20ANNUAL 19REPORT

ALPACA® Owners Association Inc

PRESIDENT'S MESSAGE

As I write this message about AOA's accomplishments for 2019 we are still in the throes of the COVID-19 pandemic. We are trying to open up our world so people can return to work and to venture out of the safety of their homes, ranches, and farms, all while striving for physical distancing and minimizing potential exposure to the SARS-CoV-2 virus. Let's review the exciting year that was 2019…with a little carryover into 2020 issues and achievements.

AOA efforts to support members' businesses:

- The registration fee for alpacas one-year-old and less than two was reduced from $80 to $55, giving members more time to register their cria at the lower rate.
- A trial $60 Fleece Show Membership was tested allowing Registry members to purchase and participate in Fleece, Cottage Fleece, and Spin-off competitions without paying the $80 non-show member fee for each show. This trial membership was extended into 2020.
- The Advanced Fleece award debuted at the 2019 AOA International Fleece Show as a way to credit exemplary fleeces. All shorn fleeces scoring 80 points or more in any AOA Certified Fleece Show will now receive an Advanced Fleece certificate.
- We engaged with Amanda VandenBosch to incorporate a new fleece evaluation, known as the Innovative Fleece Assessment (IFA), into our repertoire of options for fleece shows. The new competition was demonstrated in the summer at Education with a Destination (private event) and in the fall at the Empire/NEOABA show. The IFA will debut at the 2020 AOA National Fleece Show in Lebanon, Tennessee.
- AOA engaged Jared Johnston of Selle Design as editor of *Alpacas Magazine* to manage, print, and distribute our award-winning publication. AOA set goals for increasing advertising in the magazine to offset the increased costs of the new contract. In 2019, AOA staff (particularly Jo Ashley) increased ad revenue by 53% for a total of $138,827.50 in advertising revenue for *Alpacas Magazine*.

PRESIDENT'S MESSAGE (CONTINUED)

- Angus McColl notified AOA in 2020 that he and Margaret were closing down their business and had sold all of their equipment to SGS, Inc. in New Zealand. This set us on a path to identify and evaluate potential fiber testing labs for the AOA EPD program. Angus encouraged us to select SGS as he had done correlation testing with them and had confidence in their ability to serve our needs for the EPD histograms. We met with SGS Fiber testing lab management and technical leaders to learn about their operation and its suitability to serve as an approved vendor for the AOA EPD program. They were approved in May, 2020. We continue, at this writing, to work with at least one U.S.-based laboratory for possible approval as a vendor as well.
- Three new staff members were hired in 2019: Natalie Dettmer as our Graphic and Web Designer, Alyssa Winterfeld as Event & Member Services Coordinator, and Robin Gifford as our new Executive Director.

AOA National Shows – Success and lots of Fun!

Our spring season was highlighted by the AOA National Show sponsored by Red Granite Ranch in Denver, Colorado, which once again reached Level 5 Thank you to all our members, exhibitors, sponsors, volunteers, judges, and vendors who helped make the 2019 National Show a success. During the Gala Banquet, Superintendent Sue Ives was presented with the Shining Star Award recognizing her years of service and dedication to the alpaca industry. Congratulations, Sue!

The 2nd Annual Natural Fiber Extravaganza (NFE) powered by AOA and sponsored by The Artisan Fiber Mill Network was again held in Lebanon, Tennessee. The workshops and seminars were a hit with participants and the fleece show was outstanding, with Senior Judges Amanda VandenBosch and Cheryl Gehly having a grand time "duking it out" for their pick of Judges' Choice – finally deciding to award two awards. It was exciting to see the quality of fleece exhibited, and proof that fleece shows are fun.

PRESIDENT'S MESSAGE (CONTINUED)

2019 Annual Meeting and Election

The 2019 Annual Meeting was held in during the NFE where the new AOA board was announced along with newly elected officers. Your 2019/2020 Officers were Shauna R Brummet, PhD (newly elected), president; Jeff Williamson, vice president; Rhonda Deschner, MD (newly elected), treasurer; Steve Aitchison, secretary. Karen Ball; Patty Hasselbring; Andy Merriwether, PhD; Mike Vigus; and Wendy Dittbrenner (newly elected) serve as directors. Our James G. King award winner for 2019 was Scott Miller. Congratulations and thank you to Scott for his years of dedication and service to the industry.

We will be a Governing Board!

During the July 2019 annual board meeting we committed to striving for greater performance as a strategic governing board and set that as an overarching goal for the 2019/2020 year. We set four goals, aligned with our Strategic Plan. We set specific objectives under the goals with metrics for each.

- Meetings will be 25% general reports/updates; 75% focused on strategic plan and goals – working on this diligently – 50% achieved – next steps planned for 2020/21.
- Delegate tasks to committees and staff – much improved – 50% achieved.
- Develop focused direction and plans for committees – 30% achieved, continue effort in 2020/21.
- Liaison help focus and direct committees – 50% achieved, continue effort in 2020/21.

1. We will cultivate demand for alpacas.

a. Fiber Committee compiled a list of known attributes of alpaca fiber and recommended two analyses – antimicrobial properties and thermal conductivity. AOA Board approved both, provided funding, and set up contracts (90% achieved).

b. Why Alpaca? Marketing piece debuted at the 2020 AOA National Alpaca Show (100% achieved).

PRESIDENT'S MESSAGE (CONTINUED)

2. We will educate the world about alpacas.

- **a.** Affiliate survey was conducted to determine interest/activities in Youth Engagement (100% achieved).

3. We will evolve and expand tools for alpaca breeders.

- **a.** Coefficient of Inbreeding calculated through EPDs will be added to list of EPD results starting with the 2020 calculation (30% achieved).

4. We will present an alpaca breed standard to AOA members for a vote in the 2020 Board election.

- **a.** Both Huacaya and Suri breed standards were accepted by over 90% affirmative vote in the 2020 election (100% achieved).

During 2019 and into 2020 we have made significant progress on all of these goals despite some extraordinary circumstances impacting your organization. I want to personally, and on behalf of the AOA board of directors, thank our executive directors, our staff, members, volunteers, Affiliate organizations, and associated groups for making 2019 a good year. We have significant challenges facing our industry. We must work together to sustain ourselves and this organization as the advocate and flagship organization for the alpaca industry, not only in North America, but worldwide. 2020 has presented us with unprecedented challenges to our members businesses and to AOA's business. Together we can be successful. We will strive for continuous improvement and seek out input, support, and actions from our members. Thank you for your continued support.



Shauna R Brummet, PhD
President
Alpaca Owners Association, Inc.

2019/2020 BOARD OF DIRECTORS

Shauna Brummet, PhD, President
Hobby Horse Farm

Jeff Williamson, Vice President
Liberty Alpacas

Steve Aitchison, Secretary
Epic Alpacas

Rhonda Deschner, Treasurer
Tierra Prometida Alpacas

Karen Ball
Heart & Soul Alpacas and Spinnery

Wendy Dittbrenner
Peaceful Prairie Ranch

Patty Hasselbring
Hasselbring's Harmony Ranch

Andy Merriwether, PhD
Nyala Farm Alpacas

Mike Vigus
West Penn Alpacas

AOA STAFF



Robin Gifford
Executive Director



Jo Ashley
Registration Specialist &
Advertising Manager



Margie Ault
Show & Marketing
Division Administrator



Natalie Dettmer
Graphic & Web Designer



Dan Huntley
Director of Finance & Operations



De Monson
IT Manager



Marie Schlater
Lab & Transfer Specialist



Alyssa Winterfeld
Event & Member
Services Coordinator

2019 YEAR IN REVIEW

JAN.

Jared Johnston announced as *Alpacas Magazine* editor

FEB.

Registration fee reduced for alpacas between one and two years of age

Natalie Dettmer hired as Graphic & Web Designer

MARCH

Herdsire Issue of *Alpacas Magazine* ships

AOA National Show sponsored by Red Granite Ranch reaches Level V in Denver, Colorado

Sue Ives is presented the Shining Star Award

AOA holds the 4th National Supreme Championship Competition

APRIL

Board announces new trial Fleece Show Membership

MAY

Membership Committee proposes and Board approves a new benefit for Association Members, a complimentary membership program for new owners

JUNE

Three board members elected and two bylaws passed in the 2019 AOA Election

Summer Issue of *Alpacas Magazine* ships

Advanced Fleece Award is approved for all shorn fleeces scoring 80 points or more

JULY

Natural Fiber Extravaganza powered by AOA sponsored by The Artisan Fiber Mill Network takes place in Lebanon, Tennessee, with 39 workshops and 25 seminars

AOA Board elects officers for 2019/2020

2019 AOA Annual Meeting held

Scott Miller is presented the James G. King Award

Continued on next page

2019 YEAR IN REVIEW

Scholarship winners announced for the 16th annual Student Design Competition

The AOA International Fleece Show reaches the highest level, Level IV

AUG.

Alyssa Winterfeld hired as Event & Member Services Coordinator

Executive Director Bud Synhorst announces resignation

GIRCom warns the membership of a Vesicular Stomatitis Outbreak

SEPT.

171 farms participate in the 13th annual National Alpaca Farm Days

AOA Board begins search for Executive Director

GIRCom releases financial spreadsheet to help membership understand their finances and to collect information anonymously for a study

GIRCom publishes information on how to prepare for a natural disaster

OCT.

AOA updates the Light and Medium Rose Grey colors in the Natural Fiber Color Chart

AOA attends the FFA National Convention in Indianapolis, Indiana

AOA attends the USDA Farmers Market in Washington, D.C.

NOV.

Robin Gifford hired as AOA Executive Director

DEC.

GIRCom reminds the membership to check animal transportation and show requirements for each state before traveling

Dr. Mark Enns completes the 2019 EPD calculation for AOA

AOA holds Halter Summit for AOA Judges and Apprentices

AUDITED FINANCIALS

HBE

CPAs & Consultants | Wealth Management

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Alpaca Owners Association, Inc. and Subsidiary
Lincoln, Nebraska

We have audited the accompanying consolidated financial statements of Alpaca Owners Association, Inc. and Subsidiary, which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 audits. We conducted our audits 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.

7140 Stephanie Lane | P.O. Box 23110 | Lincoln, NE | 68542-3110 | p: 402.423.4343 | f: 402.423.4346
1314 Andrews Drive | Norfolk, NE | 68701 | p: 402.379.9294 | f: 402.379.2338
9802 Nicholas Street | Suite 395 | Omaha, NE | 68114-2168 | p: 402.895.5050 | f: 402.895.5723
www.hbecpa.com

People and results you can count on.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Alpaca Owners Association, Inc. and Subsidiary as of December 31, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Emphasis of Matter

As discussed in Note H to the financial statements, in 2019, the entity adopted new accounting guidance ASU 2014-09, *Revenue from Contracts with Customers*. Our opinion is not modified with respect to this matter.

HBE LLP

Lincoln, Nebraska
March 20, 2020

*FULL AUDIT CAN BE FOUND AT
WWW.ALPACAINFO.COM/MEMBERS/ORGANIZATION/REPORTS

AUDITED FINANCIALS

Alpaca Owners Association, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31,

ASSETS

	2019	2018
CURRENT ASSETS		
Cash and cash equivalents (note A)	$ 774,513	$ 611,947
Certificates of deposit	504,287	716,062
Accounts receivable (note A)	25,566	23,806
Prepaid expenses	15,765	19,019
Total current assets	1,320,131	1,370,834
PROPERTY AND EQUIPMENT, net (notes A and B)	5,819	8,359
OTHER ASSETS		
Association software costs, less accumulated amortization of $1,386,757 (2019) and $1,330,749 (2018) (notes A and C)	135,212	187,781
Total assets	$ 1,461,162	$ 1,566,974

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	$ 9,609	$ 10,786
Accrued payroll	10,235	6,261
Accrued vacation (note A)	16,372	24,090
Contract liability (note A)	80,272	71,132
Total current liabilities	116,488	112,269
NET ASSETS (note A)		
Without donor restrictions		
Undesignated	1,344,674	1,454,705
Total liabilities and net assets	$ 1,461,162	$ 1,566,974

See accompanying notes to consolidated financial statements.

Alpaca Owners Association, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years ended December 31,

	2019	2018
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUE		
Registry income	$ 489,578	$ 592,886
National show	328,500	375,932
Show system	116,706	146,670
Member marketing	15,394	23,500
Membership and voting rights	149,310	136,405
Product income	74,664	66,937
Other member services	106,947	122,857
Other business income	6,119	2,049
Advertising income	184,903	143,415
Interest	35,741	15,085
Total revenue	1,507,862	1,625,736
EXPENSES		
Program services		
DNA testing and registration services	229,083	259,568
National show	301,595	296,088
Show system	183,198	212,444
Other AOA	573,594	480,421
Total program services	1,287,470	1,248,521
Management and general		
Management and general before depreciation and amortization	316,488	284,094
Depreciation and amortization	13,935	10,075
Total management and general	330,423	294,169
Total expenses	1,617,893	1,542,690
INCREASE (DECREASE) IN NET ASSETS	(110,031)	83,046
Net assets at beginning of year	1,454,705	1,371,659
Net assets at end of year	$ 1,344,674	$ 1,454,705

See accompanying notes to consolidated financial statements.

AUDITED FINANCIALS

Alpaca Owners Association, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Years ended December 31, 2019

	Program Services						
	DNA Testing & Registration Services	National Show	Show System	Other AOA	Total Program Services	Management and General	Total
Wages and benefits	$ 70,434	$ 80,500	$ 74,431	$ 166,988	$ 392,353	$ 143,360	$ 535,713
DNA testing	135,127	-	-	-	135,127	-	135,127
Other member services	-	-	-	114,105	114,105	-	114,105
Member products	-	-	-	16,526	16,526	-	16,526
Conferences and fees	-	121,623	93,585	-	215,208	5,734	220,942
Board and lodging	-	44,945	-	-	44,945	-	44,945
Travel	-	20,303	-	-	20,303	-	20,303
Judges clinic and student design	-	-	-	36,774	36,774	-	36,774
Publication services	-	-	-	184,828	184,828	-	184,828
Professional fees	-	-	-	-	-	72,769	72,769
Board of directors	-	-	-	-	-	23,312	23,312
Rent	3,535	5,143	2,281	8,171	19,130	5,655	24,785
Building maintenance	2,187	3,182	1,411	5,055	11,835	3,499	15,334
Utilities	2,079	3,025	1,342	4,806	11,252	3,328	14,580
Insurance	-	-	-	-	-	9,568	9,568
Office expenses	7,012	10,202	4,526	16,208	37,948	11,219	49,167
Bank charges	-	-	-	-	-	34,023	34,023
Depreciation and amortization	8,709	12,672	5,622	20,133	47,136	13,935	61,071
Other	-	-	-	-	-	4,021	4,021
Total expenses	$ 229,083	$ 301,595	$ 183,198	$ 573,594	$ 1,287,470	$ 330,423	$ 1,617,893

See accompanying notes to consolidated financial statements.

6

AUDITED FINANCIALS

Alpaca Owners Association, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Years ended December 31, 2018

	Program Services						
	DNA Testing & Registration Services	National Show	Show System	Other AOA	Total Program Services	Management and General	Total
Wages and benefits	$ 76,167	$ 82,502	$ 99,410	$ 138,240	$ 396,319	$ 129,342	$ 525,661
DNA testing	149,803	-	-	-	149,803	-	149,803
Other member services	-	-	-	141,935	141,935	-	141,935
Member products	-	-	-	32,588	32,588	-	32,588
Conferences and fees	-	100,881	87,808	-	188,689	5,938	194,627
Board and lodging	-	60,765	-	-	60,765	-	60,765
Travel		18,036	-	-	18,036	-	18,036
Judges clinic and student design	-	-	-	35,282	35,282	-	35,282
Publication services	-	-	-	77,607	77,607	-	77,607
Professional fees	-	-	-	-	-	74,206	74,206
Board of directors	-	-	-	-	-	16,200	16,200
Rent	5,830	5,883	4,377	9,504	25,594	4,672	30,266
Building maintenance	3,198	3,227	2,401	5,213	14,039	2,563	16,602
Utilities	2,943	2,970	2,210	4,798	12,921	2,359	15,280
Insurance	-	-	-	-	-	7,731	7,731
Office expenses	9,055	9,138	6,799	14,761	39,753	7,257	47,010
Bank charges	-	-	-	-	-	30,508	30,508
Depreciation and amortization	12,572	12,686	9,439	20,493	55,190	10,075	65,265
Other	-	-	-	-	-	3,318	3,318
Total expenses	$ 259,568	$ 296,088	$ 212,444	$ 480,421	$ 1,248,521	$ 294,169	$ 1,542,690

See accompanying notes to consolidated financial statements.

7

AUDITED FINANCIALS

Alpaca Owners Association, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31,

	2019	2018
Cash flows from operating activities		
Cash received from members	$ 1,363,414	$ 1,490,709
Cash paid to suppliers and employees	(1,549,349)	(1,493,268)
Miscellaneous services income	106,947	122,857
Investment income	22,516	15,085
Net cash provided (used) by operating activities	(56,472)	135,383
Cash flows from investing activities		
Purchases of certificates of deposit	-	(144,012)
Proceeds from maturity or sale of certificates of deposit	225,000	250,000
Purchase of equipment	(2,523)	-
Purchase of association software	(3,439)	(15,150)
Net cash provided by investing activities	219,038	90,838
Net increase in cash and cash equivalents	162,566	226,221
Cash and cash equivalents at beginning of year	611,947	385,726
Cash and cash equivalents at end of year	$ 774,513	$ 611,947
Reconciliation of increase (decrease) in net assets to net cash provided (used) by operating activities		
Increase (decrease) in net assets	$ (110,031)	$ 83,046
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities		
Depreciation	5,063	5,218
Amortization	56,008	60,047
Reinvested interest	(13,225)	-
(Increase) decrease in assets		
Receivables	(1,760)	2,915
Prepaid expenses	3,254	4,654
Deposits	-	3,490
Increase (decrease) in liabilities		
Accounts payable	(1,177)	(13,007)
Accrued payroll	3,974	2,035
Accrued vacation	(7,718)	(8,255)
Contract liability	9,140	(4,760)
Total adjusment to increase (decrease) in net assets	53,559	52,337
Net cash provided (used) by operating activities	$ (56,472)	$ 135,383

See accompanying notes to consolidated financial statements.

Alpaca Owners Association, Inc. and Subsidiary

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2019

ASSETS

	Alpaca Owners Association, Inc.	Alpaca Livestock Company, Inc.	Consolidated
CURRENT ASSETS			
Cash and cash equivalents	$ 770,090	$ 4,423	$ 774,513
Certificates of deposit	504,287	-	504,287
Accounts receivable	25,566	-	25,566
Prepaid expenses	15,765	-	15,765
Total current assets	1,315,708	4,423	1,320,131
PROPERTY AND EQUIPMENT, net	5,819	-	5,819
OTHER ASSETS			
Association software costs, less accumulated amortization of $1,386,757	135,212	-	135,212
Total assets	$ 1,456,739	$ 4,423	$ 1,461,162

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES			
Accounts payable	$ 9,609	$ -	$ 9,609
Accrued payroll	10,235	-	10,235
Accrued vacation	16,372	-	16,372
Contract liability	80,272	-	80,272
Total current liabilities	116,488	-	116,488
NET ASSETS, WITHOUT DONOR RESTRICTIONS	1,340,251	4,423	1,344,674
Total liabilities and net assets	$ 1,456,739	$ 4,423	$ 1,461,162

AUDITED FINANCIALS

Alpaca Owners Association, Inc. and Subsidiary

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2018

ASSETS

	Alpaca Owners Association, Inc.	Alpaca Livestock Company, Inc.	Consolidated
CURRENT ASSETS			
Cash and cash equivalents	$ 607,494	$ 4,453	$ 611,947
Certificates of deposit	716,062	-	716,062
Accounts receivable	23,806	-	23,806
Prepaid expenses	19,019	-	19,019
Total current assets	1,366,381	4,453	1,370,834
PROPERTY AND EQUIPMENT, net	8,359	-	8,359
OTHER ASSETS			
Association software costs, less accumulated amortization of $1,330,749	187,781	-	187,781
Total assets	$ 1,562,521	$ 4,453	$ 1,566,974

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES			
Accounts payable	$ 10,786	$ -	$ 10,786
Accrued payroll	6,261	-	6,261
Accrued vacation	24,090	-	24,090
Contract liability	71,132	-	71,132
Total current liabilities	112,269	-	112,269
NET ASSETS, WITHOUT DONOR RESTRICTIONS	1,450,252	4,453	1,454,705
Total liabilities and net assets	$ 1,562,521	$ 4,453	$ 1,566,974

Alpaca Owners Association, Inc. and Subsidiary

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended December 31, 2019

	Alpaca Owners Association, Inc.	Alpaca Livestock Company, Inc.	Consolidated
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS			
Revenue and support			
Registry income	$ 489,578	$ -	$ 489,578
National show	328,500	-	328,500
Show system	116,706	-	116,706
Member marketing	15,394	-	15,394
Membership and voting rights	149,310	-	149,310
Product income	74,664	-	74,664
Other member services	106,947	-	106,947
Other business income	6,119	-	6,119
Advertising income	184,903	-	184,903
Interest	35,741	-	35,741
Total revenue and support	1,507,862	-	1,507,862
Expenses			
Program services			
DNA testing and registration services	229,083	-	229,083
National show	301,595	-	301,595
Show system	183,198	-	183,198
Other AOA	573,594	-	573,594
Total program services	1,287,470	-	1,287,470
Management and general			
Management and general before depreciation and amortization			
Wages and benefits	143,360	-	143,360
Professional fees	72,769	-	72,769
Board of directors	23,312	-	23,312
Conferences and fees	5,734	-	5,734
Rent	5,655	-	5,655
Building maintenance	3,499	-	3,499
Utilities	3,328	-	3,328
Insurance	9,568	-	9,568
Office expenses	11,219	-	11,219
Bank charges	34,023	-	34,023
Other	3,991	30	4,021
Total management and general before depreciation and amortization	316,458	30	316,488
Depreciation and amortization	13,935	-	13,935
Total management and general	330,393	30	330,423
Total expenses	1,617,863	30	1,617,893
DECREASE IN NET ASSETS	(110,001)	(30)	(110,031)
Net assets at beginning of year	1,450,252	4,453	1,454,705
Net assets at end of year	$ 1,340,251	$ 4,423	$ 1,344,674

AUDITED FINANCIALS

Alpaca Owners Association, Inc. and Subsidiary

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended December 31, 2018

	Alpaca Owners Association, Inc.	Alpaca Livestock Company, Inc.	Consolidated
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS			
Revenue and support			
Registry income	$ 592,886	$ -	$ 592,886
National show	375,932	-	375,932
Show system	146,670	-	146,670
Member marketing	23,500	-	23,500
Membership and voting rights	136,405	-	136,405
Product income	66,937	-	66,937
Other member services	122,857	-	122,857
Other business income	2,049	-	2,049
Advertising income	143,415	-	143,415
Interest	15,085	-	15,085
Total revenue and support	1,625,736	-	1,625,736
Expenses			
Program services			
DNA testing and registration services	259,568	-	259,568
National show	296,088	-	296,088
Show system	212,444	-	212,444
Other AOA	480,421	-	480,421
Total program services	1,248,521	-	1,248,521
Management and general			
Management and general before depreciation and amortization			
Wages and benefits	129,342	-	129,342
Professional fees	74,206	-	74,206
Board of directors	16,200	-	16,200
Conference and fees	5,938	-	5,938
Rent	4,672	-	4,672
Building maintenance	2,563	-	2,563
Utilities	2,359	-	2,359
Insurance	7,731	-	7,731
Office expenses	7,257	-	7,257
Bank charges	30,508	-	30,508
Other	3,266	52	3,318
Total management and general before depreciation and amortization	284,042	52	284,094
Depreciation and amortization	10,075	-	10,075
Total management and general	294,117	52	294,169
Total expenses	1,542,638	52	1,542,690
INCREASE (DECREASE) IN NET ASSETS	83,098	(52)	83,046
Net assets at beginning of year	1,367,154	4,505	1,371,659
Net assets at end of year	$ 1,450,252	$ 4,453	$ 1,454,705

2020 AOA BUDGET

INCOME	TOTAL JAN-DEC '20
Registry Income	$449,270
National Conferences Income	$368,235
Show System Income	$99,825
Advertising Income	$192,950
Product Income	$64,000
Member Marketing Income	$12,500
Benefactor Income	$64,000
Student Design Income	$10,000
Membership Income	$144,000
Misc. Services Income	$25,550
NAFD Income	$5,450
Lead List Income	$835
Other Publication Income	$7,890
Interest Income	$18,000
Credit Card Rewards	$6,000
Total Income	**$1,468,505**

2020 NET INCOME
-$89,359.42

2020 AOA BUDGET

EXPENSE	TOTAL JAN-DEC '20
Registry Expense	$113,100
National Conferences Expense	$280,500
Judge Clinic	$23,000
Board Expense	$12,000
Awards & Gifts Expense	$600
Dues & Subscriptions	$550
Insurance Expense	$9,000
Corporate Fees Expense	$250
Alpacas Magazine Expense	$160,000
Accounting Fees	$12,000
Legal Fees	$20,000
Marketing & PR Expense	$29,000
Member Products	$20,400
Student Design	$10,000
AOG Expense	$8,500

EXPENSE	TOTAL JAN-DEC '20
Printing	$8,250
Mailing & Shipping	$23,350
Technology Services	$111,000
Employee Expense	$548,250.66
Misc. Office	$6,580
Office Supplies Expense	$3,920
Building Expense	$56,445
Bank Service Fees	$31,000
Equipment Expense	$6,425
Research & Industry Support	$3,000
Depreciation Expense	$25,403.76
Amortization	$35,340
Total Expense	**$1,557,864.42**

2020 ACTIVE ACCOUNTS

UNITED STATES

Alabama.....22
Alaska.....4
Arizona.....92
Arkansas.....35
Armed Forces Pacific...1
California.....399
Colorado.....478
Connecticut.....50
Delaware.....18
District of Columbia.....3
Florida.....157
Georgia.....105
Hawaii.....2
Idaho.....88
Illinois.....174
Indiana.....130
Iowa.....58
Kansas.....66
Kentucky.....101
Louisiana.....5
Maine.....61
Maryland.....82
Massachussetts.....66
Michigan.....201
Minnesota.....118
Montana.....53
Nebraska.....64
Nevada.....43
New Hampshire.....57
New Jersey.....113
New Mexico.....64
New York.....284
North Carolina.....153
North Dakota.....10
Ohio.....432
Oklahoma.....74
Oregon.....241
Pennsylvaia.....324
Rhode Island.....18
South Carolina.....47
South Dakota.....22
Tennessee.....110
Texas.....275
Utah.....58
Vermont.....65
Virginia.....220
Washington.....313
West Virginia.....36
Wisconsin.....154
Wyoming.....39

CANADA

Alberta.....68
British Columbia.....41
Manitoba.....17
New Brunswick.....4
Northwest Territories..1
Nova Scotia.....2
Ontario.....70
Prince Edward Island..2
Quebec.....67
Saskatchewan.....36

WORLDWIDE

Australia.....8
Austria.....5
Canada.....308
Chile.....1
Denmark.....1
Germany.....10
Ireland.....1
Italy.....1
Japan.....10
Norway.....3
Peru.....4
Poland.....1
South Africa.....1
Sweden.....1
Switzerland.....1
United Kingdom.....6
United States.....6,286

2019 AOA MEMBERSHIP

Member numbers continued to improve in 2019, with a 15% increase in total paid memberships. Overall show memberships declined while 14 people took advantage of the trial fleece show add-on that was introduced in 2019. There was a slight decline in participation in the benefactor and marketing package program, but overall it was a great year!

The AOA Membership Committee proposed and the Board approved a new complimentary membership program to address AOA Strategic Plan Goals 2 and 5. This program has the dual goal of providing a new membership benefit for Association-level members, while bringing new members into the organization. It had a great start in 2019 with 11 gift memberships given.

2020 is on track to be another great year for membership. Keep giving out those complimentary memberships to new members!



2019 MEMBER DEMOGRAPHICS

OVER 20,000 UNREGISTERED
ANIMALS OWNED BY AOA MEMBERS

22% OF MEMBERS
PARTICIPATE IN THE EPD PROGRAM

42% OF MEMBERS
PARTICIPATE IN THE SHOW SYSTEM

74% OF MEMBERS
HAVE A JOB OR BUSINESS OUTSIDE OF THEIR ALPACA BUSINESS

50% OF MEMBERS
HAVE BEEN IN BUSINESS 10 YEARS OR LESS

39% OF MEMBERS
HAVE BEEN IN BUSINESS 10–20 YEARS

10% OF MEMBERS
HAVE BEEN IN BUSINESS 20–30 YEARS

1% OF MEMBERS
HAVE BEEN IN BUSINESS MORE THAN 30 YEARS

2019 MEMBER DEMOGRAPHICS

61% OF MEMBERS
SELL ALPACAS

46% OF MEMBERS
SELL BREEDINGS

57% OF MEMBERS
SELL RAW FIBER

5% OF MEMBERS
SELL MEAT

26% OF MEMBERS
HAVE AN ONLINE STORE

35% OF MEMBERS
HAVE A FARM STORE

10% OF MEMBERS
HAVE AN OFF-SITE RETAIL STORE

3% OF MEMBERS
HAVE A FIBER MILL

2019 MEMBER DEMOGRAPHICS

25% OF MEMBERS
OFFER AGISTING SERVICES

9% OF MEMBERS
OFFER TRANSPORTATION SERVICES

6% OF MEMBERS
OFFER FLEECE COLLECTION

5% OF MEMBERS
OFFER FLEECE PROCESSING

6% OF MEMBERS
BUY FLEECE

12% OF MEMBERS
OFFER WHOLESALE PRODUCTS

1% OF MEMBERS
OFFER VETERINARY SERVICES

6% OF MEMBERS
OFFER SHEARING SERVICES

2019 AOA BENEFACTORS

PLATINUM

Cas-Cad-Nac Farm LLC
Peruvian Link Co

GOLD

Alpaca Country Estates Ranch and B&B
Amber Autumn Alpacas
Liberty Alpacas
NorTex Alpacas, LLC
Tierra Prometida Alpacas

SILVER

Alpacas at Marquam Hill Ranch
Applewood Lane Alpacas
Big Timber Alpacas, LLC
Chimera Ranch
Fallengründ Alpacas
Foggy Bottom Farms
Greenbriar Farm – MAM Consulting Associates Inc.
Hasselbring's Harmony Ranch
Healing Springs Suris LLC
Heart & Soul Alpacas and Spinnery
Herzog Alpacas, LLC
Hobby Horse Farm
Irish Meadows Alpaca Farm
Kendall Creek Farms Alpacas
Long Hollow Suri Alpacas/New Era Fiber
M&M Alpaca Farm of NC
Midnight Moon @ R&R Suris
Morning Beckons Farm LLC
Plum Creek Alpacas
Red Granite Ranch Ltd
Rock'n D Enterprises LLC
Shalimar Alpacas
Skyfiber Ranch, LLC
Skyline Alpacas
Southern Sunrise Alpacas
Spring Grove Alpaca Ranch
Starshire Ranch
Stillmeadow Farm
Structured Chaos Farm
Sundancer Alpacas
TerBest Alpaca and Fiber Farm
Two Hearts Alpaca Ranch
Wild Hair Alpacas LLC
Xanadu Farm Alpacas

AOA SHOW SYSTEM

The 2019 show season was another successful and busy year for AOA with 86 official competitions. This total was an increase of 6 competitions over the previous year! Another strong fiber year with 55 shows in fleece, walking fleece, cottage fleece, and auxiliary fiber categories. Halter competitions remained strong with 31 shows held across the US from Oregon to North Carolina.

A fiber task force was created to study the Innovative Fiber Assessment method for evaluating fleeces. The IFA method combines genetics and end-use to advance breeding programs which achieves forward momentum within individual herds, as well as the entire alpaca industry. Innovative Fleece Assessment (IFA) was developed to support and enhance breeder education. The most important part of this approach is that fleeces are sorted by grade and feedback includes a summary of the uses for which that fleece is best suited. A demonstration was held in 2019 and a video created to assist in members understanding this additional type of fleece show.

AOA continues to support events in 2019 that assist event management and judges. A second training session was held for show superintendents in September. In December of 2019, Judges gathered for several days for a hands-on halter experience and collaboration. This halter clinic offered Judges a time of calibration and discussion with peers from around the world.

The AOA Show System office would like to thank the Judge Training and Certification (JTCC), Judges Advisory Committee (JAC), and the Show Rules Committee (SRC) for the tremendous amount of time and work they give to the AOA Show System! These committees are dedicated to the advancement of shows and researching judging practices used both internationally and in the US to ensure that the AOA Show System maintains the most accurate judging possible.

2019 NATIONAL SHOWS

The 2019 year was another great year for the National Alpaca and Fleece Shows. Both shows were a wonderful success as exhibitors from across the country met to make new friends and spend time catching up on seasoned friendships.

The AOA National Alpaca Show was held in Denver amid a snowfall that was labeled "Bomb Cyclone." Two years earlier in Denver we were in shorts and now we were bundled up amidst alpaca sweaters! Exhibitors weathered the storm and by the end of the weekend it was an easy trip home. The public flocked to the facility and enjoyed vendor wares and sightings of alpacas. A very busy weekend included yoga with alpacas, shopping, lots of performance classes, and the awarding of the National Supreme Champions.

The AOA National Fleece Show was held for the second consecutive year in conjunction with the Natural Fiber Extravaganza (NFE). The weekend was busy from start to finish with every room active with learning and growing in fiber. The Artisan Fiber Mill Network had their inaugural meeting over two days prior to the NFE where over 20 mills attended. They had an incredible time of learning and sharing. Over fifty workshops and seminars were held along with the judging of over 600 fleeces! Student Design winners were awarded their placements and their beautiful designs were on display. Attendees were busy from the Meet and Greet mixer to the Annual Meeting. The attendees also spent time enjoying a fashion show featuring the latest alpaca fashions on the runway.

LEVEL IV
AOA NATIONAL FLEECE SHOW

LEVEL V
AOA NATIONAL ALPACA SHOW

171
PARTICIPATING FARMS

19,988
PAGE VIEWS

13TH ANNUAL NATIONAL ALPACA FARM DAYS

National Alpaca Farms Days (NAFD) participation declined 21% in 2019 with only 171 farms participating. September continued to be the busiest month of the year for website traffic with almost 20,000 visits to the NAFD site alone. An upgrade to the NAFD map was implemented in 2019 which improved the search results for the public and made locating farms easier. Several downloadable templates were also updated with the Alpaca Etiquette sign being very popular among the registered farms.

The AOA office will continue to promote NAFD in 2020 despite the pandemic. We encourage each farm to take the necessary precautions needed during this pandemic. Cindy Morrow will once again promote NAFD nationally along with providing public relations assistance to any registered farm that requests help.

2019 EPD REPORT

The 2019 EPD calculation included observations for at least one trait on 36,956 Huacaya and 8,501 Suri animals. 73,348 huacayas and 16,213 suris had calculated EPDs in this calculation.

For an animal to receive an EPD, it must have been within 4 generations of an animal with an observation and have an accuracy greater than 0 for fiber diameter. The performance database continues to expand with additional data. Accordingly, the EPDs are becoming more reliable with maximum accuracies in the population continuing to increase. With the increase in data, evaluations have also become more stable with the correlations of EPDs from one analysis to the next continuing to increase.

Read Dr. Enns' producers report at
www.AlpacaInfo.com/report
for a complete analysis of the 2019 calculation.

August 10 is the deadline to submit trait data for the 2020 calculation.

5.6% INCREASE
IN HUACAYA EPDs

5.2% INCREASE
IN SURI EPDs

10,723 ACCOUNTS
HAVE ALPACAS WITH EPDs

5,371 ACCOUNTS
HAVE ALPACAS WITH TRAIT DATA

32,292 EPDs
MARKED PUBLIC

53%
INCREASE IN ADVERTISING

11%
INCREASE IN ONLINE VIEWS

ALPACAS MAGAZINE

The ongoing goal for *Alpacas Magazine* is to increase its value as a resource by producing an array of credible, pertinent information presented in a professional, stylish and high-quality publication. By building the value of the information, we hope to increase readership and shelf life. Not only will readers want current editions, they will store past editions as reference material. This will increase value for advertisers through initial and extended exposure and for AOA as publishers of this material. We will achieve this goal by producing material that covers the depth of the alpaca industry such as: nutrition, design, textile production, fiber processing, business ideas, cross-industry examination, medical and scientific ideas and research, and the show system. By representing a clear and credible voice, *Alpacas Magazine* will increase the integrity of AOA and its membership.

–Jared Johnston, *Alpacas Magazine* Editor in Chief

ALPACA®
Owners Association Inc

8300 Cody Dr, Suite A
Lincoln, NE 68512
402.437.8484
www.AlpacaInfo.com