

Financial Notes:

Note 1: Membership Dues-the total membership for 2021 was 1828 which is a 9% increase from the previous year. In 2021 memberships already increased by 2% in membership renewals. The last time FHANA experienced membership numbers this high was 2015. Strong breeding and expected inspection participation was cause for increasing the 2022 membership budget by 7%. The 2021 memberships are as follows:

Business Members: 149
Full Members: 1577
Sport/Recreation: 63
Friends of FHNA: 39
Non-Member Fees: 66

Note 2: Registration-FHANA income exceeded the budget by 18% in 2021. There were 410 foals registered and 239 horses imported into North America in 2021 which is an increase of 44% from the previous year. The FHANA Board implemented a policy in 2020 due to COVID-19 that all foals registered in 2020/2021 will be allowed to attend an inspection in 2022 as yearlings at no charge. These horses must have been registered in 2020 or 2021 respectively. This carryover has been taken into consideration with the 2022 budget.

Note 3: Inspections-Again battling the ongoing pandemic, inspections were cancelled again for 2021 due to transportation issues and the well-being of jury members from the Netherlands. FHANA fell short of the income budget for 2021 which was offset by the reduced inspection expenses. With the postponed inspections to Spring of 2022, there was some income in 2021 for inspection registrations. Plans budgeted 100 horses attending the Spring Circuits compared to 197 actual registered to attend. The Michiana site alone contributed approximately 100 to the total.

Note 4: While the ABFP fee is still suspended going into 2022. FHANA still collects fees for late registered horses prior to 2020.

Note 5: Advertising-due to the work of the Editorial Committee and the creation of the FHANA Resource Book we saw an increase in advertising dollars by 60% over our budget. This new Resource Book is available and was printed solely from the advertising funds. The advertising budget increased by 24% for 2022 as FHANA looks to hire an Independent Contractor to help with the development of ads and selling of the ads in the magazine. This person will receive a small percentage of each advertisement sold.

Note 6: Interest-FHANA continues to see success with the William Blair investment. The current balance of the investment as of Dec. 31, 2021 was \$297,635.00 which is up 24% from the previous year. This increase also includes a deposit \$50,000.00 in 2021. **Please see balance sheet**

Note 7: Credit Card Fees-The membership continues to utilize their Credit Cards, and the fees continue to increase from the credit card companies. These expenses are expected to remain under control, so this line is decreased by 15% for the 2022 budget.



Note 8: Inspection Supplies- Supplies were purchased in 2021 preparing for the Spring and Fall 2022 inspections.

Note 9: KFPS- The KFPS charges FHANA for each transaction that occurs. For example: FHANA pays the KFPS 39euro per membership. Many of the services that FHANA offers are pass through services with a fee attached to it to FHANA. 21% of the 2021 Budget goes directly to the KFPS. The KFPS continues to raise their fees 2% annually. FHANA sets fees to withstand this increase long term v. annually.

Note 10: Friesian Magazine-FHANA continues to see an increase in printing and postage expense surrounding the Friesian magazine. This item also saw an increase in the printing due to the FHANA Resource Book which was funded solely on advertising dollars. Item expenses increased 16% in 2022 accounting for postage and printing.

Note 11: Strategic Planning-The FHANA Board scheduled some Board Development with Leading Association as part of the 2022 FHANA AGM Board Retreat. This was paid for as an expense in 2021.

Note 12: Depreciation- The following items are being depreciated in 2021.

- \$233 2 Office Desks
- \$344 Computer
- \$8,841 Website Design
- \$814 FHANA Booth
- \$865 Website Design
- \$483 Computer
- \$284 Computer

Note 13: Unrealized Gains-Unrealized gains is a potential profit that exists on paper, resulting in an investment. It is an increase in the value of an asset that has yet to be sold for cash, such as a stock position that has increased value but still remains open. In this case it is our William Blair investment.

Additional Notes:

- In 2021 FHANA received full relief of our Payroll Protection Program loan that was accepted in 2020 in the amount of \$22,750.00.