarships and grants. During the fiscal year ended November 30, 2022, the Foundation paid scholarships and grants totaling approximately $234,800.

Governmental Grants: During prior fiscal years, the Association received government support in the form of forgivable loans through the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The forgivable loans totaled approximately $384,800 and were recognized as government assistance as allowable costs were incurred as set forth under the PPP loan requirements. Income resulting from loans forgiven under the PPP program are typically tax free benefits for organizations meeting eligibility and forgiveness requirements. Given the terms and nature of the forgivable loan and management's assertion that the Association substantially met the requirements for forgiveness during prior fiscal years. The Association accounts for the government support and forgivable loans as conditional grants in which revenue is recognized when the conditions set forth but the grantor are substantially met. These funds remain subject to examination and review by governmental authorities who can require repayment or even assess penalties and interest for any funds not used accordance with the applicable legislation. Additionally, Congress recently extended the statues of limitation on federal assistance through The CARES Act that allows the IRS and other federal regulators to examine or review for up to tens years after issuance.

Governmental Tax Credits: In addition to the forgivable PPP loan noted above, the Association also filed claims for Employee Retention Tax Credits (ERTC) totaling approximately $456,500 based upon quarterly payroll tax filings for 2020 and through September 2021. The ERTC are refundable payroll tax credits available to eligible employers meeting specific requirements. The ERTC program was originally intended to be applicable through December 31, 2021 but was suspended effective September 30, 2021 by Congress. Unlike the tax free income associated with PPP loans properly forgiven, income from the ERTC tax credits must generally be taken into consideration in the determination of any unrelated business income. The extension to the statutes of limitation for examination and review of COVID relief generally applies to the ERTC program.

Note P - Prior Period Adjustments

During the fiscal year ended November 30, 2022, the Association recorded several prior period adjustments to properly account for the aforementioned PPP forgivable loans, to also reflect the ERTC credits for the quarters in which the underlying payroll applied, and to also accrue prior income taxes associated with unrelated business taxable income resulting from prior fiscal years. The cumulative effect of the prior period adjustments was to increase net assets as of November 30, 2021 by approximately $498,600.

Note Q – Subsequent Events Evaluation

Management has evaluated subsequent events for the period December 1, 2022 through November 22, 2023, the date on which these consolidated financial statements were available to be issued. During this period, the Association continues to operate under the novel coronavirus public health emergency as declared by the World Health Association (WHO) and others. As such, there continues to be mandates from international, federal, state and local authorities requiring social distancing, travel and other public health requirements and restrictions. These requirements and restrictions continue to impact the manner in which business is conducted and could negatively impact the Association's operations. While the closures and limitations on movement, domestically and internationally, are expected to be temporary, the duration of these disruptions, and related financial impact, cannot be estimated at this time. Management continues to evaluate the impact of the COVID-19 pandemic on its operations and while it is possible that the novel coronavirus could have a negative effect on the Association, management is currently unable to determine the specific impact as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

UNITED STATES EVENTING ASSOCIATION & AFFILIATE

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

AS OF NOVEMBER 30, 2022

	Association (USEA)	Foundation (USEAF)	Consolidated Subtotal	Inter-Company Eliminations	Consolidated Total
Assets					
Cash and cash equivalents	$ 1,433,418	$ -	$ 1,433,418	$ -	$ 1,433,418
Marketable securities	-	2,552,380	2,552,380	-	2,552,380
Accounts receivable, net	192,678	-	192,678	-	192,678
Other receivables	467,926	-	467,926	-	467,926
Due from related affiliate	291,569	-	291,569	(291,569)	-
Inventory, net	167,523	-	167,523	-	167,523
Prepaid expenses and other	52,367	5,309	57,676	-	57,676
Property and equipment:			-		
Land	174,200	-	174,200	-	174,200
Building and improvements	957,049	-	957,049	-	957,049
Furniture and equipment	371,969	-	371,969	-	371,969
Computer software	987,865	-	987,865	-	987,865
Property and equipment, at costs	2,491,083	-	2,491,083	-	2,491,083
Accumulated depreciation	(1,397,405)	-	(1,397,405)	-	(1,397,405)
Property and equipment, net	1,093,678	-	1,093,678	-	1,093,678
Total Assets	$ 3,699,159	$ 2,557,689	$ 6,256,848	$ (291,569)	$ 5,965,279
Liabilities and Net Assets					
Liabilities					
Accounts payable and accruals	$ 437,648	$ -	$ 437,648	$ -	$ 437,648
Accrued payroll and taxes	107,893	-	107,893	-	107,893
Accrued leave liability	137,839	-	137,839	-	137,839
Accrued retirement	5,284	-	5,284	-	5,284
Due to related affiliate	-	291,569	291,569	(291,569)	-
Deferred revenue:					
Membership dues	581,499	-	581,499	-	581,499
Events and sponsorships	218,527	-	218,527	-	218,527
Subtotal	800,026	-	800,026	-	800,026
Total liabilities	1,488,690	291,569	1,780,259	(291,569)	1,488,690
Net assets					
Net assets without donor restrictions:					
General operating fund	979,404	233,771	1,213,175	-	1,213,175
Board designated funds	1,203,812	-	1,203,812	-	1,203,812
Total net assets without donor restrictions	2,183,216	233,771	2,416,987	-	2,416,987
Net assets with donor restrictions	27,253	2,032,349	2,059,602	-	2,059,602
Total net assets	2,210,469	2,266,120	4,476,589	-	4,476,589
Total Liabilities and Net Assets	$ 3,699,159	$ 2,557,689	$ 6,256,848	$ (291,569)	$ 5,965,279

See accompanying auditors' report.

UNITED STATES EVENTING ASSOCIATION & AFFILIATE

CONSOLIDATING STATEMENT OF ACTIVITIES & CHANGE IN NET ASSETS

YEAR ENDED NOVEMBER 30, 2022

	Association (USEA)	Foundation (USEAF)	Consolidated Subtotal	Inter-Company Eliminations	Consolidated Total
Revenue and Support					
Events income and registrations	$ 1,287,181	$ -	$ 1,287,181	$ -	$ 1,287,181
Membership dues and fees	1,139,486	-	1,139,486	-	1,139,486
Contribution and donations	166,771	522,836	689,607	(100,000)	589,607
Sponsorships and in-kinds	587,727	93,376	681,103	(93,376)	587,727
Educational fees and registrations	399,264	-	399,264	-	399,264
Administrative and other fees	276,385	-	276,385	-	276,385
Merchandise inventory	149,802	-	149,802	-	149,802
Annual meeting income	60,757	-	60,757	-	60,757
Royalties and other income	50,029	-	50,029	-	50,029
Publication advertising	25,465	-	25,465	-	25,465
Investment income	-	(212,013)	(212,013)	-	(212,013)
Total revenue and support	4,142,867	404,199	4,547,066	(193,376)	4,353,690
Expense					
Program services:					
Competition and events	1,725,332	-	1,725,332	(33,740)	1,691,592
Area programs	686,297	-	686,297	(2,960)	683,337
Educational programs	347,787	357,216	705,003	(36,833)	668,170
Publications and media	408,488	-	408,488	(9,300)	399,188
Annual meeting	278,419	-	278,419	(5,050)	273,369
Merchandise inventory	158,416	-	158,416	(3,270)	155,146
Total program services	3,604,739	357,216	3,961,955	(91,153)	3,870,802
Supporting services:					
Management and general	514,256	55,403	569,659	(44,214)	525,445
Membership development	202,260	-	202,260	(7,370)	194,890
Fundraising and sponsorships	278,205	42,019	320,224	(50,639)	269,585
Total supporting services	994,721	97,422	1,092,143	(102,223)	989,920
Total expense	4,599,460	454,638	5,054,098	(193,376)	4,860,722
Change in Net Assets	(456,593)	(50,439)	(507,032)	-	(507,032)
Net assets, beginning of year	2,168,447	2,316,559	4,485,006	-	4,485,006
Prior period adjustments	498,615	-	498,615	-	498,615
Net assets, beginning of year, restated	2,667,062	2,316,559	4,983,621	-	4,983,621
Net Assets, End of Year	$ 2,210,469	$ 2,266,120	$ 4,476,589	$ -	$ 4,476,589

See accompany auditors' report.