

AMERICAN VOLKSSPORT ASSOCIATION, INC.

*FINANCIAL REPORT AND
SUPPLEMENTARY INFORMATION*

FOR THE YEAR ENDED

JUNE 30, 2017

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the American Volkssport Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the American Volkssport Association, Inc. as of June 30, 2017, and the changes in net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited American Volkssport Association, Inc.'s financial statements for the year ended June 30, 2016, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 15, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

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

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



Armstrong, Vaughan & Associates, P.C.

December 5, 2017

AMERICAN VOLKSSPORT ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$ 133,419	\$ 167,511
Investments	780,591	766,306
Accounts Receivable	60,110	84,581
Prepaid Expenses	21,289	22,781
Inventory	6,594	49,252
<i>Total Current Assets</i>	1,002,003	1,090,431
<i>Noncurrent Assets:</i>		
Property and Equipment (Net)	22,602	21,584
<i>Total Noncurrent Assets</i>	22,602	21,584
 TOTAL ASSETS	\$ 1,024,605	\$ 1,112,015
 LIABILITIES AND NET ASSETS		
<i>Current Liabilities:</i>		
Accounts Payable	\$ 16,528	\$ 12,965
Accrued Wages	5,742	5,543
Accrued Vacation	6,370	7,166
Deferred Revenues	46,992	60,128
Current Portion of Capital Lease	2,699	5,062
<i>Total Current Liabilities</i>	78,331	90,864
Capital Lease Obligations	-	3,138
<i>Total Liabilities</i>	78,331	94,002
<i>Net Assets:</i>		
Unrestricted	946,274	1,018,013
<i>Total Net Assets</i>	946,274	1,018,013
 TOTAL LIABILITIES AND NET ASSETS	\$ 1,024,605	\$ 1,112,015

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

AMERICAN VOLKSSPORT ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
REVENUES, GAINS AND SUPPORT		
<i>Revenues and Support:</i>		
Events	\$ 260,185	\$ 259,107
Membership Income	25,309	26,995
Convention Income	90,028	-
Donations	83,617	64,479
Publication Income	40,886	34,731
Awards, Net of Cost	6,960	10,889
Merchandise, Net of Cost	9,926	18,345
Miscellaneous Income	22,321	17,475
Interest Income	74	103
Gain(Loss) on Disposal of Equipment and Obsolete Merchandise	(41,262)	-
<i>Total Revenues and Support</i>	498,044	432,124
 <i>Investment Earnings:</i>		
Investment Income	10,610	22,889
<i>Total Investment Earnings</i>	10,610	22,889
 TOTAL REVENUES, GAINS AND SUPPORT	508,654	455,013
 EXPENSES		
Program Services	468,698	331,728
Supporting Services:		
Management & General	111,695	201,935
TOTAL EXPENSES	580,393	533,663
 CHANGE IN NET ASSETS	(71,739)	(78,650)
 BEGINNING NET ASSETS	1,018,013	1,096,663
 ENDING NET ASSETS	\$ 946,274	\$ 1,018,013

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

AMERICAN VOLKSSPORT ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

FUNCTIONAL EXPENSES	Total Program Expenses	Supporting Services Management & General	2017 Total	2016 Total
<i>Personnel Costs:</i>				
Salaries & Wages	\$ 178,937	\$ 44,734	\$ 223,671	\$ 200,467
Employee Benefits	27,106	6,776	33,882	32,188
Payroll Taxes	17,517	4,379	21,896	19,887
<i>Total Personnel Costs</i>	<u>223,560</u>	<u>55,889</u>	<u>279,449</u>	<u>252,542</u>
Administrative Expenses	12,433	17,252	29,685	67,261
Advertising	25,261	5,198	30,459	36,826
Award & Events	17,047	-	17,047	22,139
Bad Debt Expense	-	3	3	58
Bank & Credit Card Fees	-	2,275	2,275	2,164
Convention	76,949	-	76,949	-
Depreciation	3,737	3,737	7,474	6,808
Equipment Repairs & Maintenance	13,859	3,465	17,324	5,158
Insurance	30,638	7,659	38,297	37,172
Interest Expense	-	574	574	835
International Federation of Popular Sports	7,135	-	7,135	7,551
Miscellaneous	2,097	3,145	5,242	3,097
Professional	13,198	3,299	16,497	18,035
Rent	32,726	8,182	40,908	40,410
Telephone	2,473	618	3,091	2,615
Travel	7,585	399	7,984	30,992
TOTAL FUNCTIONAL EXPENSES	<u>\$ 468,698</u>	<u>\$ 111,695</u>	<u>\$ 580,393</u>	<u>\$ 533,663</u>

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

AMERICAN VOLKSSPORT ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ (71,739)	\$ (78,650)
Adjustments to Reconcile Excess (Deficiency) of Revenues Over (Under) Expenses to Net Cash Provided (Used) by Operating Activities:		
Depreciation	7,474	6,808
Loss on Disposal of Equipment	3,508	-
Loss on Disposal of Obsolete Inventory	37,754	
Realized & Unrealized (Gain) Loss on Investments	3,674	(8,060)
(Increase) Decrease in Current Assets:		
Accounts Receivable	24,471	(11,586)
Prepaid Expenses	1,492	(2,489)
Inventory	4,904	6,923
Increase (Decrease) in Liabilities:		
Accounts Payable	3,563	(8,755)
Accrued Wages	199	3,339
Accrued Vacation	(796)	(1,002)
Deferred Revenues	(13,136)	(6,651)
NET CASH PROVIDED (REQUIRED) BY OPERATING ACTIVITIES	1,368	(100,123)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(90,000)	(215,000)
Proceeds From Redemption of Investments	72,041	242,326
Purchase of Furniture and Equipment	(12,000)	(12,000)
NET CASH PROVIDED (REQUIRED) BY INVESTING ACTIVITIES	(29,959)	15,326
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Capital Lease Obligations	(5,501)	(4,685)
NET CASH PROVIDED (REQUIRED) BY FINANCING ACTIVITIES	(5,501)	(4,685)
NET INCREASE (DECREASE) IN CASH	(34,092)	(89,482)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	167,511	256,993
CASH & CASH EQUIVALENTS AT END OF YEAR	\$ 133,419	\$ 167,511
SUPPLEMENTAL INFORMATION:		
Interest Paid	\$ 574	\$ 835

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

AMERICAN VOLKSSPORT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 -- ORDER AND PURPOSE

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

NOTE 2 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Basis of Presentation*

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

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

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

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Association and/or passage of time. Donor-restricted contributions are reported as increases in temporarily restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Currently, there are no temporarily restricted net assets.

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

B. *Fiscal Year*

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

AMERICAN VOLKSSPORT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2017

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

C. *Income Taxes*

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

The most significant tax positions of the Association is its assertion that it is exempt from income taxes and its determination of whether any amounts are subject to unrelated business income tax (UBIT). All significant tax positions have been considered by management. It has been determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities. The Association's tax filings are open to Internal Revenue Service audit for the years ending June 30, 2016, 2015, and 2014.

D. *Cash and Cash Equivalents*

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

E. *Investments*

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

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

The Association uses the following hierarchical disclosure framework:

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

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

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

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

AMERICAN VOLKSSPORT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2017

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

F. *Accounts Receivable*

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

G. *Prepaid Expenses*

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

H. *Inventory*

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

I. *Property and Equipment*

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

J. *Depreciation*

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

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

K. *Compensated Absences*

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

AMERICAN VOLKSSPORT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2017

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

L. *Deferred Revenue*

Membership dues, sanction fees, and subscriptions billed in advance have been included in deferred revenue in the accompanying Statement of Financial Position. Deferred life membership is recognized over a five year time period.

M. *Donated Services and In-Kind Support*

The Association may receive services, supplies and equipment without payment or compensation. When the value of such services meets recognition criteria, it is reflected in the accompanying financial statements as revenues and expenditures in a like amount. In-kind contributions are measured and recorded at fair value on the date of donation. Equipment and other non-cash donations are recorded as contributions at cost or estimated fair value determined at the date of the donation. At June 30, 2016, the fair market value of in-kind contributions was determined to be \$952. There were no in-kind contributions made for the year ended June 30, 2017. Donated contributions and services are included in donations on the Statement of Activities.

N. *Revenue Recognition*

Membership dues are recognized as revenue in the applicable membership year. Sanction fees are recognized as revenue at the time the sanctioned events are held. Participation fees are accrued when the related event is held. Sales of merchandise and IVV books are recognized at the time of sale. Subscriptions to the Association's bimonthly TAW are recognized as revenue on a pro-rata basis over the related subscription periods. Revenue related to the biennial national convention is recognized at the time of the convention, as are the related expenses.

O. *Estimates*

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

P. *Functional Expense Allocations*

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

AMERICAN VOLKSSPORT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2017

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

Q. *Comparative Totals*

The financial statements and footnote disclosures for the year ended June 30, 2016 are presented only to provide a basis for comparison with the year ended June 30, 2017. The 2016 financial statements and footnote disclosures are not intended to represent all information necessary for the fair presentation in accordance with U.S. Generally Accepted Accounting Principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2016 from which the summarized information was derived.

R. *Subsequent Events*

Subsequent events were considered through December 5, 2017, which is the date the financial statements were available to be issued.

NOTE 3 -- CREDIT RISK OF FINANCIAL INSTRUMENTS

The Association's cash and cash equivalents are held in four financial institutions and cash balances of up to \$250,000 in each financial institution are secured by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2017 and 2016, the Association's cash balances were \$133,419 and \$167,511, respectively. All cash balances held in the financial institutions were fully secured.

NOTE 4 -- INVESTMENTS

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

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

As of June 30, 2016, the Association's investment portfolio consists of the following:

	6/30/2016		
	Cost	Fair Value	Accumulated Gain (Loss)
Certificates of Deposit	\$ 430,676	\$ 430,935	\$ 259
Corporate Bonds	333,000	335,371	2,371
	\$ 763,676	\$ 766,306	\$ 2,630

AMERICAN VOLKSSPORT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2017

NOTE 5 -- DISPOSAL OF INVENTORY

The Organization periodically reviews the value of items in its inventory and provides write-offs of inventory based on its assessment of market conditions. For the year ended June 30, 2017, the Association recorded total write-offs of \$37,754. Write-offs are recorded on the statement of activities as Losses on Disposal of Obsolete Merchandise.

NOTE 6 -- PROPERTY AND EQUIPMENT

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

	6/30/2017	6/30/2016
Computer & Electronics	\$ 35,196	\$ 44,862
Office Equipment	12,376	77,648
Furniture	22,477	22,708
IVV Stamps	34,655	34,655
Less: Accumulated Depreciation	(82,102)	(158,289)
Net Property and Equipment	\$ 22,602	\$ 21,584

NOTE 7 -- CAPITAL LEASE OBLIGATION

In February 2013, the Association began leasing a copy machine under an agreement which is classified as a capital lease. The capital lease carries an interest rate of 7.75%, and matures January 2018.

In April 2017, the Association signed a new 63 month copier lease with DOCUmentation that included a buyout of the existing lease. The Association received a lump-sum payment from DOCUmentation and will continue to pay the lease until the end of the term.

Future minimum payments under the capital lease, including the non-cancelable maintenance fee of \$81, are as follows:

For the Fiscal Year Ended	Premium	Interest	Total
June 30, 2018	\$ 3,138	\$ 82	\$ 3,220

NOTE 8 -- LINE OF CREDIT

The Association has a \$507,384 line of credit available with their investment broker. The Association is charged a variable interest rate, currently at 4.75%, on outstanding loan balances. The loan balance is due on demand with no scheduled payments. If the value of the investments declines, the Association may be required to deposit cash or additional securities, or the securities in the account may be sold to meet the margin call. Any draws on the line of credit are collateralized by the investments. There were no outstanding amounts on the line of credit as of June 30, 2017 and 2016.

AMERICAN VOLKSSPORT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2017

NOTE 9 -- OPERATING LEASES

The Association leases office space in Universal City, Texas under terms of a two year, non-cancelable operating lease. The lease was renewed on January 11, 2017 for \$3,409 per month and will run through December 31, 2018.

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

The Association leases a postage meter with Neopost USA. The term of the lease began on June 1, 2015 with a term length of 39 months and the monthly payment for the meter is \$273.

Future minimum lease commitments required under these leases as of June 30, 2017 are as follows:

For the Fiscal Year Ended June 30,	Minimum Lease
2018	\$ 52,524
2019	29,340
2020	8,340
2021	8,340
2022	8,340
	<u>\$ 106,884</u>

NOTE 10 -- LITIGATION

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

SUPPLEMENTARY INFORMATION

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

Such schedules include:

- Schedules of Revenues
- Schedules of Expenses

AMERICAN VOLKSSPORT ASSOCIATION, INC.
SCHEDULE OF REVENUES
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>Percentage</u>
REVENUES, GAINS AND SUPPORT EVENTS				
Sanction Fees				
Traditional	\$ 60,264	\$ 61,270	\$ (1,006)	-1.64%
Year-Round/Seasonal	32,438	32,770	(332)	-1.01%
Participation Fees:				
Traditional	66,791	62,845	3,946	6.28%
Year-Round/Seasonal	100,346	102,036	(1,690)	-1.66%
Special Fund Development	10	100	(90)	-90.00%
E.C. Event	336	86	250	100.00%
TOTAL EVENTS	260,185	259,107	1,078	0.42%
MEMBERSHIP INCOME				
Annual Dues	11,700	11,875	(175)	-1.47%
Charter Fees	200	150	50	33.33%
Volkssport Associate Dues	13,409	14,970	(1,561)	-10.43%
TOTAL MEMBERSHIP INCOME	25,309	26,995	(1,686)	-6.25%
CONVENTION INCOME	90,028	-	90,028	100.00%
DONATIONS	83,617	64,479	19,138	29.68%
PUBLICATION INCOME				
TAW Advertising	2,610	2,595	15	0.58%
TAW Subscriptions	38,276	32,136	6,140	19.11%
TOTAL PUBLICATION INCOME	40,886	34,731	6,155	17.72%
AWARDS, NET OF COST				
IVV Book Sales	21,857	23,428	(1,571)	-6.71%
Award Sales	544	57	487	854.39%
Special Packets	8,232	9,115	(883)	-9.69%
Cost of Goods Sold	(23,673)	(21,711)	(1,962)	9.04%
TOTAL AWARDS, NET	6,960	10,889	(3,929)	-36.08%
MERCHANDISE, NET OF COST	9,926	18,345	(8,419)	-45.89%
MISCELLANEOUS	22,321	17,475	4,846	27.73%
INTEREST INCOME	74	103	(29)	-28.16%
INVESTMENT INCOME	10,610	22,889	(12,279)	-180.27%
GAIN(LOSS) ON DISPOSAL OF EQUIPMENT AND OBSOLETE MERCHANDISE	(41,262)	-	(41,262)	-100.00%
TOTAL REVENUES, GAINS AND SUPPORT	\$ 508,654	\$ 455,013	\$ 53,641	11.79%

See Independent Auditor's Report

AMERICAN VOLKSSPORT ASSOCIATION, INC.
SCHEDULE OF EXPENSES
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>Percentage</u>
SALARIES AND BENEFITS				
Salaries and Wages	\$ 223,671	\$ 200,467	\$ 23,204	11.57%
Employee Benefits	33,882	32,188	1,694	5.26%
Payroll Taxes	21,896	19,887	2,009	10.10%
TOTAL SALARIES AND BENEFITS	<u>279,449</u>	<u>252,542</u>	<u>26,907</u>	<u>10.65%</u>
ADMINISTRATIVE EXPENSES				
Website & Computer Support	1,202	3,461	(2,259)	-65.27%
Postage	14,064	13,777	287	2.08%
Training	1,632	36,808	(35,176)	-95.57%
National Headquarters Administration	12,787	13,215	(428)	-3.24%
TOTAL ADMINISTRATIVE EXPENSES	<u>29,685</u>	<u>67,261</u>	<u>(37,576)</u>	<u>-55.87%</u>
RENT	<u>40,908</u>	<u>40,410</u>	<u>498</u>	<u>1.23%</u>
INSURANCE				
Event	35,373	35,105	268	0.76%
National Headquarters	2,924	2,067	857	41.46%
TOTAL INSURANCE	<u>38,297</u>	<u>37,172</u>	<u>1,125</u>	<u>3.03%</u>
ADVERTISING				
TAW Advertising	25,262	25,442	(180)	-0.71%
Event Promotions	5,197	11,384	(6,187)	-54.35%
TOTAL ADVERTISING	<u>30,459</u>	<u>36,826</u>	<u>(6,367)</u>	<u>-17.29%</u>
TRAVEL - EXECUTIVE COUNCIL	<u>7,984</u>	<u>30,992</u>	<u>(23,008)</u>	<u>-74.24%</u>
AWARDS & EVENTS				
Award Program	6,561	5,361	1,200	22.38%
Membership Program	2,832	3,228	(396)	-12.27%
Event Program	5,255	7,972	(2,717)	-34.08%
Youth Program	697	202	495	245.05%
Special Program	1,417	1,416	1	0.07%
Grants & Sponsorship	285	3,960	(3,675)	100.00%
TOTAL AWARDS & EVENTS	<u>\$ 17,047</u>	<u>\$ 22,139</u>	<u>\$ (5,092)</u>	<u>-23.00%</u>

See Independent Auditor's Report

AMERICAN VOLKSSPORT ASSOCIATION, INC.
SCHEDULE OF EXPENSES (CONT.)
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>Percentage</u>
PROFESSIONAL				
Accounting	\$ 12,422	\$ 12,275	\$ 147	1.20%
Legal	3,950	5,275	(1,325)	-25.12%
Contracting	125	485	(360)	-74.23%
TOTAL PROFESSIONAL	<u>16,497</u>	<u>18,035</u>	<u>(1,538)</u>	<u>-8.53%</u>
IVV EXPENSES				
Dues	3,278	3,321	(43)	-1.29%
Meetings	44	21	23	109.52%
Stamps	3,813	4,207	(394)	-9.37%
TOTAL IVV EXPENSES	<u>7,135</u>	<u>7,549</u>	<u>(414)</u>	<u>-5.48%</u>
DEPRECIATION	<u>7,474</u>	<u>6,808</u>	<u>666</u>	<u>9.78%</u>
EQUIPMENT MAINTENANCE				
Equipment Rental	8,664	3,785	4,879	128.90%
Equipment Repairs & Maintenance	8,660	1,373	7,287	530.74%
TOTAL EQUIPMENT MAINTENANCE	<u>17,324</u>	<u>5,158</u>	<u>12,166</u>	<u>235.87%</u>
MISCELLANEOUS	5,242	3,097	2,145	69.26%
TELEPHONE	3,091	2,615	476	18.20%
BANK AND CREDIT CARD FEES	2,275	2,164	111	5.13%
INTEREST EXPENSE	574	835	(261)	-31.26%
BAD DEBT EXPENSE	3	60	(57)	100.00%
CONVENTION	76,949	-	76,949	-100.00%
TOTAL EXPENSES	<u>\$ 580,393</u>	<u>\$ 533,663</u>	<u>\$ 44,642</u>	<u>8.37%</u>