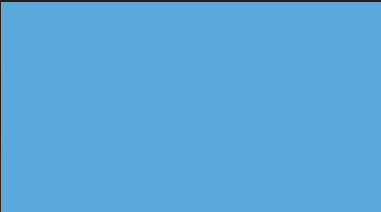




2019 ANNUAL REPORT

AMERICAN
QUARTER
HORSE
ASSOCIATION



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Past Presidents



**AQHA 2019-2020
Executive Committee**

President Stan Weaver, Big Sandy, Montana
First Vice President F.E. "Butch" Wise, El Reno, Oklahoma
Second Vice President Norman Luba, Louisville, Kentucky
Member Dr. Scott Myers, Sharon Center, Ohio
Member Kenneth Banks, Schulenburg, Texas

PRESIDENT'S LETTER

Dear AQHA Members,

My family has a long tradition of raising American Quarter Horses – ranching is in my blood. I'm grateful to have had the opportunity to share this tradition and my passion for American Quarter Horses with each of you during my tenure on the AQHA Executive Committee.

This past year was monumental, not only for myself as I took the helm as AQHA president, but also for the American Quarter Horse Association.

The Association focused on a variety of topics this year, including animal welfare, a level playing field, fiscal responsibility, driving membership and, as you all are aware, technology projects.

AQHA transitioned to a new computer system and website in March. This transition was more difficult than anticipated, but it was a great opportunity for us to see our strengths and highlight our weaknesses as an Association. Those weaknesses are things we can improve upon to better serve you, our members.

We encountered various road blocks throughout this journey, as we transitioned more than 500 million records from an old computer system, with an irrelevant infrastructure that was no longer supportable, to a more modern platform. This modern platform is the foundation of all future projects, such as a personalized member dashboard that will allow you to see the status of your paperwork and pay invoices online. These efforts were necessary, as we focus on the future of our great Association.

The Executive Committee and AQHA staff have resolved issues experienced during the transition and are working daily to improve the way AQHA does business and how we serve our members.

In 2019, AQHA implemented DocuSign – a simple way to send a safe and secure document with electronic signatures to assist in completing business with AQHA, rather than rely on mailing paperwork back and forth between AQHA and our customers. The Association reimaged its phone system by making two significant changes to how we were providing customer services. First, direct phone lines to several key departments were published. Second, the Member Experience phone menu options were revised to better serve our customers regarding registration-related topics. A new language-line option was also implemented, offering non-English-speaking customers the ability to access AQHA services over the phone with the support of live translation in their native language.

In addition, we also reorganized our Member Experience Team, enhanced Member Experience training and hired AQHA show secretaries for enhanced Member Experience on location to improve our member services.

Our team implemented automated membership notifications. U.S.-based customers now receive automated notifications when a membership is purchased or renewed. We are also working on implementing automated transfer notifications to inform members about the status of their paperwork.

We truly appreciate your patience as we position the American Quarter Horse Association for the future. The Executive Committee and AQHA leadership are navigating to a more modern and user-friendly experience for our members around the world. With this new foundation and your help, we are moving toward a more progressive and improved Association.

As we make these imperative changes for AQHA, I encourage each of you to become more involved within our member-driven association; to voice your suggestions and concerns; and to be a part of the governance of AQHA. Last year at the annual AQHA convention, I challenged AQHA directors to bring one new person with them to the 2020 convention. I continue to challenge our directors and members to become more active and to share the American Quarter Horse with others to increase awareness and membership. After all, this is YOUR Association, and we are here to serve our membership.

Sincerely,



Stan Weaver
2019-2020 AQHA President



AMERICAN QUARTER HORSES

UNITED STATES POPULATION

	HORSE POPULATION ¹		NEW REGISTRATIONS ²	
	2019	CHANGE FROM PREVIOUS YEAR	2019	CHANGE FROM PREVIOUS YEAR
Alabama	40,949	-1,116	644	-49
Alaska	1,314	-12	13	4
Arizona	52,761	735	1,119	-51
Arkansas	51,646	-609	1,020	-21
California	108,818	-2,087	2,548	-201
Colorado	79,434	-279	1,595	-70
Connecticut	2,346	-69	8	-4
Delaware	933	-34	8	-3
Florida	51,948	-562	1,006	43
Georgia	38,397	-924	608	-36
Hawaii	2,616	-96	59	-19
Idaho	60,043	-446	1,566	150
Illinois	36,318	-700	643	-74
Indiana	32,768	-875	538	-67
Iowa	61,788	-1,062	1,595	8
Kansas	70,670	-205	1,785	99
Kentucky	29,998	-735	530	-98
Louisiana	51,568	-705	1,361	-142
Maine	2,319	-24	16	-3
Maryland	5,364	-110	62	-1
Massachusetts	2,445	-82	17	1
Michigan	26,894	-624	418	-59
Minnesota	44,530	-668	866	-49
Mississippi	39,676	-835	570	-122
Missouri	92,049	-1,069	2,081	103
Montana	86,097	1	2,443	325
Nebraska	78,369	96	2,274	-87
Nevada	20,367	294	637	186
New Hampshire	1,477	-29	6	-1
New Jersey	3,903	-210	38	-6
New Mexico	49,274	863	1,290	79
New York	14,974	-347	123	-74
North Carolina	31,352	-876	408	-82
North Dakota	50,440	185	1,765	75
Ohio	40,308	-964	691	-79
Oklahoma	159,800	-1,199	4,733	341
Oregon	47,352	-446	1,158	60
Pennsylvania	23,817	-503	424	31
Rhode Island	359	-18	3	-1
South Carolina	15,213	-461	246	-48
South Dakota	79,231	184	2,692	286
Tennessee	40,406	-818	779	29
Texas	413,338	414	11,795	-650
Utah	56,587	-338	1,637	-87
Vermont	1,741	-46	7	-8
Virginia	17,585	-564	219	-43
Washington	43,881	-617	908	0
Washington D.C.	78	-8	0	0
West Virginia	7,709	-123	126	-5
Wisconsin	32,106	-412	576	-113
Wyoming	57,615	415	1,591	25
TOTAL US	2,360,971	-18,720	57,245	-508
TOTAL POPULATION & REGISTRATIONS				
United States	2,360,971	-18,720	57,245	-508
International	414,611	-2,036	11,410	-1,010
GRAND TOTAL	2,775,582	-20,756	68,655	-1,518

¹Figures reflect elimination of all horses age 25 and over unless the owners(s) submitted documentation proving the horse is living.

²Reflects the number of American Quarter Horses registered during 2019 to residents within the state, province or country.

TOP POPULATIONS BY STATE, PROVINCE AND COUNTRY

TOP 5 STATES

1. Texas	413,338
2. Oklahoma	159,800
3. California	108,818
4. Missouri	92,049
5. Montana	86,097

TOP 5 PROVINCES

1. Alberta	109,248
2. Saskatchewan	46,300
3. Manitoba	24,951
4. British Columbia	24,009
5. Ontario	21,472

TOP 10 COUNTRIES

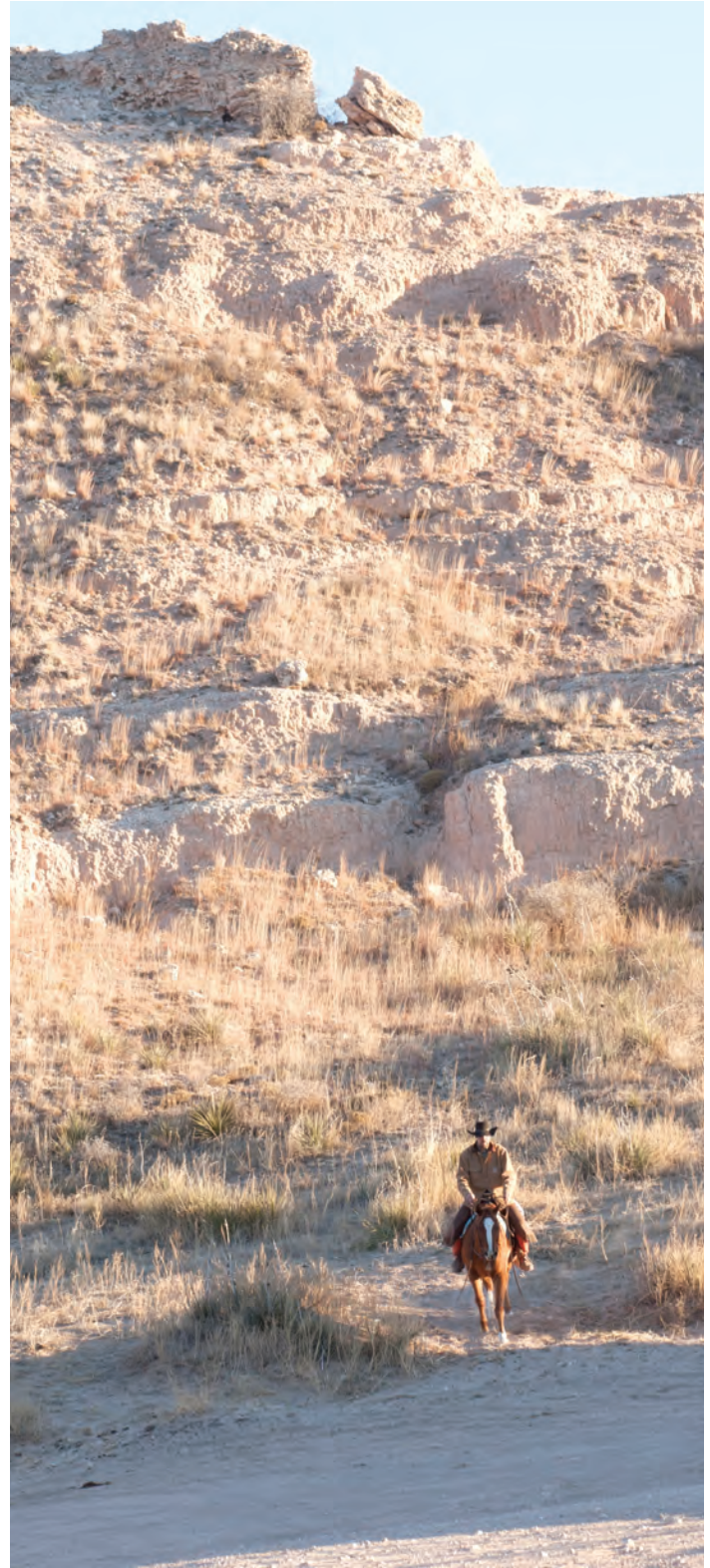
1. United States	2,360,971
2. Canada	242,516
3. Mexico	41,948
4. Germany	37,912
5. Italy	24,924
6. France	9,756
7. Austria	5,595
8. Brazil	5,463
9. Belgium	4,849
10. Venezuela	4,487



AMERICAN QUARTER HORSES

UNITED STATES TRANSFERS

	FROM STATE	TO STATE	WITHIN STATE
Alabama	595	535	430
Alaska	9	39	19
Arizona	891	1,329	884
Arkansas	905	782	543
California	1,460	1,950	2,386
Colorado	1,131	1,571	1,110
Connecticut	38	84	28
Delaware	16	31	4
Florida	741	996	915
Georgia	651	672	463
Hawaii	35	36	40
Idaho	937	998	871
Illinois	763	809	414
Indiana	620	734	488
Iowa	1,242	1,029	760
Kansas	1,236	1,002	838
Kentucky	645	582	393
Louisiana	1,331	819	914
Maine	20	77	25
Maryland	90	198	30
Massachusetts	54	91	17
Michigan	421	655	533
Minnesota	820	869	666
Mississippi	515	597	446
Missouri	1,588	1,371	1,286
Montana	1,099	1,032	1,073
Nebraska	1,591	1,059	1,039
Nevada	321	495	251
New Hampshire	31	65	15
New Jersey	96	124	36
New Mexico	835	1,017	891
New York	219	357	189
North Carolina	459	691	410
North Dakota	1,023	711	519
Ohio	946	1,100	1,011
Oklahoma	3,874	2,569	2,532
Oregon	696	837	860
Pennsylvania	406	633	459
Rhode Island	10	15	0
South Carolina	331	354	193
South Dakota	1,565	896	908
Tennessee	724	821	485
Texas	7,385	5,917	10,451
Utah	667	923	1,149
Vermont	44	77	23
Virginia	290	344	188
Washington	660	831	893
Washington D.C.	3	1	0
West Virginia	155	205	104
Wisconsin	607	712	493
Wyoming	1,015	1,319	609
TOTAL	41,806	40,961	39,284



AMERICAN QUARTER HORSES

INTERNATIONAL TRANSFERS

	FROM COUNTRY	TO COUNTRY	WITHIN COUNTRY		FROM COUNTRY	TO COUNTRY	WITHIN COUNTRY
Argentina	4	4	2	Mexico	164	960	723
Australia	16	24	18	Namibia	0	0	2
Austria	90	97	165	Nepal	0	1	0
Belgium	118	75	143	Netherlands	75	53	80
Belize	1	0	0	New Zealand	2	0	5
Brazil	20	34	5	Niue	1	0	0
Bulgaria	0	1	0	Norway	2	5	13
Canada (total)	2,266	2,127	3,763	Panama	8	18	11
<i>Alberta</i>	830	601	1,720	Paraguay	4	2	0
<i>British Columbia</i>	224	402	385	Poland	15	17	65
<i>Manitoba</i>	355	111	235	Portugal	1	0	0
<i>New Brunswick</i>	27	27	19	Puerto Rico	0	2	0
<i>New Foundland</i>	0	5	0	Romania	1	0	0
<i>Nova Scotia</i>	37	71	52	Russia	1	0	0
<i>Ontario</i>	253	342	495	Seychelles	0	1	0
<i>Prince Edward Island</i>	3	19	2	Slovakia	20	21	23
<i>Quebec</i>	111	188	376	Slovenia	13	28	39
<i>Saskatchewan</i>	426	357	479	Somalia	0	1	0
<i>Yukon</i>	0	4	0	South Africa	0	0	4
Chile	0	6	0	Spain	5	20	15
China	0	5	0	Swaziland	1	0	0
Colombia	6	14	29	Sweden	21	42	194
Costa Rica	0	26	10	Switzerland	78	103	55
Croatia	1	0	2	Thailand	1	1	0
Czech Republic	48	41	148	United Kingdom	25	35	105
Denmark	14	9	33	Venezuela	42	36	15
Dominican Republic	1	4	0	Virgin Islands	3	0	0
Ecuador	0	1	0				
El Salvador	1	1	0	TOTAL INTERNATIONAL TRANSFERS	3,597	4,442	8,665
Finland	0	10	5				
France	88	108	354	TOTAL U.S. TRANSFERS	41,806	40,961	39,284
Gabon	0	1	0				
Georgia	0	2	0	TOTAL U.S. & INTERNATIONAL TRANSFERS	45,403	45,403	47,949
Germany	175	377	1,458				
Hungary	19	18	18	*2019 COMBINED TRANSFERS			93,352
Ireland	1	1	5				
Israel	1	8	59				
Italy	229	85	1,073				
Japan	1	3	21				
Liechtenstein	2	1	0				
Luxembourg	12	13	5				

*Calculated by combining either the "To" or "From" total of 45,403 to the "Within" total of 47,949



MEMBERSHIP

AQHA MEMBERSHIP TOTALS

	LIFE	12-MONTH	3-YEAR	AMATEUR	3-YEAR AMATEUR	YOUTH	TOTAL
2019	50,282	71,499	57,453	10,628	13,166	18,223	221,251
2018	50,137	73,035	65,862	10,851	14,249	20,493	234,627
2017	49,973	77,084	76,584	10,496	15,828	21,298	251,263
2016	49,351	71,314	83,332	10,205	16,974	22,403	253,579
2015	49,027	75,223	84,658	10,735	17,488	23,400	260,531
2014	48,633	75,032	86,337	10,248	18,479	24,799	263,528
2013	48,227	75,329	91,617	9,880	19,915	25,745	270,713
2012	47,879	81,562	93,329	11,008	20,508	27,277	281,563
2011	47,398	85,990	92,555	11,727	21,488	27,891	287,049
2010	46,547	89,413	100,477	11,985	22,923	28,709	300,054
2009	45,787	96,727	104,530	12,018	22,958	30,026	312,046
2008	44,793	112,011	107,812	13,097	22,470	31,011	331,194
2007	42,637	138,365	97,444	14,615	21,148	31,696	345,905
2006	40,608	147,884	90,054	15,190	20,126	31,585	345,447
2005	38,560	156,471	85,625	16,417	19,181	31,197	347,451
2004	36,565	171,432	78,123	18,594	18,173	30,720	353,607
2003	34,805	167,298	79,189	18,744	17,578	30,297	347,911
2002	32,811	166,702	76,314	19,085	16,662	29,489	341,063
2001	28,727	166,837	73,787	18,817	16,140	29,578	333,886
2000	26,043	179,639	63,010	19,972	14,173	29,071	331,908
1999	23,752	182,080	51,229	20,274	12,704	28,096	318,136
1998	22,065	172,256	51,043	19,673	13,507	27,831	306,375
1997	20,858	169,275	52,538	19,786	13,550	29,144	305,151
1996	19,823	175,841	54,471	20,147	13,297	30,622	314,201
1995	18,416	181,450	47,850	21,307	12,027	31,494	312,544
1994	14,621	192,170	35,130	23,768	9,477	30,134	305,300
1993	13,003	207,286	20,044	26,096	6,350	27,726	300,505
1992	11,696	245,488		31,452		25,161	313,797
1991	10,967	236,629		28,993		22,103	298,692
1990	10,675	234,311		27,360		18,039	290,385
1989	10,389	226,606		28,453		13,589	279,037
1988	9,894	103,767		26,778		11,905	152,344
1987	9,066	103,389		24,317		8,703	145,475
1986	8,537	118,498		22,769		8,729	158,533
1985	8,127	129,953		19,163		8,929	166,145

TOP MEMBERSHIP STATES, PROVINCES AND COUNTRIES

TOP 5 STATES

1. Texas	32,563
2. California	12,891
3. Oklahoma	9,930
4. Colorado	6,774
5. Ohio	6,419

TOP 5 PROVINCES

1. Alberta	5,317
2. Ontario	2,439
3. British Columbia	1,779
4. Saskatchewan	1,641
5. Quebec	1,069

TOP 10 COUNTRIES

1. United States	189,277
2. Canada	13,435
3. Germany	5,744
4. Mexico	1,955
5. Italy	1,678
6. Austria	993
7. France	923
8. Sweden	728
9. Switzerland	718
10. Netherlands	630



MEMBERSHIP

AQHA MEMBERSHIP

UNITED STATES

	Annual/3-Year	Life	Youth	Amateur	Total
Alaska	133	66	53	33	285
Alabama	1,449	605	226	271	2,551
Arkansas	1,793	661	245	294	2,993
Arizona	3,039	1,182	236	559	5,016
California	8,014	2,595	705	1,577	12,891
Colorado	4,025	1,526	435	788	6,774
Connecticut	301	104	91	151	647
Delaware	74	33	22	40	169
Florida	3,014	1,359	407	626	5,406
Georgia	1,662	707	321	321	3,011
Hawaii	165	96	49	25	335
Iowa	2,334	787	350	409	3,880
Idaho	2,684	708	225	185	3,802
Illinois	2,216	755	330	546	3,847
Indiana	1,998	764	547	632	3,941
Kansas	2,631	1,050	396	355	4,432
Kentucky	1,317	504	317	393	2,531
Louisiana	2,506	934	349	191	3,980
Massachusetts	359	96	78	126	659
Maryland	424	170	92	183	869
Maine	192	53	66	58	369
Michigan	1,795	562	508	643	3,508
Minnesota	2,105	544	356	459	3,464
Missouri	3,214	1,144	425	446	5,229
Mississippi	1,352	534	305	244	2,435
Montana	2,962	1,032	237	195	4,426
North Carolina	1,744	766	373	542	3,425
North Dakota	1,376	357	180	177	2,090
Nebraska	2,695	1,029	390	369	4,483
New Hampshire	171	58	44	48	321
New Jersey	435	162	98	160	855
New Mexico	2,502	830	184	212	3,728
Nevada	1,135	435	79	113	1,762
New York	1,421	393	305	437	2,556
Ohio	2,976	1,070	1,065	1,308	6,419
Oklahoma	5,903	2,558	720	749	9,930
Oregon	2,642	773	267	292	3,974
Pennsylvania	1,973	552	584	779	3,888
Rhode Island	43	12	9	13	77
South Carolina	867	374	189	184	1,614
South Dakota	2,132	742	237	185	3,296
Tennessee	1,814	752	362	448	3,376
Texas	19,102	8,565	2,435	2,461	32,563
Utah	2,644	840	151	138	3,773
Virginia	1,016	423	182	256	1,877
Vermont	160	47	56	55	318
Washington	2,832	749	321	461	4,363
Washington D.C.	7	10		2	19
Wisconsin	1,699	554	344	439	3,036
West Virginia	415	134	126	166	841
Wyoming	2,140	795	184	124	3,243
TOTAL	111,602	41,551	16,256	19,868	189,277

INTERNATIONAL

	Annual/3-Year	Life	Youth	Amateur	Total
Argentina	22	47	2	1	72
Australia	218	56	42	108	424
Austria	403	357	54	179	993
Azerbaijan			1		1
Belarus			1		1
Belgium	382	143	24	102	651
Belize	2	1			3
Bolivia		1			1
Bosnia & Herzegovina	2				2
Botswana		1			1
Bouvet Island			1		1
Brazil	157	59	33	78	327
Bulgaria	4				4
Cambodia	1				1
Cameroon			1		1
Canada (Total)	7,835	3,326	1,014	1,260	13,435
<i>Alberta</i>	3,128	1,680	285	224	5,317
<i>British Columbia</i>	1,066	468	116	129	1,779
<i>Manitoba</i>	388	156	64	66	674
<i>New Brunswick</i>	83	22	42	35	182
<i>Newfoundland & Labrador</i>	7	1	2	3	13

INTERNATIONAL

	Annual/3-Year	Life	Youth	Amateur	Total
<i>Nova Scotia</i>	139	25	54	53	271
<i>Nunavut</i>	1				1
<i>Ontario</i>	1,203	457	248	531	2,439
<i>Prince Edward Island</i>	23	1	9	7	40
<i>Quebec</i>	782	102	69	116	1,069
<i>Saskatchewan</i>	1,008	412	125	96	1,641
<i>Yukon Territory</i>	7	2			9
Chile	5	19			24
China	27	8	13		48
Colombia	91	78	7	2	178
Costa Rica	48	16	2	9	75
Croatia	10	2		1	13
Czech Republic	293	80	19	36	428
Denmark	99	61	23	89	272
Dominican Republic	5	15	31		51
Ecuador	6	1			7
El Salvador	1	2			3
Estonia	1	1		1	3
Falkland Islands		1			1
Finland	31	15	9	23	78
France	742	101	22	58	923
Gabon	1				1
Georgia	4				4
Germany	2,514	1,832	285	1,113	5,744
Guam		1			1
Guatemala		3			3
Honduras		2			2
Hong Kong		1			1
Hungary	62	12	9	11	94
Ireland	7	10	6		23
Isle Of Man		1			1
Israel	116	43	13	12	184
Italy	1,328	216	79	55	1,678
Japan	26	221	14	36	297
Libya		2			2
Liechtenstein	3				3
Luxembourg	26	48	13	34	121
Madagascar		1			1
Malaysia		1			1
Mayotte	2				2
Mexico	1,058	858	31	8	1,955
Monaco		1			1
Morocco		1			1
Namibia	4	1			5
Nepal	1				1
Netherlands	301	177	29	123	630
New Caledonia	4	4		2	10
New Zealand	39	14	20	32	105
Nicaragua		1			1
Niue	1				1
Norway	41	21	12	24	98
Panama	45	45	21		111
Paraguay	10	22	2		34
Philippines	1				1
Poland	104	22	24	23	173
Portugal	1	4			5
Puerto Rico	4	11	3		18
Romania	2				2
Russian Federation	1				1
Saudi Arabia		1			1
Serbia	1				1
Seychelles	1				1
Slovakia	90	25	3	2	120
Slovenia	94	6	8	2	110
South Africa	28	17	9	10	64
Spain	75	26	1		102
Swaziland	2				2
Sweden	399	99	29	201	728
Switzerland	283	280	20	135	718
Thailand		1			1
Trinidad & Tobago		1			1
Ukraine				1	1
United Kingdom	205	84	20	167	476
Uruguay	9	17			26
Venezuela	70	200	10		280
Virgin Islands		3	1		4
TOTAL	17,348	8,727	1,961	3,938	31,974

OWNERSHIP

2019 AMERICAN QUARTER HORSE OWNERS

UNITED STATES

Alabama	10,567
Alaska	644
Arizona	14,786
Arkansas	11,604
California	38,559
Colorado	20,319
Connecticut	1,332
Delaware	471
Florida	17,132
Georgia	11,482
Hawaii	1,022
Idaho	13,675
Illinois	11,675
Indiana	12,249
Iowa	13,669
Kansas	14,769
Kentucky	9,094
Louisiana	13,822
Maine	1,243
Maryland	2,329
Massachusetts	1,467
Michigan	11,422
Minnesota	12,906
Mississippi	10,384
Missouri	21,340
Montana	15,466
Nebraska	13,029
Nevada	5,283
New Hampshire	845
New Jersey	2,015
New Mexico	10,594
New York	6,588
North Carolina	11,617
North Dakota	6,532
Ohio	16,352
Oklahoma	30,926
Oregon	14,157
Pennsylvania	10,510
Rhode Island	224
South Carolina	5,354
South Dakota	10,472
Tennessee	12,330
Texas	87,862
Utah	12,357
Vermont	839
Virginia	6,680
Washington	15,065
Washington D.c.	36
West Virginia	2,788
Wisconsin	10,651
Wyoming	10,118
TOTAL	596,688

INTERNATIONAL

Argentina	105
Australia	1,081
Austria	2,806
Bahamas	2
Belarus	1
Belgium	2,284
Belize	2
Bolivia	1
Bosnia And Herzegovina	3
Botswana	1
Brazil	1,288
Bulgaria	11
Cameroon	1
Canada (Total)	50,812
<i>Alberta</i>	<i>18,628</i>
<i>British Columbia</i>	<i>7,200</i>
<i>Manitoba</i>	<i>2,768</i>
<i>New Brunswick</i>	<i>637</i>
<i>Newfoundland And Labrador</i>	<i>55</i>
<i>Northwest Territories</i>	<i>1</i>
<i>Nova Scotia</i>	<i>1,087</i>
<i>Ontario</i>	<i>8,372</i>
<i>Prince Edward Island</i>	<i>211</i>
<i>Quebec</i>	<i>5,531</i>
<i>Saskatchewan</i>	<i>6,284</i>
<i>Yukon Territory</i>	<i>38</i>
Cayman Islands	7
Chile	46
China	20
Colombia	233
Comoros	6
Costa Rica	68
Croatia	28
Curaçao	3
Czech Republic	1,088
Denmark	720
Dominican Republic	40
Ecuador	11
El Salvador	1
Estonia	6
Falkland Islands	1
Finland	214
France	4,517
French Southern Territories	1
Gabon	1
Georgia	4
Germany	20,401
Greece	3
Guam	2
Guatemala	7
Hungary	236
Iceland	1
Ireland	44
Isle Of Man	1
Israel	1,171
Italy	9,729
Japan	195
Korea	7
Liechtenstein	8
Lithuania	3
Luxembourg	185
Macao	1
Malta	1
Martinique	2
Mexico	3,768
Monaco	2
Namibia	7
Nepal	1
Netherlands	2,205
New Caledonia	19
New Zealand	169
Nicaragua	3
Niue	2
Norway	318
Nunavut	1
Panama	170
Paraguay	45
Philippines	2
Poland	373
Portugal	22
Puerto Rico	41
Qatar	1
Romania	4
Russian Federation	2
Saint Pierre And Miquelon	1
San Marino	1
Saudi Arabia	1
Senegal	1
Serbia	8
Seychelles	4
Slovakia	314
Slovenia	289
South Africa	76
Spain	261
Suriname	1
Swaziland	1
Sweden	2,147
Switzerland	1,846
Thailand	3
Turkey	1
Ukraine	1
United Arab Emirates	4
United Kingdom	1,582
Uruguay	46
Venezuela	744
Virgin Islands	5
TOTAL	111,904

OWNER STATISTICS

United States	596,688
International	111,904
TOTAL	708,592

TOP 10 COUNTRIES

1. United States	596,688
2. Canada	50,812
3. Germany	20,401
4. Italy	9,729
5. France	4,517
6. Mexico	3,768
7. Austria	2,806
8. Belgium	2,284
9. Netherlands	2,205
10. Sweden	2,147

TOP 5 STATES

1. Texas	87,862
2. California	38,559
3. Oklahoma	30,926
4. Missouri	21,340
5. Colorado	20,319

TOP 5 PROVINCES

1. Alberta	18,628
2. Ontario	8,372
3. British Columbia	7,200
4. Saskatchewan	6,284
5. Quebec	5,531



SHOWS

2019 TOTAL SHOWS AND SPECIAL EVENTS AVERAGE ENTRIES PER SHOW

UNITED STATES

	Total Shows	Average Entries	Special Events	Average Entries
Alabama	21	334		
Alaska	12	210		
Arizona	42	794		
Arkansas	11	298	11	145
California	116	305	17	76
Colorado	67	233	17	46
Connecticut	11	242		
Florida	78	505	11	16
Georgia	44	723		
Hawaii	4	81		
Idaho	12	38	2	8
Illinois	40	449		
Indiana	60	552	3	170
Iowa	34	334	9	78
Kansas	36	150	6	76
Kentucky	42	425	8	63
Louisiana	15	324		
Maine	4	405		
Maryland	9	249		
Massachusetts	20	668		
Michigan	51	667	1	147
Minnesota	70	278	30	36
Mississippi	57	368	2	193
Missouri	46	420		
Montana	16	182	4	73
Nebraska	50	400	22	69
Nevada	21	1,000	2	31
New Hampshire	4	283		
New Jersey	22	465		
New Mexico	31	315	2	17
New York	70	334	7	72
North Carolina	50	272	5	28
North Dakota	15	330		
Ohio	75	718	6	58
Oklahoma	95	433	58	92
Oregon	26	178		
Pennsylvania	75	406	6	22
South Carolina	25	332		
South Dakota	31	306	2	108
Tennessee	76	373	21	49
Texas	157	225	47	130
Utah	32	229		
Vermont	2	139		
Virginia	21	299	6	28
Washington	46	308	1	26
West Virginia	36	452		
Wisconsin	38	514	2	47
Wyoming	12	245		

INTERNATIONAL

	Total Shows	Average Entries	Special Events	Average Entries
Argentina	4	13		
Australia	8	78		
Austria	10	132		
Belgium	6	96		
Brazil	4	291	1	144
Canada				
<i>Alberta</i>	19	321		
<i>British Columbia</i>	12	172		
<i>Manitoba</i>	9	287	3	13
<i>New Brunswick</i>	11	375		
<i>Nova Scotia</i>	1	123		
<i>Ontario</i>	51	447	20	30
<i>Quebec</i>	8	380		
<i>Saskatchewan</i>	11	252		
China			2	11
Colombia			1	32
Costa Rica	2	46		
Denmark	7	184		
Finland	4	52		
France	10	49	1	25
Germany	82	353	4	17
Israel	1	76	1	28
Italy	10	236	3	26
Japan	1	18		
Luxembourg	2	56		
Mexico	10	33	1	27
Netherlands	8	352		
New Zealand	4	99		
Norway	2	70		
Panama	1	90		
Paraguay	1	28		
Poland	3	62		
South Africa	4	16		
Sweden	7	186		
Switzerland	2	93	1	40
United Kingdom	15	118	2	33

2019 AQHA APPROVED SHOWS/ SPECIAL EVENTS

	United States	International	Total
Number of shows per year	1,946	309	2,255
Number of special events per year	329	40	369
Total shows and special events	2,275	349	2,624



SHOWS



2019 TOP 5 SPECIAL EVENT SHOWS

	Total Entries	Number of Shows	Average Entries Per Show
Houston Livestock Events Houston, TX	1,743	6	291
BCH Penning and Sorting Bastrop, TX	1,160	4	290
Lazy J Arena Penning & Sorting (April) Stillwater, OK	540	2	270
Lazy J Arena Penning & Sorting (February) Stillwater, OK	504	2	252
Lazy J Arena Penning & Sorting (November) Stillwater, OK	504	2	252

2019 TOP 5 LEVEL 1 SHOWS

	Total Entries	Number of Shows	Average Entries Per Show
Keystone Level 1 Quarter Horse Show Centre Hall, PA	422	1	422
NOQHA Level 1 Extravaganza Findlay, OH	255	1	255
PCQHA Level 1 Clinic and Show Centre Hall, PA	241	1	241
Northern Michigan QHA Level 1 Show Midland, MI	241	1	241
Massachusetts QHA Level 1 Show Northampton, MA	215	1	215

2019 TOP 5 SHOWS

	Total Entries	Number of Shows	Average Entries Per Show
All American Quarter Horse Congress Columbus, OH	7,823	1	7,823
Arizona Sun Country Circuit Scottsdale, AZ	21,626	10	2,163
Florida Gold Coast QHS Tampa, FL	10,082	6	1,680
Big A Circuit Conyers, GA	10,026	6	1,671
Stars and Stripes Circuit Conyers, GA	6,486	4	1,622

Rank based on average entries per show

2019 TOP EQUESTRIANS WITH DISABILITIES SHOW

	Total Entries	Number of Shows	Average Entries Per Show
Chisholm Challenge Fort Worth, TX	130	1	130

SHOWS

SHOW ENTRIES

	2015	2016	2017	2018	2019
Number of Approved Shows	2,432	2,403	2,418	2,437	2,255
Number of Special Events	428	431	363	381	369
Average Entries per Show	380	385	384	358	351
Average Entries per Special Event	70	63	58	50	71
Total Show Entries	923,184	925,937	928,314	871,369	797,731
Open	285,310	281,934	283,733	267,347	259,114
Amateur*	262,981	259,483	262,074	244,222	241,609
Level 1 Amateur*	123,771	123,716	125,471	118,384	121,174
Youth	149,662	151,502	149,639	139,538	131,480
Level 1 Youth	99,072	107,014	104,811	99,844	91,238
Equestrians with Disabilities	2,388	2,288	2,586	2,034	2,177
Total Special Event Entries	29,802	27,342	22,964	19,228	24,685
Total Show Entries Including Special Events	952,986	953,279	951,278	890,597	822,416

*Includes Select

2019 TOP 5 ALLIANCE EVENTS

	Total Entries	Number of Shows	Average Entries Per Show
NRHA Derby Oklahoma City, OK	318	2	159
Winter Slide Ardmore, OK	149	1	149
Rocky Mountain Columbine Classic Pueblo, CO	145	1	145
SRCHA Summer Spectacular Ardmore, OK	425	3	142
Bad Productions (Team Penning/Sorting) Healdton, OK	220	2	110

2019 TOP 5 INTRODUCTORY SHOWS

	Total Entries	Number of Shows	Average Entries Per Show
Mississippi Congress Brandon, MS	222	1	222
Champlain Valley Horse Show New Haven, VT	162	1	162
Mardi Gras Madness Amite, LA	157	1	157
Fundamentally Fun Bryan, TX	139	1	139
The Coast Classic Gulfport, MS	130	1	130



2019 REGIONAL CHAMPIONSHIP ENTRIES

	Total Entries	Number of Shows	Average Entries Per Show
Region 1 Monroe, WA	569		569
Region 2 Rapid City, ND	842		842
Region 5 Logan Township, NJ	387		387
Region 6 West Springfield, MA	648		648

2019 TOP 5 VERSATILITY RANCH HORSE SHOWS

	Total Entries	Number of Shows	Average Entries Per Show
Southwestern Exposition Fort Worth, TX	588	1	588
Colorado State Fair Ranch Versatility Pueblo, CO	1,743	3	581
Stock Horse of Texas VRH Show Lubbock, TX	386	1	386
Stock Horse of Texas VRH Show Hamilton, TX	333	1	333
NILE Versatility Ranch Show Billings, MT	308	1	308

SHOWS

2019 WORLD CHAMPIONSHIP SHOWS

Show	Qualifiers	Entries	Horses	Exhibitors	Money/ Awards
Cowboy Mounted Shooting World Championship Show	301	93	67	57	\$44,053
Zoetis Versatility Ranch Horse	6,770	2,302	399	357	\$210,000
AQHYA World Show	2,370 ¹	3,698	1,043	777	\$189,056
Adequan Select World Show	3,489 ²	952	626	474	\$273,822
Amateur/Open AQHA World Show	17,202 ³	4,045	1,784	1,262	\$1,915,000
AQHA Level 1 Championship (West)	N/A ³	1,550	386	378	\$102,368
Nutrena AQHA Level 1 Championship (East)	N/A ³	2,575	687	667	\$117,468
AQHA Level 1 Championship (Central)	N/A ³	1,465	382	372	\$104,880

¹National qualifiers
²Includes state qualifiers
³There is no qualification for these shows

PROFESSIONAL HORSEMEN MEMBERS

	MEMBERS
United States	589
International	64
Total	653

2019 AQHA APPROVED JUDGES

	United States	International
All-Around	276	79
Progressive	7	0
Versatility Ranch Horse	298	26

SPECIALIZED JUDGES

Cowboy Mounted Shooting	54	2
Cutting	93	4
Halter	19	0
Level 1	46	3
Over Fences	33	0
Ranch Riding	10	0
Reining	76	7
Roping	22	3
Team Penning	24	6
Timed Events	32	4
Working Cow Horse	43	2

CERTIFIED SHOW MANAGEMENT

	MEMBERS
United States	222
International	75
Total	297



RANCHING

AQHA RANCHING HERITAGE BREEDERS

United States	395	International	14
Alabama	2	Germany	3
Arizona	13	France	1
Arkansas	7	Canada	10
California	13	Alberta	5
Colorado	9	British Columbia	1
Florida	1	Manitoba	1
Hawaii	2	Saskatchewan	3
Idaho	6		
Illinois	2	Total RHB members	409
Iowa	1		
Kansas	21		
Louisiana	5		
Minnesota	1		
Mississippi	2		
Missouri	9		
Montana	28		
Nebraska	36		
Nevada	4		
New Mexico	13		
North Dakota	10		
Oklahoma	22		
Oregon	10		
Pennsylvania	1		
South Dakota	41		
Tennessee	3		
Texas	99		
Utah	7		
Virginia	1		
Washington	6		
West Virginia	1		
Wisconsin	1		
Wyoming	18		



RANCHING HERITAGE CHALLENGE ENROLLED HORSES

United States	103,465	International	1,111
Alabama	1,912	Germany	117
Arizona	2,784	France	42
Arkansas	1,122	Canada	952
California	3,298	Alberta	307
Colorado	1,350	British Columbia	205
Florida	223	Manitoba	63
Hawaii	335	Saskatchewan	377
Idaho	1,431		
Illinois	33	United States	103,465
Iowa	79	International	1,111
Kansas	3,262	Total RHC	104,576
Louisiana	582	(including grandfathered horses)	
Minnesota	429		
Mississippi	113		
Missouri	1,982		
Montana	6,086		
Nebraska	9,236		
Nevada	946		
New Mexico	5,272		
North Dakota	2,566		
Oklahoma	5,759		
Oregon	1,022		
Pennsylvania	270		
South Dakota	11,321		
Tennessee	171		
Texas	37,660		
Utah	791		
Virginia	40		
Washington	774		
West Virginia	153		
Wisconsin	76		
Wyoming	2,387		



2019 AQHA RANCHING HERITAGE CHALLENGES

Fort Worth Stock Show Fort Worth, TX	129 entries	68 horses	63 exhibitors	Tri-State Fair Amarillo, TX	72 entries	36 horses	31 exhibitors
Texas Tech Ranch Horse Team RHC Lubbock, TX	38 entries	68 horses	63 exhibitors	NRCHA Snaffle Bit Futurity Fort Worth, TX	45 entries	30 horses	14 exhibitors
ARC Spring Works RHC Camp Verde, AZ	6 entries	3 horses	3 exhibitors	Northern International Livestock Exposition Billings, MT	31 entries	16 horses	14 exhibitors
Central Coast Ranch Horse Classic Carmel, CA	7 entries	4 horses	4 exhibitors	WSVRHA Championship Las Vegas, NV	9 entries	5 horses	5 exhibitors
Osage Gathering Pawhuska, OK	14 entries	8 horses	9 exhibitors	Stock Horse of Texas World Show Abilene, TX	48 entries	26 horses	26 exhibitors
SDQHA Summer Spectacular Rapid City, SD	66 entries	26 horses	20 exhibitors	6666 Ranch RHC Guthrie, TX	87 entries	45 horses	42 exhibitors
Colorado State Fair Pueblo, CO	116 entries	55 horses	49 exhibitors	WRCA Ranch Horse Challenge Amarillo, TX	12 entries	9 horses	8 exhibitors

THE AQHA DIGITAL NETWORK

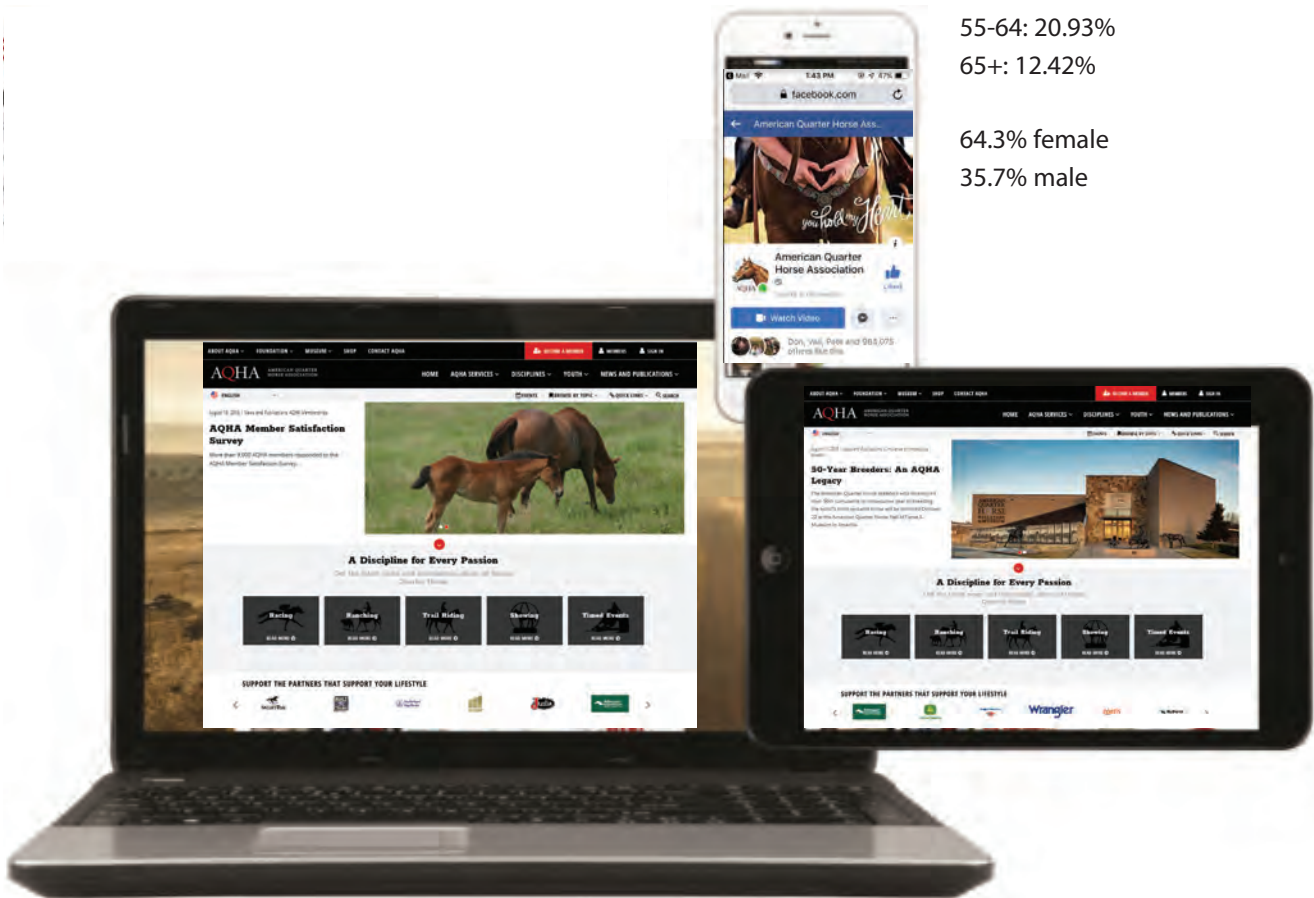
AQHA.COM

Website visitors: 1.52 million annually

Age groups:

- 18-24: 8.26%
- 25-34: 20.23%
- 35-44: 17.85%
- 45-54: 20.32%
- 55-64: 20.93%
- 65+: 12.42%

64.3% female
35.7% male



SOCIAL MEDIA

AQHA's award-winning social media efforts have gained us large followings on a multitude of networks.



FACEBOOK
facebook.com/aqha1

982,000 fans



INSTAGRAM
@officialaqha

227,000 followers



TWITTER
@aqha

48,400 followers



PINTEREST
pinterest.com/aqha1

27,600 followers



YOUTUBE
youtube.com/aqhavideo

32,700 subscribers

JOURNAL

THE AMERICAN QUARTER HORSE JOURNAL

- A monthly magazine, with 20,000 subscribers, dedicated to the most popular horse breed on earth.
- In 2019, the Journal debuted its Facebook page (www.facebook.com/aqhjournal) through which to share magazine content, drive readers to the AQHA website and draw horse lovers to subscribe to the magazine.
- Hands-on training articles, covering English and western disciplines with emphasis on rail, pattern and halter.
- Insightful features tackling health, horse-show trends and breeding topics.
- Hall of Fame and 50-year breeder profiles.
- Inspirational stories about fellow amateurs, youth, professionals, owners and breeders.
- Official show coverage from AQHA's championship shows.
- Critical news and timely information, keeping you abreast of what's going on within your Association.



AMERICA'S HORSE

- The magazine mailed to all 180,000 AQHA member households as part of their membership.
- Represents the heart and soul of the Association, with stories that focus on the horse-human bond.
- We also feature basic training tips, horse-health primers and other information to help our members form a stronger relationship with their horses.
- Eight America's Horse magazines are printed and mailed to each member per year; international members receive a link via email to the digital versions of each issue. Four times a year, the America's Horse Interactive is shared via email with more than 400,000 proud Quarter Horse owners.



RACING

THE AMERICAN QUARTER HORSE RACING JOURNAL

- A semi-annual print publication dedicated to the American Quarter Horse racing industry.
- Unique articles packed with data and statistical analysis you can only get from AQHA.
- Insightful features covering handicapping, horse health, breeding and more.
- March Annual Review is a powerful, statistics-packed magazine that you'll refer to year after year, including the starters index and racing champions.
- December Stallion Issue features stallion and breeding information, including sire lists and successful crosses information.



In July 2019, the publications department began a complete redesign of the *Journal*. Taking the best of *America's Horse* and the best of the *Journal*, the team reimagined the *Journal* into a lifestyle publication that we are certain AQHA members are going to love. The new *Journal* will debut in April 2020.

RACING AND RACING CHALLENGE

RACING

RACE PURSES

	2015	2016	2017	2018	2019
TOTAL ADDED MONEY	\$122,822,398	\$120,456,101	\$111,083,980	\$116,807,432	Unavailable
TOTAL PURSES	\$129,930,175	\$127,140,633	\$116,255,967	\$120,145,324	\$116,599,755
AVERAGE PURSE PER RACE	\$16,436	\$16,448	\$15,856	\$17,193	\$18,063
AVERAGE EARNINGS PER STARTER	\$8,474	\$8,599	\$8446	\$9,275	\$9,333

RACING STATISTICS 1970-2019

	RACES	STARTERS	PURSES	HANDLE
1970	7,438	10,493	\$9,427,886	\$102,877,409
1980	13,777	20,551	\$38,641,432	\$320,610,106
1990	13,450	20,520	\$51,210,144	\$354,208,189
2000	8,096	13,359	\$67,104,506	\$286,724,866
2001	8,239	13,596	\$73,301,410	\$318,037,079
2002	8,484	14,240	\$78,270,089	\$315,789,530
2003	8,409	14,532	\$83,726,581	\$306,786,431
2004	8,799	15,368	\$93,500,833	\$324,744,580
2005	8,799	15,833	\$98,630,441	\$343,731,326
2006	9,053	16,043	\$109,375,703	\$346,932,823
2007	9,274	16,607	\$123,042,699	\$367,626,783
2008	9,152	16,911	\$125,545,585	\$332,944,722
2009	9,113	17,180	\$127,628,434	\$328,443,262
2010	8,788	17,069	\$127,026,173	\$294,104,133
2011	8,450	16,724	\$129,282,575	\$301,354,956
2012	8,657	16,355	\$131,545,809	\$295,663,926
2013	8,328	15,761	\$125,877,223	\$289,748,484
2014	7,960	15,636	\$126,709,904	\$291,986,135
2015	7,905	15,333	\$129,930,175	\$309,356,986
2016	7,730	14,786	\$127,140,633	\$297,533,160
2017	7,332	13,764	\$116,255,967	\$283,938,345
2018	6,988	12,593	\$120,145,324	\$296,412,024
2019	6,455	12,985	\$116,599,755	\$274,157,889

2019 STARTERS IN RECOGNIZED AMERICAN QUARTER HORSE RACES

2-year-olds raced	4,478
3-year-olds raced	3,728
Older horses raced	4,257
American Quarter Horse Starters	12,463
Other Breeds Starters	522
TOTAL STARTERS IN AMERICAN QUARTER HORSE RACES	12,985
Horses with first official start	4,478
Horses previously raced	8,507

CHALLENGE

CHALLENGE ENROLLMENT BY FOAL CROP

	2013	2014	2015	2016	2017	2018	2019
WEANLING	2,604	2,596	2,440	2,373	2,100	1,732	1,632
YEARLING	555	588	577	427	360	290	358
2-YEAR-OLD	1	1	8	8	5	1	13
3-YEAR-OLD & UP	1	1	2	2	2	0	1
SOUTH AMERICA ENROLLMENTS	0	0	0	0	0	486	118
TOTAL ENROLLMENT	3,161	3,186	3,027	2,810	2,467	2,509	2,122

BANK OF AMERICA RACING CHALLENGE PROGRAM ENROLLMENTS, PURSES AND AWARDS HISTORY

YEAR	TOTAL HORSES ENROLLED	ENROLLMENT DOLLARS	ADDED PURSE MONEY	*TOTAL PURSES	STALLION OWNER AWARDS	NOMINATOR AWARDS	TOTAL AWARDS	GRAND TOTAL MONEY PAID OUT
2019	2,122	\$742,900	\$2,167,500	\$2,954,061	***	\$95,451	\$95,451	\$3,049,512
2018	2,509	\$701,600	\$1,744,250	\$2,383,401	***	\$154,536	\$154,536	\$2,537,937
2017	2,467	\$864,000	\$2,712,800	\$3,637,791	***	\$245,650	\$245,650	\$3,883,441
2016	2,810	\$1,044,600	\$3,251,600	\$4,107,481	***	\$273,948	\$273,948	\$4,381,429
2015	3,027	\$1,143,700	\$3,304,000	4,455,304	***	\$314,794	\$314,794	\$4,770,098
2014	3,186	\$1,167,100	\$3,768,453	\$4,829,997	***	\$321,284	\$321,284	\$4,952,841
2013	3,161	\$1,142,200	\$3,403,353	\$4,195,385	***	\$307,969	\$307,969	\$4,786,545
2012	3,275	\$1,069,200	\$3,644,753	\$4,294,101	***	\$309,023	\$309,023	\$4,950,569
2011	3,381	\$1,189,300	\$3,506,700	\$4,275,484	***	\$261,415	\$261,415	\$4,708,965
2010	3,744	\$1,304,900	\$3,497,150	\$4,176,514	***	\$258,681	\$258,681	\$4,427,660
2009	3,730	\$1,267,800	\$3,164,800	\$4,453,871	***	\$254,055	\$254,055	\$4,712,240
2008	3,760	\$1,411,900	\$3,152,100	\$4,220,141	***	\$272,461	\$272,461	\$4,895,920
2007	4,253	\$1,358,240	\$3,007,670	\$4,003,114	\$112,302	\$262,038	\$374,340	\$4,718,833
2006	4,506	\$1,380,700	\$2,959,608	\$4,286,289	\$110,572	\$258,000	\$368,572	\$4,797,796
2005	4,269	\$1,173,440	\$2,821,000	\$3,508,555	\$109,495	\$255,488	\$364,983	\$4,231,688
2004	4,474	\$1,173,100	\$2,759,500	\$3,493,520	\$108,273	\$252,636	\$360,909	\$4,007,385
2003	4,554	\$1,103,900	\$2,689,250	\$3,374,015	\$105,222	\$245,517	\$350,739	\$3,909,225
2002	4,611	\$1,067,700	\$2,450,250	\$3,526,525	\$109,736	\$256,050	\$365,786	\$3,999,295
2001	4,584	\$1,125,700	\$2,426,000	\$3,843,685	\$109,445	\$255,371	\$364,816	\$4,208,501
2000	4,297	\$1,077,000	\$2,372,172	\$3,521,755	\$96,987	\$226,303	\$323,290	\$3,845,045
1999	4,028	\$1,103,800	\$2,032,500	\$3,037,475	\$84,134	\$196,313	\$280,447	\$3,317,922
1998	3,673	\$964,300	\$1,760,000	\$2,583,000	\$78,137	\$183,432	\$261,569	\$2,844,569
1997	3,251	\$878,700	\$1,500,000	\$2,121,559	\$60,000	\$140,000	\$200,000	\$2,321,559
1996	2,896	\$798,600	\$1,232,500	\$1,569,670	\$50,796	\$118,524	\$169,320	\$1,738,990
1995	2,286	\$597,500	\$1,115,000	\$1,463,430	\$47,788	\$111,506	\$159,294	\$1,622,724
1994	1,784	\$478,800	\$859,400	\$1,045,585	\$35,935	\$79,039	\$114,974	\$1,160,559
1993	1,322	\$337,400	\$770,500	\$1,090,003	\$22,669	\$52,278	\$74,947	\$1,164,950
1992	2,756	\$867,900	N/A	N/A	N/A	N/A	N/A	N/A
1992-2019								
TOTALS	84,312	\$25,783,430	\$56,636,909	\$75,297,074	\$1,241,491	\$5,031,919	\$6,273,410	\$83,861,718

Total Purse = Regional Trials and Final Purse, Championship Day Purse, including undercard races, Bonus Challenge and Maiden Challenge Race Purse - 3% Stallion Awards were eliminated by the AQHA Racing Council in 2008 to provide additional money for the Championship Day Races.

OTHER PROGRAMS AND SERVICES

HORSEBACK RIDING PROGRAM

2019 AWARDS BY LEVEL

QUARTER HORSE DIVISION

Hours	2019	2018	2017	2016	2015	2014	2013	2012	2011
25	223	396	493	396	389	483	458	591	510
50	215	360	451	375	387	432	453	472	409
100	200	342	372	334	385	397	380	420	343
250	175	250	302	273	294	304	279	325	251
500	163	204	208	206	226	202	236	260	222
750	127	156	183	164	176	168	201	177	144
1,000	121	135	141	149	150	171	144	147	132
1,500	85	87	134	110	115	97	89	140	102
2,000	77	79	86	79	91	61	58	83	59
2,500	58	62	78	63	66	44	60	62	44
3,000	43	56	66	50	57	43	41	43	40
3,500	37	55	56	46	50	26	39	43	23
4,000	38	57	40	48	36	28	32	31	20
4,500	30	48	40	44	33	27	30	17	21
5,000	27	46	34	38	29	22	27	20	20
Total	1,619	2,333	2,684	2,375	2,484	2,505	2,527	2,831	2,340

ALL BREEDS DIVISION

Hours	2019	2018	2017	2016	2015	2014	2013	2012	2011
25	63	132	156	164	126	122	134	137	97
50	55	122	144	134	113	118	124	131	72
100	57	99	125	125	99	100	97	98	65
250	50	65	87	79	67	68	64	49	43
500	35	51	62	48	48	34	36	27	37
750	24	45	36	39	21	24	20	33	18
1,000	19	41	22	18	30	20	20	15	15
1,500	18	19	15	17	12	8	21	18	2
2,000	10	10	14	8	11	2	20	7	6
Total	331	584	661	632	527	496	536	515	355

HORSEBACK RIDING PROGRAM

AMERICAN QUARTER HORSE DIVISION

Year	Enrollment	Hours	Awards
2019	13,808	377,854	1,813
2018	15,467	485,804	2,333
2017	14,688	509,667	2,684
2016	16,127	453,037	2,375
2015	16,675	455,144	2,484
2014	15,865	457,211	2,505
2013	16,347	438,235	2,445
2012	15,244	452,296	2,765
2011	14,819	396,631	2,342
2010	13,951	452,876	1,662

HORSEBACK RIDING PROGRAM

ALL BREEDS DIVISION

Year	Enrollment	Hours	Awards
2019	2,383	60,027	182
2018	2,687	75,813	584
2017	2,459	83,685	661
2016	2,497	76,825	632
2015	2,510	59,271	527
2014	2,325	56,286	496
2013	2,314	54,190	518
2012	2,064	47,824	498
2011	1,789	43,216	358
2010	1,434	46,816	384

MEMBER EXPERIENCE

The Member Experience Department is responsible for providing world-class service to our global members and customers by assisting them in a wide range of areas through personalized phone, email, and on-site support. The 19 teams in the Member Experience Department work closely together to align the customer and member experience and are responsible for serving them by ensuring that their needs are met in a timely and efficient manner.

Total Calls	509,749
Contact Us Emails	47,866
Certificates Printed	131,014
Completed Transactions	179,303
Facebook Messages	2,622
International Facebook Messages	210

American Quarter Horse Association

Consolidated Financial Report

September 30, 2019



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Independent Auditor's Report

To the Board of Directors of
American Quarter Horse Association
Amarillo, Texas

We have audited the accompanying consolidated financial statements of American Quarter Horse Association (the Association) which comprise the consolidated statement of financial position as of September 30, 2019 and the related consolidated statement of activities, consolidated functional expenses and consolidated cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statement

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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above presents fairly, in all material respects, the financial position of the Association as of September 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The Board of Directors of
American Quarter Horse Association

Emphasis of Matter

Adoption of New Accounting Standard

As discussed in Note 2, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-14, Not-For-Profit-Entities (Topic 985) – Presentation of Financial Statements for Not-For-Profit Entities. The update addresses net asset classification requirements and the information presented in the consolidated financial statements and notes regarding liquidity, financial performance and cash flows. The Association adopted ASU 2016-14 in the year ended September 30, 2019. The ASU has been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Other Matters

Prior Period Financial Statements

The consolidated financial statements of American Quarter Horse Association for the year ended September 30, 2018 were audited by another auditor, who expressed an unmodified opinion on those consolidated financial statements as of January 18, 2019.

Report on Supplementary 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, consolidating statement of activities and consolidating statement of cash flows are presented for purposes of additional analysis and are 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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
April 22, 2020

American Quarter Horse Association
Consolidated Statements of Financial Position
September 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 2,685,592	\$ 5,432,998
Accounts receivable, net	2,114,229	1,775,734
Contributions receivable, net	167,772	144,563
Inventory	776,899	1,466,180
Prepays, deposits, and other assets	644,617	2,047,704
Investments	60,894,552	60,521,557
Property and equipment, net	18,526,551	17,807,938
Collections and exhibits, net	2,663,771	2,880,453
	TOTAL ASSETS	TOTAL ASSETS
	\$ 88,473,983	\$ 92,077,127
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 4,774,958	\$ 3,084,905
Note payable	-	195,563
Deferred income	18,603,935	21,463,559
Pension liability	7,748,743	2,309,995
	Total liabilities	Total liabilities
	31,127,636	27,054,022
NET ASSETS		
Without donor restrictions	25,893,165	34,225,289
With donor restrictions	31,453,182	30,797,816
	Total net assets	Total net assets
	57,346,347	65,023,105
	TOTAL LIABILITIES AND NET ASSETS	TOTAL LIABILITIES AND NET ASSETS
	\$ 88,473,983	\$ 92,077,127

The Notes to Consolidated Financial Statements are an integral part of these statements.

American Quarter Horse Association

Consolidated Statements of Activities

Years Ended September 30, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT						
Operating revenue and other support						
Memberships and member services	\$ 19,989,196	\$ -	\$ 19,989,196	\$ 20,648,810	\$ -	\$ 20,648,810
Contributions	404,859	1,407,961	1,812,820	-	707,054	707,054
World championship shows and sponsorships	12,664,814	-	12,664,814	12,064,801	-	12,064,801
Publications, advertising and circulation	1,324,836	-	1,324,836	1,516,444	-	1,516,444
Investment return	576,762	692,013	1,268,775	1,224,687	1,318,828	2,543,515
Racing and Incentive Fund	4,620,628	-	4,620,628	3,107,779	-	3,107,779
Other income	6,058,879	-	6,058,879	8,090,081	-	8,090,081
Net assets released from restrictions	1,444,608	(1,444,608)	-	1,388,976	(1,388,976)	-
	<u>47,084,582</u>	<u>655,366</u>	<u>47,739,948</u>	<u>48,041,578</u>	<u>636,906</u>	<u>48,678,484</u>
EXPENSES						
Program services						
Shows	12,179,176	-	12,179,176	11,000,968	-	11,000,968
Publications	3,656,476	-	3,656,476	4,309,703	-	4,309,703
Racing and Incentive Fund	6,086,023	-	6,086,023	3,243,082	-	3,243,082
Member services	4,288,289	-	4,288,289	3,942,032	-	3,942,032
Registration	4,676,732	-	4,676,732	4,812,548	-	4,812,548
Foundation program expenses	1,955,474	-	1,955,474	3,048,209	-	3,048,209
	<u>32,842,170</u>	<u>-</u>	<u>32,842,170</u>	<u>30,356,542</u>	<u>-</u>	<u>30,356,542</u>
General and administrative	13,382,107	-	13,382,107	10,642,610	-	10,642,610
Marketing	2,232,785	-	2,232,785	4,775,980	-	4,775,980
Fundraising	499,226	-	499,226	348,210	-	348,210
	<u>48,956,288</u>	<u>-</u>	<u>48,956,288</u>	<u>46,123,342</u>	<u>-</u>	<u>46,123,342</u>
Change in net assets	(1,871,706)	655,366	(1,216,340)	1,918,236	636,906	2,555,142
NET ASSETS, beginning of year	<u>34,225,289</u>	<u>30,797,816</u>	<u>65,023,105</u>	<u>28,583,891</u>	<u>30,160,910</u>	<u>58,744,801</u>
PENSION LIABILITY ADJUSTMENT	<u>(6,460,418)</u>	<u>-</u>	<u>(6,460,418)</u>	<u>3,723,162</u>	<u>-</u>	<u>3,723,162</u>
NET ASSETS, end of year	<u>\$ 25,893,165</u>	<u>\$ 31,453,182</u>	<u>\$ 57,346,347</u>	<u>\$ 34,225,289</u>	<u>\$ 30,797,816</u>	<u>\$ 65,023,105</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

American Quarter Horse Association
Consolidated Statement of Functional Expenses
Year Ended September 30, 2019

	Program Services					Program Services	
	Shows	Publications	Racing and Incentive Fund	Member Services	Registration	Foundation Program Expenses	Total Program Services
Salaries and benefits	\$ 1,944,680	\$ 1,457,883	\$ 737,703	\$ 2,453,897	\$ 2,395,289	\$ 254,948	\$ 9,244,400
Scholarships and grants	-	-	-	-	-	802,178	802,178
Building and property	100,558	97,052	39,784	131,622	91,584	213,682	674,282
Office expense	196,516	64,159	33,737	454,642	334,970	29,158	1,113,182
Travel	132,676	69,439	102,579	112,828	26,064	2,638	446,224
Promotion and marketing	526,785	38,522	227,454	141,775	227	-	934,763
Genotyping	-	-	-	-	1,623,381	-	1,623,381
Miscellaneous expense	350,739	2,563	206,178	184,042	51,732	130,355	925,609
Depreciation and amortization	28,835	26,625	6,836	256,671	7,759	487,222	813,948
Show expense	8,144,857	-	-	-	-	-	8,144,857
Awards	125,650	-	67,539	49,201	-	-	242,390
Information technology	33,682	367,769	698	36,364	-	35,293	473,806
Professional fees	55,574	163,180	65,022	157,259	145,726	-	586,761
Cost of goods sold	-	-	-	-	-	-	-
Convention expenses	-	-	-	309,988	-	-	309,988
Drug testing	538,624	20,400	-	-	-	-	559,024
Fundraising expense	-	-	-	-	-	-	-
Incentive Fund expense	-	-	2,600,971	-	-	-	2,600,971
Racing Challenge expenses	-	-	1,997,522	-	-	-	1,997,522
Magazine publication	-	1,348,884	-	-	-	-	1,348,884
TOTAL EXPENSES	\$ 12,179,176	\$ 3,656,476	\$ 6,086,023	\$ 4,288,289	\$ 4,676,732	\$ 1,955,474	\$ 32,842,170

The Notes to Consolidated Financial Statements are an integral part of this statement.

Supporting Services

General and Administrative	Marketing	Fundraising	Total
\$ 6,300,374	\$ 716,797	\$ 193,703	\$ 16,455,274
-	-	-	802,178
881,329	107,755	-	1,663,366
1,213,045	49,886	89	2,376,202
612,860	73,336	31,499	1,163,919
175,598	327,899	-	1,438,260
-	-	-	1,623,381
67,903	70,000	-	1,063,512
1,214,510	180,491	-	2,208,949
-	-	-	8,144,857
2,819	40,611	-	285,820
299,558	54,452	7,780	835,596
1,085,197	611,558	-	2,283,516
1,528,914	-	-	1,528,914
-	-	-	309,988
-	-	-	559,024
-	-	266,155	266,155
-	-	-	2,600,971
-	-	-	1,997,522
-	-	-	1,348,884
\$ 13,382,107	\$ 2,232,785	\$ 499,226	\$ 48,956,288

American Quarter Horse Association
Consolidated Statements of Cash Flows
Years Ended September 30, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,216,340)	\$ 6,278,304
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,208,949	1,724,600
Loss on inventory and other assets	503,975	-
Net appreciation on investments	(574,808)	(1,189,109)
Scholarships released from escrow	(86,555)	-
Change in net pension liability	(942,968)	(3,925,180)
Changes in operating assets and liabilities:		
Accounts and contributions receivable	641,087	323,319
Inventory	(689,281)	26,109
Prepays, deposits, and other assets	(1,403,087)	(39,803)
Accounts payable and accrued liabilities	(2,288,453)	(1,455,884)
Deferred income	2,843,920	(1,365,705)
Net cash provided by (used in) operating activities	(1,003,561)	376,651
CASH FLOWS FROM INVESTING ACTIVITIES		
Net purchases and sales of investments	597,071	5,600,269
Purchases of property, equipment and collections	(1,990,891)	(3,401,279)
Proceeds from sales of property and equipment	28,807	-
Net cash provided by (used in) investing activities	(1,365,013)	2,198,990
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable	(378,832)	(371,631)
Net cash used in financing activities	(378,832)	(371,631)
Net change in cash and cash equivalents	(2,747,406)	2,204,010
CASH AND CASH EQUIVALENTS, beginning of year	5,432,998	3,228,988
CASH AND CASH EQUIVALENTS, end of year	\$ 2,685,592	\$ 5,432,998

The Notes to Consolidated Financial Statements are an integral part of these statements.

American Quarter Horse Association

Notes to Consolidated Financial Statements

Note 1. Organization

The American Quarter Horse Association (AQHA) was formed and exists for the purpose of collecting, recording, and preserving the pedigrees of Quarter Horses and stimulating and regulating matters which pertain to the history, breeding, exhibition, publicity, racing or improvement of the Quarter Horse breed.

The American Quarter Horse Foundation (AQHF) was formed to encourage, by public contribution, support of worthwhile educational and charitable projects of interest and benefit to devotees of the American Quarter Horse. In addition, AQHF operates the American Quarter Horse Hall of Fame and Museum (the Hall of Fame), which opened in 1991. The Hall of Fame is devoted to honoring the American Quarter Horse and those responsible for the success of the breed. The Executive Committee of AQHA, along with a representative from the Foundation Council serves as the Board of Trustees of AQHF.

AQHA acquired Robin Glenn Pedigrees, LLC in 2014, which produces sale catalogs and pedigrees for the industry's race sales, performance sales, as well as all facets of the Quarter Horse performance industry. Robin Glenn Pedigrees (RGP) maintains a database of horse records used to produce sale catalogs and as an information resource for the horse industry. By AQHA acquiring RGP, members will be able to track American Quarter Horse accomplishments across the equine industry, thus enhancing the overall value of American Quarter Horses and in turn rewarding the owners of American Quarter Horses. On April 8, 2019, RGP was merged into AQHA.

On October 1, 2015, AQHA separated its Awards Recognition Concepts (ARC) department. It is now a Limited Liability Company, Awards Recognition Concepts, LLC in which AQHA is the sole member.

On January 30, 2019, Q Technology Solutions, LLC (Q Technology) was formed for the purpose of acquisition and development of software. AQHA is the sole member of Q Technology.

Note 2. Summary of Significant Accounting Policies Financial Statements Presentation

The Association's consolidated financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The consolidated financial statements include the accounts and transactions of AQHA and AQHF (collectively, the Association). All material intercompany balances and transactions have been eliminated. AQHA has majority voting and economic interest in AQHF, and therefore the AQHF financial statements have been consolidated with the AQHA financial statements.

Financial Statement Presentation

The Association is required to report information regarding its financial position and activities according to two classes of net assets:

- Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Association and/or the passage of time or net assets subject to donor-imposed stipulations that will never lapse.
- Net assets without donor restrictions - Net assets not subject to donor-imposed stipulations.

American Quarter Horse Association

Notes to Consolidated Financial Statements

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Association considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. The Association maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Association has not experienced any losses related to these concentrations.

Accounts Receivable

Accounts receivable are included in the accompanying consolidated statements of financial position at original invoice net of the allowance for doubtful accounts. The accounts receivable balance is comprised of amounts owed to the Association for trophy and record sales, sponsorships, journal advertising and other miscellaneous receivables.

The Association determines its allowance based on specific uncollectible accounts. The Association writes off receivables when they become uncollectible. The Association has had minimal losses on accounts receivable in prior years. The allowance for doubtful accounts is approximately \$6,900 and \$5,700 at September 30, 2019 and 2018, respectively.

Contributions Receivable

Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of the expected future cash flows using a discount rate.

An allowance for uncollectible accounts is estimated by management based on its historical loss analysis and is adjusted for those specific contributions receivable for which collection is uncertain (See Note 3).

Inventory

Inventories, which consists of apparel and merchandise, trophies and print services materials are valued at the lower of cost or net realizable value, determined on the first in, first out basis.

Prepays, Deposits and Other Assets

Prepaid expenses are recorded at cost and consist of amounts paid in advance for goods and services to be used or received in the near future, including trophy materials, insurance services, and maintenance agreements. Deposits are recorded at cost. Other assets consists of life insurance policies which are recorded at the cash surrender value of the insurance policy.

American Quarter Horse Association

Notes to Consolidated Financial Statements

Investments

Investments consist of equity mutual funds, domestic and common stock, and limited partnerships which are recorded at fair value in accordance with ASC 820 *Fair Value Measurements and Disclosures* (See Note 4). Realized and unrealized gains and losses are recognized in the consolidated statement of activities.

Property and Equipment

Property and equipment are recorded at cost or estimated fair value at the date of donation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets over their estimated service lives of approximately 35 to 40 years on buildings and improvements and 3 to 10 years on furniture and equipment on a straight-line basis. Costs incurred to develop a new computer system have been capitalized and is being amortized over 10 years on a straight-line basis.

Collections and Exhibits

Collections and exhibits are recorded at cost or estimated fair value at the date of donation. Collections consist primarily of donated art objects where fair value at the date of contribution is determined by appraisal. Depreciation is provided for in amounts sufficient to relate the cost of exhibits over their estimated service lives of approximately 5 to 15 years on a straight-line basis. No depreciation has been provided for collections which are limited works of a rare nature. Gains or losses on the disposition of collections and exhibits are recorded in the consolidated statement of activities at the time of disposition and are classified as net assets with or without donor restrictions, if any, placed on the item at the date of donation.

Impairment of Long-Lived Assets

The Association reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell. As of September 30, 2019 and 2018, the Association's management has not recognized impairment on any long-lived assets.

Income Taxes

AQHA is qualified under Section 501 of the Internal Revenue Code (IRC); therefore, the majority of its income is exempt from federal income tax under the provisions of Section 501(c)(5). Income from certain operations of AQHA, primarily advertising in its publications, is taxable for federal income tax purposes. For the years ended September 30, 2019 and 2018, AQHA did not incur any federal income tax expense. All other operations of AQHA are exempt from federal income tax. AQHF claims exemption from federal income taxes under Section 501(c)(3) of the IRC and is recognized as a public charity under Section 509(a)(3) of the IRC. AQHA's wholly owned subsidiaries, RGP, ARC and Q Technology are limited liability companies and considered disregarded entities for tax purposes as of September 30, 2019; therefore, they are not subject to additional tax filings per the IRC.

American Quarter Horse Association

Notes to Consolidated Financial Statements

Financial Accounting Standards Board (FASB) provides guidance for how uncertain tax positions should be recognized, measured, disclosed and presented in the consolidated financial statements. This requires the valuation of tax positions taken or expected to be taken in the course of preparing the Association's tax return to determine whether the tax positions are "more-likely-than-not" of being sustained "when challenged" or "when examined" by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense and liability in the current year. Management has determined that there are no material uncertain income tax positions.

Revenue Recognition

The primary sources of revenue for the Association are recognized as follows:

Memberships and Member Services

Association memberships are deferred and recognized as income during the membership period; lifetime memberships are amortized on a straight-line basis over an estimated life of 10 years. Amounts received for registration, transfers, and other member services are reflected in income as the required process is completed. Major sources of membership and member services consisted of the following at September 30, 2019 and 2018:

	2019	2018
Memberships	\$ 7,391,114	\$ 7,006,212
Registrations	4,862,892	5,322,080
Transfers	2,115,190	2,157,490
Stallion Breeding Report Fees	1,756,386	1,556,522
Genotyping/Blood Typing	2,544,101	3,139,294
Drug Testing	1,319,513	1,467,212
	\$ 19,989,196	\$ 20,648,810

Contributions

The Association recognizes contribution revenue at the time of donation or when an unconditional promise to give is made by the donor. Contributions are recorded as either net asset with or without donor restrictions, in accordance with donor restrictions, if any.

World Championship Show and Sponsorships

Income from shows is deferred and recognized as income in the period in which the show takes place. Sponsorship income is deferred and recognized as income in accordance with the terms of various sponsorship agreements.

Publications, Advertising and Circulation

Subscriptions for the Association's trade publications are deferred and recognized as income during the subscription period.

Incentive Fund and Racing Challenge Programs

All Incentive Fund receipts and investment earnings (losses) are credited to deferred income until incurred. The Association recognizes revenue and expense for these programs for the amount of prize monies and purse awards paid (See Note 6).

American Quarter Horse Association

Notes to Consolidated Financial Statements

Other Income

Income from the sales of awards, show processing fees, gift store sales, records and database research is recognized when earned.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been presented on a functional basis in the consolidated statement of functional expenses for 2019. The consolidated financial statements report certain categories of expenses that are attributable to one or more program service or supporting service of AQHA. Accordingly, these costs have been directly allocated among program services and supporting services based on time and effort. Building and property expenses are allocated based on square footage.

Reclassification

Certain balances related to 2018 have been reclassified to conform to the 2019 presentation. The reclassifications had no effect on total net assets or change in net assets.

Accounting Pronouncements Adopted

During the year ended September 30, 2019, the Association adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities*. This update added a consolidated statement of functional expense, reduced the net asset classifications from three classes (unrestricted, temporarily restricted, and permanently restricted) to two classes (net assets with donor restrictions and net assets without donor restrictions). In addition, the update added a liquidity disclosure to show the amount of financial assets available within one year from the consolidated statements of financial position date, added disclosures related to allocation methodologies, and required direct investment expenses to be shown net with investment income. The ASU has been applied retrospectively to all periods presented. The implementation had no effect on total net assets or change in net assets.

Upcoming Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This standard is intended to provide a more robust framework for addressing revenue issues, improve comparability of revenue recognition practices, and improve disclosure requirements. The amendments in this ASU are effective for interim and annual reporting periods beginning after December 15, 2018 for private entities. This ASU can be applied retrospectively or as a cumulative effect adjustment as of the date of adoption. Also, in June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* to provide further guidance related to revenue recognition for not-for-profit entities. AQHA is currently evaluating the impact that this guidance will have on its consolidated financial statements.

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Notes to Consolidated Financial Statements

In February 2016, the FASB issued ASU 2016-02, *Leases*, a comprehensive new standard that amends various aspects of existing accounting guidance for leases, including the recognition of a right of use asset and a lease liability for leases with a duration greater than one year. The guidance is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted. The Association is still reviewing the new guidance and its effect; however, the Association anticipates that upon adoption of the standard, the Association will recognize additional assets and liabilities related to its leases on its consolidated statements of financial position.

Note 3. Contributions Receivable

At September 30, contributions receivable are as follows:

	2019	2018
Within one year	\$ 112,480	\$ 68,492
One to five years	112,480	248,697
After five years	14,550	15,650
Subtotal	239,510	332,839
Allowance for doubtful accounts	(54,250)	(163,707)
Unamortized discount	(17,488)	(24,569)
Total contributions receivable, net	\$ 167,772	\$ 144,563

Note 4. Fair Value Measurements

Accounting Standard Codification 820 *Fair Value Measurements* establishes a fair value hierarchy that prioritized the inputs to valuation techniques used to measure fair value into three broad levels. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability.

Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The objective of the fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques used to measure fair value shall maximize the use of observable inputs and minimize the use of unobservable inputs.

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Notes to Consolidated Financial Statements

The fair value hierarchy prioritizes the inputs into valuation techniques to measure fair value into three broad levels. They are as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly through corroboration with observable market data.
- Level 3: Unobservable inputs for the asset or liability that are inputs that reflect the Association's own assumptions about the assumptions market participants would use in pricing the asset or liability.

The fair value hierarchy gives the highest priority for quoted prices (unadjusted) in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3).

Mutual Funds, Domestic Bonds, Domestic Common Stock and US Government and Agency Bonds
These classifications consist of investments in various funds and securities that have differing investment goals that are traded in an active market.

Investments Measured at Net Asset Value (NAV) This classification includes investments in limited partnerships, whose portfolios may include real property located in the United States. The general partner of each partnership has the authority and discretion to manage and control the affairs of the partnership, including selecting real property to invest in and when to sell owned assets. Investments held by the limited partnership are carried at fair value as determined by the respective general partners and may be based on various pricing models. The fair values of the investments in this category have been determined using the practical expedient methodology and are therefore valued at net asset value. The ability to liquidate these investments in the limited partnerships are restricted in accordance with the provisions of the partnership agreements, which state that invested capital is not returned until the dissolution of the partnerships.

The Association's investment policy allows for a certain range of the investment portfolio to be invested in alternative investment instruments. The Association's investments in these alternative investment instruments are carried at the aggregate net asset value of the shares held by the Association. The net asset value is based on the net market value of the alternative investment instrument's investment portfolio as determined by the management of the alternative investment instrument. The Association's investments in alternative investment instruments are in limited partnerships, which include private equity and real estate assets.

The inputs or methodology used for valuing financial instruments are not necessarily an indication of the risks associated with investing in those instruments. Investments may be exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could affect investment balances and the amounts reported in the consolidated financial statements.

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Notes to Consolidated Financial Statements

The Association assesses the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer in accordance with the Association's accounting policy regarding the recognition of transfers between levels of the fair value hierarchy. For the year ended September 30, 2019 \$9,178,208 in Level 1 investments transferred to Level 2. During the year ended September 30, 2018, there were no significant transfers among fair value levels.

Investments at September 30, 2019, are as follows:

	Level 1	Level 2	Level 3	Total
Bonds:				
US Government and agency bonds	\$ 6,334,355	\$ -	\$ -	\$ 6,334,355
Corporate bonds	-	9,178,208	-	9,178,208
Mutual funds:				
Bond mutual funds	15,508,362	-	-	15,508,362
Equity mutual funds	15,993,477	-	-	15,993,477
Domestic equity securities:				
Healthcare	602,787	-	-	602,787
Financials	442,914	-	-	442,914
Consumer staples	288,861	-	-	288,861
Consumer discretionary	664,407	-	-	664,407
Energy	285,776	-	-	285,776
Information technology	1,788,664	-	-	1,788,664
Industrials	281,108	-	-	281,108
Miscellaneous	348,598	-	-	348,598
American depository receipts	779,714	-	-	779,714
Total assets in the fair value hierarchy	<u>\$ 43,319,023</u>	<u>\$ 9,178,208</u>	<u>\$ -</u>	52,497,231
Cash				5,791,947
Investments measured at NAV				<u>2,605,374</u>
Investments at fair value				<u>\$ 60,894,552</u>

Investments at September 30, 2018, are as follows:

	Level 1	Level 2	Level 3	Total
Equity mutual funds	\$ 23,213,205	\$ -	\$ -	\$ 23,213,205
Bond mutual funds	14,086,403	-	-	14,086,403
Domestic common stock	7,607,616	-	-	7,607,616
Debt and mortgage backed	13,577,672	-	-	13,577,672
Total assets the in fair value hierarchy	<u>\$ 58,484,896</u>	<u>\$ -</u>	<u>\$ -</u>	58,484,896
Investments measured at NAV				<u>2,036,661</u>
Investments at fair value				<u>\$ 60,521,557</u>

American Quarter Horse Association

Notes to Consolidated Financial Statements

The following table provides additional information for investments in certain entities that measure fair value using the NAV practical expedient:

	Fair Value at September 30, 2019	Redemption Frequency (if currently eligible)	Redemption Notice Period	Unfunded Commitments
Harbert Credit Solutions Fund IV L.P.	\$ 1,531,561	N/A, redemption upon dissolution	N/A	\$ 2,168,662
Montauk Triguard Fund VII, L.P.	1,073,813	N/A, redemption upon dissolution	N/A	2,100,000
Ending Balance	<u>\$ 2,605,374</u>			
	Fair Value at September 30, 2018	Redemption Frequency (if currently eligible)	Redemption Notice Period	Unfunded Commitments
Harbert Credit Solutions Fund IV L.P.	\$ 1,161,633	N/A, redemption upon dissolution	N/A	\$ 2,168,662
Montauk Triguard Fund VII, L.P.	875,028	N/A, redemption upon dissolution	N/A	2,100,000
Ending Balance	<u>\$ 2,036,661</u>			

The following schedule summarizes the investment return and its classification in the consolidated statements of activities for the years ended September 30:

	2019	2018
Interest and dividends	\$ 1,784,614	\$ 1,466,693
Net realized and unrealized gain (loss)	(345,788)	1,212,062
Investment expenses	(170,051)	(135,240)
Total return on investments	<u>\$ 1,268,775</u>	<u>\$ 2,543,515</u>

American Quarter Horse Association

Notes to Consolidated Financial Statements

Note 5. Property and Equipment and Collections and Exhibits

At September 30, property and equipment and collections and exhibits consisted of the following:

	2019	2018
Depreciable property and equipment		
Building and improvements	\$ 17,252,463	\$ 17,272,962
Furniture and equipment	6,422,863	13,037,412
Software	11,574,068	-
	35,249,394	30,310,374
Total depreciable assets		
Accumulated depreciation	(17,468,802)	(20,097,103)
	17,780,592	10,213,271
Total depreciable assets, net		
Land	650,442	650,442
Development of computer system	95,517	6,944,225
	18,526,551	17,807,938
Total property and equipment, net	\$ 18,526,551	\$ 17,807,938
Depreciable collections and exhibits		
Collections and exhibits	\$ 3,840,934	\$ 4,005,415
Accumulated depreciation	(3,151,199)	(3,098,998)
	689,735	906,417
Total depreciable assets, net		
Non-depreciable collections and exhibits	1,974,036	1,974,036
	2,663,771	2,880,453
Total collections and exhibits, net	\$ 2,663,771	\$ 2,880,453

Depreciation and amortization expense was \$2,208,949 and \$1,724,600 at September 30, 2019 and 2018, respectively.

Note 6. Incentive Fund and Racing Challenge Program Deferred Income

Incentive Fund

The AQHA Incentive Fund is a program whereby AQHA sanctioned show participants and breeders win cash prizes based on total points accumulated during each show year. In order to be eligible, breeders must pay nomination fees for their stallions and foals. The nomination fees and the related investment income represent the source of funds for the cash prizes awarded. Nominated stallions and foals are eligible to receive payments from the Incentive Fund based on total show points earned during the previous year. In July of 2017, the AQHA Executive Committee approved the termination of the Incentive Fund. Stallion nominations were no longer accepted and foal nominations will only be accepted through 2018. All nominations were paid out during the year ended September 30, 2019.

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Notes to Consolidated Financial Statements

The following is a summary of activity of the Incentive Fund included in deferred income for the years ended September 30:

	2019	2018
Balance of fund, beginning of year	\$ 3,086,811	\$ 4,219,493
Nomination receipts	-	4,442
Investment income	66,406	138,428
Incentive fund disbursements	(3,153,217)	(1,275,552)
	\$ -	\$ 3,086,811

The investment balance allocated to the Incentive Fund is included in the investment balance shown on the consolidated statements of financial position as of September 30, 2018.

Racing Challenge

The AQHA Racing Challenge (Challenge) is an incentive-type program open to all registered foals. The Racing Challenge receives funds from individuals for the nomination of their horses. Nominations received are used to supplement purse awards at Challenge races and are paid to the nominators and owners as bonus awards. Race entry fees are received from individuals to enter a Challenge race and are added to the purse award, along with the amount contributed by corporate sponsors. Investment income attributable to the Racing Challenge is included in the purse awards as well.

The following is a summary of activity of the Racing Challenge included in deferred income for the years ended September 30:

	2019	2018
Balance of fund, beginning of year	\$ 2,649,759	\$ 2,477,125
Program receipts	1,965,608	2,028,709
Investment income	42,806	124,982
Program disbursements	(2,009,922)	(1,981,057)
	\$ 2,648,251	\$ 2,649,759

The investment balance allocated to the Racing Challenge is included in the investment balance shown on the consolidated statements of financial position as of September 30, 2019 and 2018.

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Notes to Consolidated Financial Statements

Note 7. Deferred Income

Deferred income, not including deferred income related to the Incentive Fund and Racing Challenge programs, consisted of the following at September 30:

	2019	2018
Deferred breeder account	\$ 1,898,167	\$ 2,972,825
Deferred membership income	12,045,493	8,280,127
Deferred publications income	215,130	383,281
Deferred World Championship Shows income (net of prepaid expense of \$0 and \$449,614)	325,770	2,539,232
Other deferred income	1,486,828	1,551,524
Total other deferred income	\$ 15,971,388	\$ 15,726,989

Note 8. Employee Benefit Plans

Defined Benefit Plan

The Association has a noncontributory defined benefit pension plan (the Plan) limited to participants who were in the Plan as of October 31, 2003, or active employees as of October 31, 2003, that subsequently become eligible by reaching 21 years of age and completing one year of eligible service. Benefits are based on years of service and the average of each participant's highest five years of compensation out of the last fifteen calendar years.

It is the Association's policy to fund the Plan consistent with the Employee Retirement Income Security Act minimum funding requirements. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future. Contributions are predominantly invested in equity securities.

The actuarial present value of benefit obligations is calculated based on certain assumptions pertaining to interest rates, inflation rates and employee compensation and demographics. Due to the uncertainties inherent in setting assumptions, it is reasonably possible that changes in these assumptions will occur in the near term and the effect of such changes could be material to the consolidated financial statements.

The Association follows FASB guidance surrounding employers' accounting for defined benefit pension and other postretirement plans, which requires companies that sponsor single-employer defined benefit plans to recognize the funded status of such plans in their statement of financial position. For pension plans, the funded status is measured as the difference between plan assets at fair value and the projected benefit obligation. Gains and losses and prior service costs that arise during the period, but are not recognized as components of net periodic benefit expense, are recognized as a separate line item or items within changes in net assets without donor restrictions.

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Notes to Consolidated Financial Statements

Obligations and Funded Status

	2019	2018
Cash and cash equivalents	\$ 555,072	\$ 418,980
Plan assets at fair value	51,469,367	51,975,963
	\$ 52,024,439	\$ 52,394,943
Projected benefit obligation at September 30	\$ (59,773,181)	\$ (54,728,329)
Funded status	(7,748,742)	(2,333,386)
Accrued benefit cost recognized in the consolidated statements of financial position	(7,748,742)	(2,309,995)
Benefit cost	178,030	1,021,975
Employer contributions	1,200,000	1,200,000
Benefits paid	2,588,180	2,317,002

The accumulated benefit obligation for the Plan was approximately \$59,693,034 and \$51,606,275 at September 30, 2019 and 2018, respectively.

Assumptions

Weighted average assumptions used to determine benefit obligation at September 30:

	2019	2018
Discount rate	3.35%	4.40%
Rate of compensation increase	2.50%	2.50%

Weighted average assumptions used to determine net periodic benefit cost for years ended September 30:

	2019	2018
Discount rate	4.40%	4.00%
Expected return of plan assets	6.50%	7.00%
Rate of compensation increase	2.50%	2.50%

The Association's expected rate of return on plan assets is determined by the plan assets' historical long-term investment performance, current asset allocation and estimates of future long-term returns by asset class.

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Notes to Consolidated Financial Statements

Changes in Plan assets and benefit obligations recognized in changes in net assets without donor restrictions for the years ended September 30, 2019 and 2018 are as follows:

	2019	2018
Interest cost	\$ 2,308,414	\$ 2,261,463
Service cost	444,548	733,243
Expected return on plan assets	(3,380,835)	(3,477,572)
Net loss amortization	805,030	1,504,241
 Total recognized in net periodic pension cost and net assets without donor restrictions (recorded in general and administrative expense)	 \$ 177,157	 \$ 1,021,375
 Actuarial loss (gain) recognized in net assets not yet included in net periodic pension cost	 \$ 6,460,718	 \$ (3,723,162)

Cash Flows

The Association contributed \$1,200,000 more than the Internal Revenue Service minimum required contribution during each of the plan years ended September 30, 2019 and 2018. At this time, the Association anticipates contributing the IRS minimum required contribution for the 2020 fiscal year. This amount is not currently available, and the Association may provide additional funding for the Plan.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Year Ending September 30,		
2020	\$	2,855,329
2021		2,875,822
2022		2,910,533
2023		2,910,240
2024		2,928,683
2025 and Thereafter		14,848,160
	\$	29,328,767

American Quarter Horse Association

Notes to Consolidated Financial Statements

Plan Assets

The Association's pension plan weighted-average asset allocations at September 30, by asset category are as follows:

Asset category	2019	2018
Cash	1%	1%
Bonds		
U.S. Treasury and Agency	8%	9%
Corporate	14%	7%
Mutual Funds		
Equity	30%	40%
Bonds	22%	16%
Real estate	13%	12%
International securities	2%	2%
Common stock	10%	13%
	100%	100%

The Association's investment policy for the Plan assets is to manage the portfolio to preserve principal and liquidity while maximizing the return on the investment portfolio through the full investment of available funds. The portfolio is diversified by investing in multiple types of investment-grade securities. The investment policy requires assets of the Plan to be primarily invested in short-term securities with at least an investment grade rating to minimize interest rate and credit risk, as well as to provide for an immediate source of funds.

The Association attempts to mitigate investment risk by rebalancing between equity and bond asset classes periodically. Although changes in interest rates may affect the fair value of the investment portfolio and cause unrealized gains or losses, such gains or losses would not be realized unless the investments are sold.

Equity Mutual Funds, Balanced Mutual Funds, Bond Mutual Funds, International Common Stock, Debt and Mortgage Backed Securities

These classifications consist of investments in various funds and securities that have differing investment goals that are traded in an active market.

Investments Measured at Net Asset Value (NAV)

This classification is invested in limited partnerships which may include real property located in the United States. The General Partner of each partnership has the authority and discretion to manage and control the affairs of the partnership, including selecting real property to invest in and when to sell owned assets. Investments held by the limited partnerships generally are carried at fair value as determined by the respective general partners and may be based on various pricing models. The fair values of the investments in this category have been determined using the practical expedient methodology and are therefore valued at net asset value. The ability to liquidate these investments in the limited partnerships are restricted in accordance with the provisions of the partnership agreements, which state that invested capital is not returned until the dissolution of the partnerships.

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Notes to Consolidated Financial Statements

Investments are as follows at September 30, 2019:

	Level 1	Level 2	Level 3	Total
Bonds:				
US Government and agency bonds	\$ 4,419,231	\$ -	\$ -	\$ 4,419,231
Corporate bonds	-	7,153,717	-	7,153,717
Mutual funds:				
Bond mutual funds	11,593,009	-	-	11,593,009
Equity mutual funds	15,730,288	-	-	15,730,288
Domestic equity securities:				
Healthcare	619,571	-	-	619,571
Financials	481,855	-	-	481,855
Consumer staples	301,412	-	-	301,412
Consumer discretionary	698,153	-	-	698,153
Energy	291,288	-	-	291,288
Information technology	1,978,639	-	-	1,978,639
Industrials	296,216	-	-	296,216
Miscellaneous	393,461	-	-	393,461
American depository receipts	839,833	-	-	839,833
Total assets in the fair value hierarchy	<u>\$ 37,642,956</u>	<u>\$ 7,153,717</u>	<u>\$ -</u>	44,796,673
Investments measured at NAV				<u>6,672,694</u>
Investments at fair value				<u>\$ 51,469,367</u>

Investments are as follows at September 30, 2018:

	Level 1	Level 2	Level 3	Total
Common stocks	\$ 7,010,413	\$ -	\$ -	\$ 7,010,413
Mutual Funds:				
Bond mutual funds	8,238,270	-	-	8,238,270
Equity mutual funds	20,963,616	-	-	20,963,616
International securities	945,625	-	-	945,625
Debt Securities:				
U.S. Treasury bonds	3,886,546	-	-	3,886,546
U.S. Corporate bonds	-	3,885,217	-	3,885,217
Mortgage backed securities	-	724,150	-	724,150
Total assets in the fair value hierarchy	<u>\$ 41,044,410</u>	<u>\$ 4,609,367</u>	<u>\$ -</u>	45,653,833
Investments measured at NAV				<u>6,322,126</u>
Investments at fair value				<u>\$ 51,975,963</u>

No changes in the investment valuation techniques occurred during the periods presented.

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Notes to Consolidated Financial Statements

Defined Contribution Plan

The Association established a defined contribution 401(k) plan (the 401(k) Plan) during 1997. Employees are eligible to participate upon employment and reaching age 18. The 401(k) Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974. Under provisions of the 401(k) Plan, eligible employees are allowed to contribute up to 100% of their compensation each year, up to the maximum limits established by the Internal Revenue Service. The Association provides for a 100% employer matching contribution to the 401(k) Plan as it relates to certain participants, up to a maximum matching contribution of 6% of participant deferrals. The Association also has the option to make discretionary contributions to the 401(k) Plan. The participants covered under the matching provision are those employees not otherwise eligible for participation in the American Quarter Horse Association Employee Pension Plan (those employees hired subsequent to November 1, 2003).

For the years ended September 30, 2019 and 2018, the Association contributed approximately \$326,000 and \$337,000, respectively, to the American Quarter Horse Association 401(k) Plan.

Note 9. Net Assets

Net assets with donor restrictions consisted of the following at September 30:

	2019		2018	
	Net assets with donor restrictions		Net assets with donor restrictions	
	Purpose	Perpetuity	Purpose	Perpetuity
Operations	\$ 1,582,467	\$ 10,516,701	\$ 813,156	\$ 10,474,681
Research	955,263	6,458,563	959,317	6,454,495
Education	614,308	280,563	586,210	280,563
America's Horse Cares	482,243	2,030,786	515,026	2,021,212
Scholarships	1,086,135	7,445,854	1,357,800	7,320,972
Fundraising	299	-	14,384	-
	<u>\$ 4,720,715</u>	<u>\$ 26,732,467</u>	<u>\$ 4,245,893</u>	<u>\$ 26,551,923</u>

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Notes to Consolidated Financial Statements

Note 10. Endowment

Endowment

The AQHF endowment consists of several different individual funds established for a variety of purposes. AQHF's Board of Trustees does not have the ability to distribute any amount of the donor's initial permanently restricted contribution. In accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA), AQHF considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the organization
7. The investment policies of the organization

Endowment Investment and Spending Policies

AQHF has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. AQHF's investment and spending policies work together to achieve this objective. The AQHF investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective is to compare to a similarly weighted benchmark representing the returns of the S&P 500 Index and the Intermediate Government/Corporate Index.

AQHF targets a diversified asset allocation that places a greater emphasis on asset preservation while striving to achieve its long-term return objectives within prudent risk parameters.

The AQHF spending policy calculates the amount of money annually distributed from the earnings of the AQHF's various endowed funds. The current spending policy is to distribute an amount up to 5% of the trailing thirty-six-month average principal balance, limited to available undistributed earnings.

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Notes to Consolidated Financial Statements

The changes in endowment net assets for the fiscal years ended September 30 are summarized below:

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	
		Purpose	Perpetuity
Endowment net assets at September 30, 2017	\$ -	\$ 2,597,832	\$ 26,291,058
Contributions	-	-	252,898
Investment return on endowment assets	-	1,318,828	-
Net assets appropriated for expenditure	-	(1,261,487)	-
Net assets restricted due to donor requirements	-	(7,967)	7,967
Endowment net assets at September 30, 2018	-	2,647,206	26,551,923
Contributions	-	-	165,136
Investment return on endowment assets	-	692,013	-
Net assets appropriated for expenditure	-	(1,292,977)	-
Net assets restricted due to donor requirements	-	(3,390)	15,408
Endowment net assets at September 30, 2019	\$ -	\$ 2,042,852	\$ 26,732,467

All endowment net assets consist of donor-restricted endowment funds.

Note 11. Commitments and Contingencies

The Association is party to certain legal proceedings and other matters arising from time to time in the normal course of business. Management believes that such legal procedures will not have a material adverse effect on the Association's financial position or activities.

Note 12. Notes Payable

The Association's notes payable consist of the following at September 30:

	2019	2018
\$1,375,000 loan with Amarillo National Bank; monthly - \$ 85,571 payments of \$24,683, interest at 2.85%; maturing May 1, 2019; unsecured.	\$ -	\$ 195,563

Interest expense was \$1,907 and \$10,769 for the years ended September, 30 2019 and 2018, respectively.

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Notes to Consolidated Financial Statements

Note 13. Liquidity and Availability of Financial Assets

The following reflects the Association and subsidiaries' financial assets as the consolidated statement of financial position date, including amounts not available within one year of the consolidated statement of financial position date. Amounts not available include donor-imposed restrictions and board designated restrictions. As part of managing its financial assets, the Association ensures sufficient resources are available when obligations are due.

Cash and cash equivalents	\$ 2,685,592
Investments	60,894,552
Accounts and contributions receivable	2,282,001
	65,862,145
Total financial assets, year end	
Less donor-imposed and board restrictions	
Board designated	8,741,648
Investments held for Racing Challenge	2,648,251
Endowment held in perpetuity	26,732,467
Time and purpose restrictions	4,720,715
	42,843,081
Total financial assets not available to be used within one year	
	42,843,081
Total financial assets available to meet general expenditures within one year	
	\$ 23,019,064

Financial assets not available to be used within one year include \$8,741,648 that has been set aside and designated by the Board of Trustees of AQHF. The designations can be rescinded through board action to meet the operational needs of AQHF. Investments held for Racing Challenge are designated for future payments of obligations in the Racing Challenge program.

Note 14. Subsequent Events

Management has evaluated the impact of all subsequent events of the Association through April 22, 2020, the date the consolidated financial statements were available to be issued.

COVID-19

The extent of the operational and financial impact the COVID-19 pandemic may have on the Association has yet to be determined and is dependent on its duration and spread, any related operational restrictions and the overall economy. Currently, AQHA has cancelled or rescheduled World Shows and World Show qualifying events through May 2020, however there has not been a reduction or modification on the workflow for member services. AQHA is unable to accurately predict how COVID-19 will affect the results of its operations because the virus's severity and the duration of the pandemic are uncertain. However, while it is premature to accurately predict its full impact, the Association anticipates operating results through the month April 2020, to be significantly impacted with potential continuing, adverse impacts beyond April 2020.

American Quarter Horse Association

Notes to Consolidated Financial Statements

On April 13, 2020, the Association secured three separate loans through the Small Business Administration's Paycheck Protection Program (PPP) in the amount of \$3,156,100 for AQHA, \$194,000 for ARC, and \$102,000 for AQHF. Under this program, and if the Association complies, up to the full principal amount of the loans and any accrued interest may be forgiven. To the extent that principal and interest are not forgiven, the loans bear interest at 1% to be repaid in 18 monthly payments beginning in November 2020.

Employee Benefit Plans

On October 24, 2019 the Association froze the Plan. Additionally, the Association modified the 401(k) Plan's contribution policy to reflect safe-harbor contributions for all participating employees.

American Quarter Horse Association
Consolidating Statement of Financial Position
September 30, 2019

	American Quarter Horse Association	American Quarter Horse Foundation	Awards Recognition Concepts, LLC	Q Technology Solutions, LLC	Intercompany Eliminations	Consolidated Total
ASSETS						
Cash and cash equivalents	\$ 1,946,648	\$ 595,304	\$ 143,640	\$ -	\$ -	\$ 2,685,592
Accounts receivable, net	1,272,371	-	1,065,423	-	(223,565)	2,114,229
Contributions receivable, net		167,772	-	-		167,772
Intercompany receivable	3,000,412	-	-	-	(3,000,412)	-
Inventory	-	-	776,899	-	-	776,899
Prepays, deposits, and other assets	504,446	36,237	103,934	-	-	644,617
Investments	20,896,723	39,997,829	-	-	-	60,894,552
Investments in subsidiaries	(156,951)	-	-	-	156,951	-
Property and equipment, net	12,371,902	5,610,369	544,280	-	-	18,526,551
Collections and exhibits, net	-	2,663,771	-	-	-	2,663,771
TOTAL ASSETS	\$ 39,835,551	\$ 49,071,282	\$ 2,634,176	\$ -	\$ (3,067,026)	\$ 88,473,983
LIABILITIES AND NET ASSETS						
LIABILITIES						
Accounts payable and accrued liabilities	\$ 4,611,583	\$ 79,562	\$ 290,711	\$ -	\$ (206,898)	\$ 4,774,958
Intercompany payable	-	499,996	2,484,712	15,704	(3,000,412)	-
Deferred income	18,489,062	131,540	-	-	(16,667)	18,603,935
Pension liability	7,748,743	-	-	-	-	7,748,743
Total liabilities	30,849,388	711,098	2,775,423	15,704	(3,223,977)	31,127,636
NET ASSETS						
Without donor restrictions	8,986,163	16,907,002	(141,247)	(15,704)	156,951	25,893,165
With donor restrictions	-	31,453,182	-	-	-	31,453,182
Total net assets	8,986,163	48,360,184	(141,247)	(15,704)	156,951	57,346,347
TOTAL LIABILITIES AND NET ASSETS	\$ 39,835,551	\$ 49,071,282	\$ 2,634,176	\$ -	\$ (3,067,026)	\$ 88,473,983

American Quarter Horse Association
Consolidating Statement of Activities
September 30, 2019

	American Quarter Horse Association	American Quarter Horse Foundation	Awards Recognition Concepts, LLC	Robin Glenn Pedigrees, LLC	Q Technology Solutions, LLC	Intercompany Eliminations	Consolidated Total
REVENUE AND OTHER SUPPORT							
Memberships and member services	\$ 19,620,029	\$ -	\$ -	\$ 369,167	\$ -	\$ -	\$ 19,989,196
Contributions	-	1,826,254	-	-	-	(13,434)	1,812,820
World championship shows and sponsorships	12,678,147	-	-	-	-	(13,333)	12,664,814
Publications, advertising and circulation	3,374,040	-	-	-	-	(2,049,204)	1,324,836
Investment return	347,609	921,166	-	-	-	-	1,268,775
Loss on subsidiaries	(1,160,738)	-	-	-	-	1,160,738	-
Incentive fund and racing challenge	5,140,628	-	-	-	-	(520,000)	4,620,628
Other income	4,147,472	319,391	3,150,072	-	-	(1,558,056)	6,058,879
Total revenue and other support	44,147,187	3,066,811	3,150,072	369,167	-	(2,993,289)	47,739,948
EXPENSES							
Program services							
Shows	12,137,222	-	-	-	-	41,954	12,179,176
Publications	3,695,853	-	-	-	-	(39,377)	3,656,476
Racing and Incentive Fund	7,106,666	-	-	-	-	(1,020,643)	6,086,023
Member services	3,997,694	-	-	451,600	-	(161,005)	4,288,289
Registration	4,718,958	-	-	-	-	(42,226)	4,676,732
Foundation program expenses	-	1,991,029	-	-	-	(35,555)	1,955,474
Total program services	31,656,393	1,991,029	-	451,600	-	(1,256,852)	32,842,170
General and administrative	9,254,650	748,244	4,212,673	-	15,704	(849,164)	13,382,107
Marketing	4,242,837	-	-	-	-	(2,010,052)	2,232,785
Fundraising	-	537,185	-	-	-	(37,959)	499,226
Total expenses	45,153,880	3,276,458	4,212,673	451,600	15,704	(4,154,027)	48,956,288
Change in net assets	(1,006,693)	(209,647)	(1,062,601)	(82,433)	(15,704)	1,160,738	(1,216,340)
NET ASSETS, beginning of year	16,453,274	48,569,831	921,354	336,317	-	(1,257,671)	65,023,105
Pension liability adjustment	(6,460,418)	-	-	-	-	-	(6,460,418)
Distribution of net assets upon dissolution	-	-	-	(253,884)	-	253,884	-
NET ASSETS (DEFICIT), end of year	<u>\$ 8,986,163</u>	<u>\$ 48,360,184</u>	<u>\$ (141,247)</u>	<u>\$ -</u>	<u>\$ (15,704)</u>	<u>\$ 156,951</u>	<u>\$ 57,346,347</u>

American Quarter Horse Association
Consolidating Statement of Cash Flows
September 30, 2019

	American Quarter Horse Association	American Quarter Horse Foundation	Awards Recognition Concepts, LLC	Robin Glenn Pedigrees, LLC	Q Technology Solutions, LLC	Intercompany Eliminations	Consolidated Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Change in net assets	\$ (1,006,693)	\$ (209,647)	\$ (1,062,601)	\$ (82,433)	\$ (15,704)	\$ 1,160,738	\$ (1,216,340)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:							
Depreciation and amortization	1,486,522	524,868	97,399	100,160	-	-	2,208,949
Net appreciation on investments	344,706	(919,514)	-	-	-	-	(574,808)
Loss on inventory and other assets	58,975	-	445,000	-	-	-	503,975
Subsidiary investment loss	1,160,738	-	-	-	-	(1,160,738)	-
Scholarships released from escrow	-	(86,555)	-	-	-	-	(86,555)
Change in net pension liability	(833,128)	-	(109,840)	-	-	-	(942,968)
Changes in operating assets and liabilities:							
Accounts and contributions receivable	193,425	(23,209)	(611,711)	49,747	-	1,032,835	641,087
Inventory	-	-	22,748	-	-	(712,029)	(689,281)
Prepays, deposits, and other assets	145,846	9,009	263,835	-	-	(1,821,777)	(1,403,087)
Accounts payable and accrued liabilities	1,177,203	181,030	385,366	169,811	15,704	(4,217,567)	(2,288,453)
Deferred income	(2,816,618)	-	-	(58,000)	-	5,718,538	2,843,920
Net cash provided by (used in) operating activities	(89,024)	(524,018)	(569,804)	179,285	-	-	(1,003,561)
CASH FLOWS FROM INVESTING ACTIVITIES							
Net purchases and sales of investments	96,878	500,193	-	-	-	-	597,071
Distribution of net assets upon dissolution	178,049	-	-	(178,049)	-	-	-
Purchases of property, equipment and collections	(1,923,854)	-	-	(67,037)	-	-	(1,990,891)
Proceeds from sales of property and equipment	-	5,255	23,552	-	-	-	28,807
Net cash provided by (used in) investing activities	(1,648,927)	505,448	23,552	(245,086)	-	-	(1,365,013)
CASH FLOWS FROM FINANCING ACTIVITIES							
Payments on notes payable	(378,832)	-	-	-	-	-	(378,832)
Net cash used in financing activities	(378,832)	-	-	-	-	-	(378,832)
Net change in cash and cash equivalents	(2,116,783)	(18,570)	(546,252)	(65,801)	-	-	(2,747,406)
CASH AND CASH EQUIVALENTS, beginning of year	4,063,431	613,874	689,892	65,801	-	-	5,432,998
CASH AND CASH EQUIVALENTS, end of year	\$ 1,946,648	\$ 595,304	\$ 143,640	\$ -	\$ -	\$ -	\$ 2,685,592

P A S T A Q H A P R E S I D E N T S

PAST AQHA PRESIDENTS

*W. B. Warren, 1940, Texas
*W. B. Warren, 1941, Texas
*J. F. Hutchins, 1942, Texas
*J. F. Hutchins, 1943, Texas
*R. L. Underwood, 1944, Texas
*R. L. Underwood, 1945, Texas
*Albert Mitchell, 1946, New Mexico
*Albert Mitchell, 1947, New Mexico
*Albert Mitchell, 1948, New Mexico
*Robert E. Hooper, 1949, Texas
*Robert E. Hooper, 1950, Texas
*Robert E. Hooper, 1951, Texas
*Robert E. Hooper, 1952, Texas
*Orville E. Burtis, 1953, Kansas
*Orville E. Burtis, 1954, Kansas
*Lester Goodson, 1955, Texas
*Lester Goodson, 1956, Texas
*Albert Mitchell, 1957, New Mexico
*J. E. Browning, 1958, Arizona
*Ken Fratis, 1959, California
*Roy Parks, 1960, Texas
*S. M. Moore, 1961, Oklahoma
*Wayne Vickers, 1962, California
*Jess L. Hankins, 1963, Texas
*Hugh Bennett, 1964, Colorado
*Bud Warren, 1965, Oklahoma
*J. L. "Dusty" Rhoades, 1966, Texas
*Tom J. Finley, 1967, Arizona
*E. H. Honnen, 1968, Colorado
*Lee Berwick, 1969, Louisiana
*Jay Pumphrey, 1970, Texas
*William R. Verdugo, 1971, California
*Bud Ferber, 1972, New Jersey
*William R. Thompson, 1973, Oklahoma
*Hugh Peltz, 1974, Montana
*Clarence Scharbauer Jr., 1975, Texas
*Robert Kieckhefer, 1976, Arizona
*Albert C. Becker, 1977, Kansas

*Bill G. Reed, 1978, New Mexico
*David M. Perkins, 1979, Louisiana
*B. F. Phillips Jr., 1980, Texas
Marten A. Clark, 1981, California
*Robert C. Norris, 1982, Colorado
*Jack Anderson, 1983, Oklahoma
Rick C. Johns, 1984, Arizona
Stephen J. "Tio" Kleberg, 1985, Texas
**Howard R. Weiss, 1986, California
*Gerald A. O'Connor MD, 1987, Michigan
*Leo Winters, 1988, Oklahoma
Brad Tate, 1989, Kansas
*Sparks Rust Jr., 1990, Texas
*Jim Barton, 1991, New York
C. W. "Bill" Englund Jr., 1992, Arizona
*Everett Salley, 1993, Oklahoma
*Richard "Dick" Bingham, 1994, Illinois
R. A. "Rob" Brown, 1995, Texas
*Don Burt, 1996, California
**Ginger Hyland, 1997, California
** Mike J. Perkins, 1998, Oklahoma
Ken T. Smith, 1999, South Carolina
Jerry Windham, 2000, Texas
*J. D. Blondin, 2001, Louisiana
*Jim J. Shoemake, 2002, Missouri
R.H. "Steve" Stevens, 2003, Texas
*Frank "Scoop" Vessels III, 2004, California
*Frank Howell, 2005, Georgia
Walter Fletcher, 2006, Kansas
**Frank Merrill, 2007, Oklahoma
Ken Mumy, 2008, Michigan
Jim Helzer, 2009, Texas
Johannes Orgeldinger, 2010, Germany
*Peter Cofrancesco, 2011, New Jersey
*Gene Graves, 2012, Nebraska
Johnne Dobbs, 2013, Illinois
Johnny Trotter, 2014, Texas
Dr. Glenn Blodgett, 2015, Texas
Sandy Arledge, 2016, California
Ralph Seekins, 2017, Alaska
Dr. Jim Heird, 2018, Texas
Stan Weaver, 2019, Montana

*Deceased

**State of Residency During Presidential Term

AMERICAN
QUARTER
HORSE
ASSOCIATION

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