ANNUAL REPORT
2020

USJersey

AMERICAN JERSEY CATTLE ASSOCIATION

NATIONAL ALL-JERSEY INC. | ALL-JERSEY SALES CORPORATION

A Year of Reflection and Adapting.

It is my privilege and honor to present the 2020 Annual Report on behalf of the Boards of Directors of the American Jersey Cattle Association and National All-Jersey Inc.

Hindsight is 2020. What an appropriate year to be able to look back and see the accomplishments and challenges that were faced and conquered during the calendar year.

It has now been a year since the start of the COVID-19 pandemic, which changed the ways in which each of us relates to and navigates the world. In the United States, 41.8% of the workforce was working remotely full time in December 2020, and 56.8% were doing so some of the time, according to an Upwork report. Your USJersey staff spent just seven weeks working from home and then resumed work in their regular surroundings.

I must say, I have never been more proud of our team than last year during the pandemic. They adapted to working from home and still providing you, our customers, with uninterrupted service day-after-day. Just like the Jersey cow, staff and our membership were flexible and performed at the same high levels expected on a daily basis.

As an association, we learned quickly how to adapt to new technology and deliver the same top-notch service you are accustomed to receiving. Zoom meetings became normal for our staff. Working remotely and the use of virtual platforms helped our staff learn to work more efficiently in some areas of our business.

These tools also allowed USJersey to successfully hold the AJCA and NAJ annual meetings virtually for the world to watch last June. In November, the staff of the North American International Livestock Exposition worked hard to ensure The All American Jersey Show would go on. More than 550 Registered Jerseys were shown on the green shavings in Louisville, Ky. Jersey Marketing Service hosted two highly successful sales during the event as well.

Financially Strong 2020

All three companies (AJCA, NAJ and All-Jersey Sales Corp.) financial reports delivered positive results. Total combined net income from operations was $261,100 for the year, with total (combined) Net Assets of $4,585,866.

Steps by the Boards during the year—hosting virtual events, less travel by staff and board and other cost-saving decisions—factored into reducing expenses.

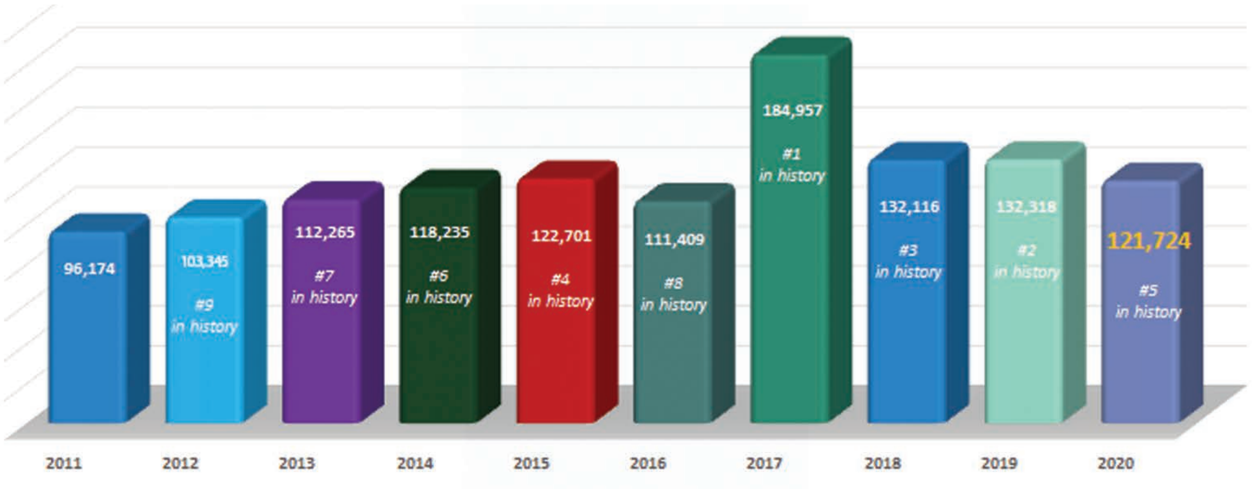
The Jersey of 2020

In spite of on-farm challenges with milk markets, increased feed prices and other factors, Jersey registrations ended strong. It was the fifth best year for registrations at 121,724.

When evaluating the three-year registration averages, the breed now sits at 128,719 registrations for the years 2018-2020.

Herds enrolled on Performance Programs also stayed steady at 154,924 cows on all programs: REAP, TPE and STEP. The average herd size of herds on programs was 165 cows per herd.

The type traits appraisal team continues to work hard and evaluated over 100,000 animals for the ninth consecutive year. In 2020, our team scored 110,540 animals in 995 herds in 45 states. These numbers are impressive in the fact that no cows were appraised in April of 2020 due to the COVID-19 outbreak. However, our team had caught up the missed herds by the first week of July. They are a great group of people with



strong work ethics and a passion for the Jersey breed.

2020 was another year of success when it came to genotyping data for the Jersey breed. Jersey breeders submitted samples from over 43,500 females for genotyping to CDCB. This brings the total number of genotyped Jersey females to 525,324 since 2009. As we continue to increase the data submitted and animals evaluated, we will continue to see reliabilities improve.

Jersey—the Most Nutrient Dense Product

The AJCA reported record levels for the average production and the most nutrient dense milk in history—in 2020, Jersey cows averaged 20,205 lbs. milk, 980 lbs. fat and 750 lbs. protein based on 93,082 completed lactations, standardized to 305 days, 2x, mature equivalent (m.e.) production. The year's cheddar cheese equivalent basis was reported at 2,547 lbs. per animal.

This is good news as Jersey producers are more focused on genetic selection. The Jersey has a competitive edge in production efficiency and leaves a smaller carbon footprint in the production of cheese. She continues to develop into a more profitable, healthy cow that breeds back more easily each lactation.

Updated JPI

Following on the tail of the news of record production levels, are the updates to Jersey Performance Index™ authorized by the AJCA Board of Directors. The updated JPI was implemented with the April 2020 official CDCB-AJCA genetic evaluations. JPI_{2020} predicts the efficiency of production by expressing lifetime production of fat and protein per unit of feed consumed. New traits included in JPI_{2020} are the six Jersey Health Traits and two linear type traits—Rear Teat Placement Side View and Rear Teat Placement Rear View.

As with JPI_{2017}, JPI_{2020} applies the key principles of Jersey sustainability identified by researchers Jude Capper and Roger Cady (J. L. Capper & R. M. Cady (2012). J. Dairy Sci. 95: 165-176).

The three primary drivers of U.S. dairy cow sustainability are production, milk nutrient density, and body size. Specifically, Jerseys needs to increase milk yield, maintain—or better improve—component levels, and maintain an optimum body size. The focus on Jersey sustainability was retained for JPI_{2020}.

New Health Traits Added

April 2020 also saw the release of six health traits with the genetic evaluations. These traits will help alleviate costly health conditions impacting Jerseys and help build resistance against displaced abomasum, milk fever, ketosis, mastitis, metritis and retained placenta.

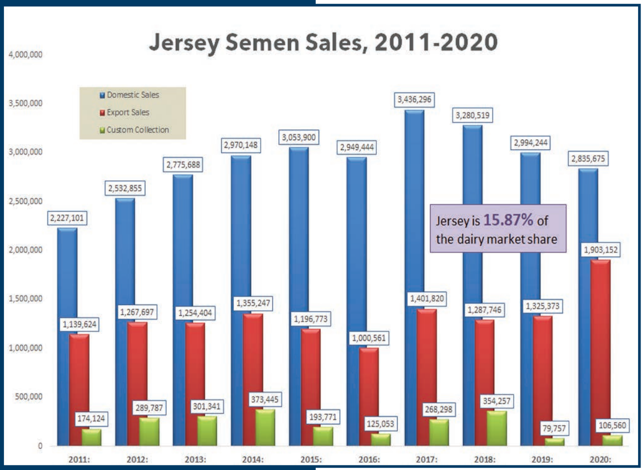
PTAs for each of the health traits will be the predicted daughter difference for resistance above (+) or below (-) the Jersey breed average. The larger the positive values, the more favorable the genetic resistance to the disorder. These genetic

2021 Objectives of National All-Jersey Inc.

- Be engaged in Federal Milk Marketing Order activities
  - Expect a national hearing pertaining to make allowances, Class I pricing, price discovery and depooling.
  - Continue to work with industry partners to promote and implement multiple component pricing in FMMO in the southeast. The best vehicle may be to include a proposal to implement MCP in all federal orders in the expected national hearing.
  - Stay abreast of American Farm Bureau Federation's work to advance their FMMO policies.
- Be engaged in dairy industry issues. Top priorities are:
  - Continue to work with industry partners to promote and implement multiple
  - Depooling
  - Class I price formula
  - Potential 2021 Farm Bill
  - Reintroduction of Farm Worker Modernization Act
  - Expanding milk choice in School Lunch Program following adoption of Dietary Guidelines for Americans.
  - Potential for California minimum fluid milk nonfat solids standards to be enacted nationally.

3. Organize a board and staff fly-in to Washington, D.C., to visit with members of Congress and their staffs about priority issues for NAJ, AJCA and the U.S. dairy industry.
   - NAJ has organized this activity following the convening of the previous four Congresses.
   - Dependent on Congress re-establishing in-person meetings, which may begin in July.
4. Organize and complete the fourth Value-Added 101 workshop
   - Dependent on producer interest and reestablishing in-person meetings.
5. Research
   - Continue to engage with Purdue University on their A1/A2 beta-casein clinical trials
   - Recruit new research opportunities
6. All-Jersey® and Queen of Quality® programs: (a) enroll new producers, (b) expand services and support provided, (c) develop and promote new products using Jersey milk
7. Continue to utilize and analyze the FARM-Environmental Stewardship program as a tool to demonstrate the sustainability advantage of Jerseys
8. Develop economic analyses that promote increased use of Jersey genetics
9. Look for and advance market arrangements, voluntary and regulated, that obtain or improve Multiple Component Pricing (MCP) for producers not currently receiving MCP or receiving sub-standard MCP

evaluations can help identify individuals that transmit costly differences and help manage their use in breeding programs.



Jersey Neuropathy with Splayed Forelimbs (JNS)

At the November 2020 AJCA Board of Directors meeting, the board identified a new undesirable genetic trait disorder in the Jersey breed—JNS or Jersey Neuropathy with Splayed Forelimbs.

JNS is a recessive genetic condition which, when inherited from both parents, results in an affected calf that is unable to stand. Front legs are splayed and rigid. Affected calves are generally bright at birth but exhibit neurologic symptoms including spasticity of head and neck and convulsive behavior. Other symptoms reported include dislocated shoulders, congenital craniofacial anomalies and degenerative myelopathy.

Current carrier frequency is 5.92% in the genotyped Jersey population. That means that approximately 6% of the genotyped Jersey population is a Carrier of one copy of the JNS haplotype (JNSC) and 94% are Free of JNS haplotype (JNSF).

<u>Management Team</u>

Accounting
Vickie J. White, Treasurer

National All-Jersey Inc. and AJCA Herd Services
Erick Metzger

Communications
Kimberly A. Billman

Field Service
Kristin Paul

Information Technology
Larry Wolfe

Research and Genetic Development
Cari W. Wolfe

Jersey Marketing Service
Greg Lavan

NAJ Continues to Educate and Advocate

When National All-Jersey Inc.(NAJ) began, the dairy industry was facing difficult times and challenges. Each year brings new and different challenges in the milk marketing world. Last year things went topsy turvey as grocery stores ran out of milk and restaurants closed, causing an overflow of milk in many areas of the country. Much of 2020 was spent educating members about the causes and effects of negative PPDs (Producer Price Differentials) and the subsequent depooling of milk.

Our partnership with Purdue University on the A2 research project was completed in 2020. We may not have had the results we hoped for, but there is evidence that Jersey milk does have less irritability in some individuals.

The Leading Indicator of Growth

Jersey semen sales remained a good indicator of the popularity of the Jersey breed in 2020. Though domestic sales of 2.8 million (third highest in history) saw a decrease of 5.2% last year, export sales increased by nearly 44%. Semen produced in the United States and exported totaled 1,903,152 units. The popularity of the Jersey breed continues to grow around the world.

National DHIA issued its annual cow enrollment report, showing that 370,176 Jersey cows were on test at the end of 2020. That is an increase of 2.3% over the previous year. Extrapolating from these statistics, Jerseys comprise 14% of the U.S. population today, or 1.32 million milking cows. For every one (1) Jersey cow enrolled on performance programs with AJCA and DHI, there are another 2½ cows in the national dairy herd—all of them bred to live longer, reproduce more often, and produce high levels of milk protein and milkfat more efficiently than any other breed.

Without question, the breed is in a good position.

Jersey—the Cow for Today and Tomorrow

I'm proud to work with Jersey breeders to continue developing and improving the Jersey cow. I extend my appreciation and thanks to you as Jersey breeders and enthusiasts for continuing to show your support to the Jersey and our association. As long as we continue to work together, I know the dairy industry has a positive future, and the Jersey breed even more.

Neal Smith

Executive Secretary and Chief Executive Officer

Outline History of Jerseys and the U.S. Jersey Organizations

1851 First dairy cow registered in America, a Jersey, Lily No. 1, born.

1853 First recorded butter test of Jersey cow, Flora 113, 511 lbs., 2 oz. in 50 weeks.

1868 The American Jersey Cattle Club organized, the first national dairy cattle registration organization in the United States.

1869 First Herd Register published and Constitution adopted.

1872 First Scale of Points for evaluating type adopted.

1880 The AJCC incorporated April 19, 1880 under a charter granted by special act of the General Assembly of New York. Permanent offices established in New York City.

1892 First 1,000-lb. churned butterfat record made (Signal's Lily Flag).

1893 In competition open to all dairy breeds at the World's Columbian Exposition in Chicago, the Jersey herd was first for economy of production; first in amount of milk produced; first in amount of butter; first in amount of cheese; required less milk to make a pound of butter or a pound of cheese; and made the highest quality of butter and cheese.

1903 Register of Merit (ROM) testing established, with the Babcock test used to determine fat content.

1917 First Jersey Calf Clubs organized to encourage interest of boys and girls in the Jersey breed.

1918 First 1,000-lb. fat ROM record (Sophie's Agnes).

1927 Jersey Creamline milk program established and copyrighted.

1928 Herd Improvement Registry (HIR) testing adopted.

1929 Tattooing required of all Jerseys to be registered.

1932 Type classification program initiated, as were Tested Sire and Tested Dam ratings and Superior Sire awards.

1933 Female registration number 1000000 issued.

1941 By-law amendment providing for selective registration of bulls approved by membership.

1942 The Victory Bull Campaign results in 1,000 Registered Jersey bulls being donated by AJCC members to American farmers.

1944 The Sale of Stars held in Columbus, Ohio, consisting entirely of donated cattle, the proceeds of which were used to purchase a building site for new office headquarters.

1946 Debut of the All American Jersey Show and Junior Jersey Exposition. The Sale of Stars is established as an annual national consignment sale, eventually to be renamed The All American Sale.

1948 Transfers for fiscal year 1947-48 establish all-time record at 58,708. Research Department created and cooperative research projects undertaken with Iowa, Kansas, and Ohio State colleges of agriculture. Special research committee named to review Club's research.

1949 Research project on "Relation Between Heifer Type and Type and Production of Cows" undertaken.

1950 The 104 cows owned by E. S. Brigham of Vermont, average 11,703 lbs. milk and 616 lbs. butterfat to become the first herd of 100 or more cows, of any breed, to average more than 600 lbs. on official test.

1953 The AJCC launches *Jersey Journal* on October 5. Registrations total 87,682, setting all-time record.

1955 The All-Jersey® milk program, originated in Oregon and Washington, goes national.

1956 A second all-donation sale, the All-American Sale of Starlets, raises funds for an expanded youth program.

1957 National All-Jersey Inc. organized.

1958 The All American Jersey Show and Sale revived after seven-year hiatus, with the first AJCC-managed National Jersey Jug Futurity staged the following year.

1959 Dairy Herd Improvement Registry (DHIR) adopted to recognize electronically processed DHIA records as official. All-Jersey® trademark sales expand to 28 states.

1960 National All-Jersey Inc. initiates the 5,000 Heifers for Jersey Promotion Project, with sale proceeds from donated heifers used to promote All-Jersey® program growth and expanded field service.

1964 Registration, classification and testing records converted to electronic data processing equipment.

1967 AJCC Research Foundation created as 501(c)(3) charitable trust sponsoring scientific research.

1968 USDA Predicted Difference sire evaluations, which also introduced concept of repeatability, implemented. Official Performance Certificate introduced. AJCC Centennial annual meeting held in conjunction with the International Conference of the World Jersey Cattle Bureau and The All American Show & Sale. The All American Sale averages $4,198.21, highest average ever recorded for a Jersey sale.

1969 First 1,500-lb. fat record (The Trademarks Sable Fashion).

1970 Jersey Marketing Service formed as subsidiary of National All-Jersey Inc., and the next year manages National Heifer, Pot O'Gold, and All American sales.

1973 Registered Jerseys on official test average 10,304 lbs. milk and 514 lbs. fat (305-day, 2x, m.e.).

1974 Genetic Recovery program approved by membership.

1975 First 30,000-lb. milk record (Basil Lucy Minnie Pansy).

1976 Equity Project launched to advocate for component-based milk pricing and higher minimum standards.

1978 First multi-trait selection tool, Production Type Index (PTI), introduced. For first time, Jerseys selling at auction average more than $1,000 per head ($1,026.51).

1980 Registrations total 60,975, of which 11,529 are from Genetic Recovery. Linear functional type traits appraisal program replaces classification. Young Sire Program introduced. "800 in '80" results in 813 Equity Investors.

1982 DHIR lactation average reaches 12,064 lbs. milk and 578 lbs. fat. First 1,000-lb. protein record made (Rocky Hill Silverlining Rockal).

1983 Five bulls enrolled in the Young Sire Program receive USDA summaries. All are plus.

1984 Jersey milk producers receive additional income estimated at $16 million due to Equity market development. The first Jersey Directory is published.

1985 First breeder-directed regional young sire proving group, Dixieland Jersey Sires, Inc., organized.

1986 Jersey Mating Program implemented.

1987 For first time, 50,000 cows enrolled on performance programs. Campaign beings to increase AJCC Research Foundation endowment to $1 million. The largest All American Jersey Show in history is completed, with 617 head exhibited.

1988 USDA issues decision implementing multiple component pricing in the Great Basin Federal Order. DHIR lactation average reaches 13,068 lbs. milk and 616 lbs. fat. The new AJCC-NAJ headquarters building is completed. Laurence and Mary French Rockefeller of The Billings Farm donate $100,000 to the AJCC

continued on page 6

Research Foundation.

1989 AJCC and NAJ Boards adopt challenge of increasing protein production in relation to butterfat production.

1990 DHIR lactation average reaches 14,091 lbs. milk, 662 lbs. fat and 524 lbs. protein. The National Jersey Jug Futurity has its largest show ever, with 62 exhibited.

1991 REGAPP software introduces paperless registration. Sunny Day Farm and Meri-Acres become the first Jersey herds to average over 20,000 lbs. milk per cow.

1993 DHIR lactation average reaches 15,231 lbs. milk, 706 lbs. fat and 564 lbs. protein.

1994 The Club is reincorporated in the State of Ohio and its name changed to American Jersey Cattle Association.

1995 REAP—bundling registration, Equity/NAJ membership, performance evaluation and type appraisal—introduced.

1996 After USDA calls for proposals on Federal Order pricing reform, NAJ among first to respond, recommending use of end-product pricing for all classes of milk. Breed averages reaches 16,051 lbs. milk, 737 lbs. fat and 591 lbs. protein.

1997 Genetic Diversity Program is introduced. Performance program enrollments exceed 75,000 cows for first time.

1998 Introduction of internet-intranet data processing system delivers real-time registration service and on-demand pedigree information 24/7. Net assets of the AJCC Research Foundation reach $1 million.

1999 On March 31, USDA issues final rule applying multiple component pricing to 85% of Federal Order production, effective January 1, 2000. Jersey Expansion program is introduced. First 2,000-lb. fat record (Golden MBSB of Twin Haven-ET).

2000 Official production average exceeds 17,000 pounds for first time, with 57,170 records averaging 17,680 lbs. milk, 807 lbs. fat and 644 lbs. protein. First 40,000-lb. milk and 1,500-lb. protein record (Greenridge Berretta Accent).

2001 The 5-millionth animal is registered. Equity's 25 years celebrated and the 171 Charter Investors recognized. Performance program enrollments exceed 100,000 for the first time. JerseyMate™ is introduced.

2002 DHIR lactation average increases to 18,039 lbs. milk, 823 lbs. fat and 641 lbs. protein. Rules are expanded to allow use of approved eartags for registration ID. Jersey Performance Index™ implemented, with 70% emphasis on production and 30% on fitness traits. The All American Jersey Show & Sale celebrates 50th anniversary, and All American Junior Show largest in history with 333 head.

2003 NAAB reports domestic sales of Jersey semen exceed 1 million units for the first time. *Jersey Journal* celebrates 50th anniversary of publication.

2004 Equity membership grows to 1,000 for the first time in history. Jersey Marketing Service completes first $10 million year for public auction and private treaty sales.

2005 The 95 heifers donated to the National Heifer Sale average $3,626.11, with proceeds to the AJCC Research Foundation and national Jersey youth programs. REAP program completes first decade with record 108,786 cows in 728 herds. Royalties paid to five regional young sire groups since inception tops $1 million.

2006 USDA-AIPL revision of Productive Life evaluations shows Jerseys have 183-day advantage over industry average. 2010 goal of 90,000 registrations adopted.

2007 First 2,500-lb. fat record (Norse Star Hallmark Bootie). Mainstream Jerseys becomes first Jersey herd to average over 30,000 lbs. milk per cow. Jersey Marketing Service posts best year in its history with gross sales of $13,089,073. Commercial genotyping test (Illumina BovineSNP50 chip) released. Jersey Udder Index™ implemented.

2008 Registrations exceed 90,000 for first time. Equity membership grows to record of 1,135. Queen of Quality® brand program introduced to complement All-Jersey® fluid milk marketing program. First 50,000-lb. milk and 1,750-lb. protein record (Mainstream Barkly Jubilee). JerseyLink™ is introduced.

2009 Genomic evaluations become official. First North American Jersey Cheese Awards conducted. Inaugural class of Jersey Youth Academy.

2010 Combined domestic–export Jersey semen sales exceed 3 million units for first time in history. First-generation low-density genomic test released. Pot O'Gold Sale is first auction of any breed featuring entirely genotyped offering. Ratliff Price Alicia is first cow selected National Grand Champion for three consecutive years. NAJ-funded and peer-reviewed research determines that the carbon footprint from production of Jersey milk is 20% less than that of Holsteins, measured per unit of cheese yield.

2011 Fundraising goal exceeded as 73 donated heifers drive Vision Gift campaign for Jersey Youth Academy. Domestic Jersey semen sales exceed 2 million units for first time in history.

2012 For first time, association records 100,000 animals (December 27) and processes 100,000 lactations. Record average set at Pot O'Gold Sale ($5,331.67).

2013 For the first time, over 100,000 cows scored in type appraisal program and combined domestic–export Jersey semen sales exceed 4 million units.

2014 Through 40 years of Genetic Recovery, 508,112 females recorded, 19.5% of all registrations. Jersey Performance Index™ is revised with weights of 58% production, 20% udder health, 11% herd life and 11% fertility. Record established for series average at The All American Sale ($11,972.78).

2015 New records set for all performance programs enrollment (169,913 cows), REAP enrollment (164,118 cows, 986 herds) and linear type evaluation (119,545 scores). Mainstream Jace Shelly sets all-time record for lifetime protein production. Domestic semen sales exceed 3 million units for first time. U.S. Jersey auction sales average of $2,691.44 sets all-time record.

2016 Genetic Recovery and Jersey Expansion programs retired and replaced by Generation Count recording system. Equity's 40th anniversary celebrated; total program investment reaches $13,845,893. Domestic market share for semen sales increases to 13.0%. All-time record set for lifetime milk production (Mainstream Jace Shelly).

2017 Registration record broken July 26, year ends with 184,957 animals recorded. New milestone for production is 20,150 lbs. milk, 985 lbs. fat, and 743 lbs. protein, 2,529 lbs. cheese yield. Second 50,000-lb. milk and 1,750-lb. protein record (K&K Impact Olga). Record set for Jersey*Tags* sales at 581,866 tags.

2018 Celebrated 150 years of the association. "The Jersey" portrait was unveiled. 49,067 females genotyped with an increase of 91.68% from 2017.

2019 Second highest registration year in history with 132,318. Wetumpka Viceroy Java-P becomes the all-time high selling heifer in the breed through public auction at $103,000. Record set for series average at National Heifer Sale ($10,308). First 3,000-lb. fat record (Lyon Renegade Barb).

2020 The year of COVID-19. AJCA, NAJ offices closed for seven weeks admist pandemic while staff worked from home. Fifth high year of registrations recorded at 121,724. Jersey Neuropathy with Splayed Forelimbs (JNS) identified as an undesirable genetic factor. Updated Jersey Performance Index$_{2020}$.

To the Members of:
American Jersey Cattle Association and National All-Jersey Inc.

The American Jersey Cattle Association (AJCA), National All-Jersey Inc. (NAJ) and its subsidiary All-Jersey Sales Corporation (AJSC), reported a combined net income from operations of $261,100 for the year ended December 31, 2020.

American Jersey Cattle Association

Revenues	$3,444,072
Expenditures	$ 3,339,431
Net Income from Operations (Before All American and Other Income and Expense)	$ 104,641

National All-Jersey Inc. and Subsidiary

Revenues	$ 1,074,809
Expenditures	$ 918,350
Net Income from Operations (Before Other Income and Expense)	$ 156,459

The companies combined revenue sources are as follows:

Identification Services	44%
Performance Services	16%
Equity	18%
Jersey Journal	6%
Cattle Marketing Services	3%
Other	13%

The organizations' marketable securities are reported at market value of $2,647,391. Due to the increase in market values compared to 2019, an unrealized gain was recorded at December 31, 2020 to reflect the variance in cost versus fair market value of the companies' investments.

The companies reported net assets at December 31, 2020 of:

American Jersey Cattle Association	$2,880,048
National All-Jersey Inc. and Subsidiary	$ 1,705,818
Total (combined) Net Assets	$4,585,866

The AJCC Research Foundation reported net assets of $2,739,171 at year-end December 31, 2020. The Research Foundation supported four (4) projects totaling $35,043. The scholarship funds administered by the AJCA awarded eleven (11) scholarships totaling $31,250. Total combined net assets in the scholarship funds as of December 31, 2020 were $811,718. Net assets held in the Jersey Youth Academy Fund at December 31, 2020 were $540,649.

We encourage the membership to review the financial statements and accompanying footnotes prepared by our certified public accounting firm, Tidwell Group, LLC. These statements clearly state the financial position of the companies at December 31, 2020 and are presented in conformity with accounting principles generally accepted in the United States of America.

Respectfully submitted,

Dickie P. White

Treasurer

To the Board of Directors
American Jersey Cattle Association

We have audited the accompanying financial statements of American Jersey Cattle Association which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Jersey Cattle Association as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Tidwell Group, LLC

Columbus, Ohio
March 26, 2021

AMERICAN JERSEY CATTLE ASSOCIATION

Statements of Financial Position • Statements of Activities

STATEMENTS OF FINANCIAL POSITION

December 31, 2020 and 2019

ASSETS	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	**$ 341,471**	$ 119,399
Investments, at fair value	**358,750**	332,884
Accounts receivable, net	**329,264**	452,527
Advances due from National All-Jersey Inc. and All-Jersey Sales Corporation	**885,919**	790,375
Supplies and inventories	**25,481**	28,913
Prepaid expenses and other assets	**76,086**	93,791
Total current assets	**2,016,971**	1,817,889
PROPERTY AND EQUIPMENT		
Land	**68,000**	68,000
Building	**494,448**	494,448
Operating equipment	**1,772,268**	1,796,555
Software development	**117,700**	117,700
	2,452,416	2,476,703
Less accumulated depreciation and amortization	**(2,261,134)**	(2,282,900)
Total property and equipment, net	**191,282**	193,803
OTHER ASSETS		
Investments, at fair value	**1,569,091**	1,455,837
Total other assets	**1,569,091**	1,455,837
	$ 3,777,344	$ 3,467,529

LIABILITIES AND NET ASSETS	2020	2019
CURRENT LIABILITIES		
Current portion of unexpired subscriptions and directory listings	**$ 12,367**	$ 11,725
Current portion of note payable	**–**	41,380
Accounts payable	**186,721**	198,056
Accrued expenses	**171,439**	111,031
Awards, The All American Show & Sale	**43,138**	46,772
Awards, National Jersey Jug Futurity	**13,493**	11,948
Unearned fees and remittances	**433,512**	328,685
Total current liabilities	**860,670**	749,597
NONCURRENT LIABILITIES		
Unexpired subscriptions and directory listings, net of current portion	**36,626**	36,899
	36,626	36,899
Total liabilities	**897,296**	786,496
NET ASSETS		
Without donor restrictions:		
Board Designated	**1,765,963**	1,653,353
Undesignated	**1,114,085**	1,027,680
Total net assets	**2,880,048**	2,681,033
	$ 3,777,344	$ 3,467,529

See Notes to the Financial Statements.

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2020 and 2019

	2020	2019
REVENUES		
Fees	**$ 2,980,786**	$ 3,017,426
Jersey Journal advertising and subscriptions	**294,279**	329,654
Interest and dividend income	**51,529**	68,655
Other	**117,478**	40,962
Total revenues	**3,444,072**	3,456,697
COST OF OPERATIONS		
Salaries, service, and administrative	**2,917,097**	3,038,641
Jersey Journal publishing	**361,147**	415,624
Depreciation and amortization	**60,718**	80,149
Interest expense	**469**	3,289
Total cost of operations	**3,339,431**	3,537,703
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	**104,641**	(81,006)
OTHER (EXPENSE) INCOME		
Net (loss) gain from The All American Show and Sale	**(16,705)**	6,015
Net realized and unrealized (loss) gain on investments	**(1,531)**	998
Total other (expense) income	**(18,236)**	7,013
CHANGE IN NET ASSETS BEFORE EXPENDITURES FROM DESIGNATED NET ASSETS	**86,405**	(73,993)
EXPENDITURES FROM DESIGNATED NET ASSETS		
Research and development	**(645)**	(1,728)
Net realized and unrealized gain on investments	**113,255**	213,168
Total expenditures from designated net assets	**112,610**	211,440
CHANGES IN NET ASSETS	**199,015**	137,447
NET ASSETS, beginning	**2,681,033**	2,543,586
NET ASSETS, ending	**$2,880,048**	$ 2,681,033

See Notes to the Financial Statements.

Statements of Cash Flows have not been included with these reports. A copy is available upon request.

Note 1. Nature of Organization and Significant Accounting Policies

Nature of business: In 1868, The American Jersey Cattle Club was organized. The American Jersey Cattle Club was incorporated under a charter granted by a special act of the General Assembly of New York on April 19, 1880. On July 1, 1994, the Club was reincorporated in the State of Ohio, and the name was changed to American Jersey Cattle Association (AJCA or the Association).

The purposes of the American Jersey Cattle Association, an association of Jersey breeders, are to improve and promote the breed of Jersey cattle in the United States and to maintain such records and activities as the Association deems necessary or conducive to the best interests of the breeders of Jersey cattle. The American Jersey Cattle Association's objective is to provide programs and services to its members that increase the profitability of Jersey cattle.

Basis of presentation. The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Net assets, support and revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes in net assets are classified and reported as follows:

Without donor restrictions: Net assets available for use in general operation and not subject to donor restrictions. Included in without donor restrictions net assets are Board of Directors' designated net assets for a building fund and research and development which totaled $1,569,092 and $196,871 for 2020 and $1,455,837 and $197,516 for 2019, respectively..

With donor restrictions: Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets and liabilities are reported as increases or decreases in net assets without donor restrictions. Expirations of restrictions on net assets are reported as reclassifications between applicable net asset classes.

Use of estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of 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 statements of cash flows, the Association considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Investments. Investments consist of money market and mutual funds. Money market funds are carried at cost. Mutual funds are carried at fair value on the statement of financial position, with the change in fair value included in the statements of activities.

Revenue recognition. Revenues for services provided to members represent exchange transactions and are recognized in the period in which the services are performed and/or earned. Membership, subscription and directory listing revenues are recognized pro-rata over the one year membership as exchange transactions as the fees are refundable if the membership is cancelled prior to the one year contract.

Accounts receivable. AJCA extends unsecured credit to members under normal terms. Unpaid balances begin accruing interest 30 days after the invoice date at a rate of 1½% per month. Payments are applied first to the oldest unpaid invoice. Accounts receivable are presented at the amount billed plus any accrued and unpaid interest. Management estimates an allowance for doubtful accounts, which was $46,000 and $56,000 as of December 31, 2020 and 2019, respectively. The estimate is based upon management's review of delinquent accounts and an assessment of the Association's historical evidence of collections. Bad debt expense of $11,826 and $11,576 was recognized for the years ended December 31, 2020 and 2019, respectively, as a result of this estimate. Specific accounts are charged directly to the reserve when management obtains evidence of a member's insolvency or otherwise determines that the account is uncollectible.

Valuation of long-lived assets. The Association reviews long-lived assets and certain identifiable intangible assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets is measured by a comparison of the carrying amount of the asset to future undiscounted 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 estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell. There were no impairment losses recognized in 2020 or 2019.

Income taxes. AJCA is exempt from Federal taxes on income under Section 501(c)(5) of the Internal Revenue Code, except for income derived from unrelated business activities, as defined in the Code. For 2020 or 2019 these activities include primarily magazine advertising. There was no income tax expense for 2020 or 2019 relating to Jersey Journal publishing.

The Association follows ASC guidance on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. The Association has not recorded a reserve for any tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. Examples of tax positions include the tax-exempt status of the Association, and various positions related to the potential sources of unrelated business taxable income (UBIT). The Company files tax returns in all appropriate jurisdictions. For the years ended December 31, 2020 and 2019, management has determined that there are no material uncertain tax positions. The Association files Forms 990 and 990T in the U.S. federal jurisdiction.

Concentrations of credit and market risk. The Association maintains its demand deposits and temporary cash investments with one financial institution. Balances may at times exceed federally insured limits. Cash equivalents and investments are maintained in trust accounts with a trust company. The Association continually monitors its balances to minimize the risk of loss.

AJCA's trade receivables result from registrations and related fees due from members who are located primarily in the United States.

AJCA also invests funds in a professionally managed portfolio that contains various securities detailed in Note 9. Such investments are exposed to various risks, such as fluctuations in market value and credit risk. The investment balances reported in the accompanying financial statements may not be reflective of the portfolio's value during subsequent periods.

Property and equipment. Property and equipment are stated at cost. Expenditures which materially increase values or extend useful lives are capitalized. Routine maintenance and repairs are charged to expense as incurred. The cost of assets sold or retired and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Any gains or losses resulting from property disposals are included in income.

AJCA provides for depreciation in amounts adequate to amortize cost over the estimated useful lives of the assets, utilizing the straight-line method, generally as follows:

Class of Assets	Useful Lives
Building	31½ years
Operating equipment	3–10 years
Software development	3 years

Affiliated company. AJCA is affiliated with National All-Jersey Inc. (NAJ) and its wholly-owned subsidiary, All-Jersey Sales Corporation (AJSC). These entities conduct operations from the same facility and have certain common directors, officers, and staff. Therefore, it is necessary to allocate jointly incurred expenses, such as salaries, rents, utilities, depreciation, and other costs of service and administration. The costs of operations reflected in the Statements of Activities of AJCA are net of reimbursements of $220,730 and $227,719 for 2020 and 2019, respectively, from the above-mentioned affiliated companies for these jointly incurred costs.

AJSC has a $175,000 line of credit due which is collateralized by investments held by AJCA and NAJ. No funds were drawn on this line of credit as of December 31, 2020 and 2019.

Unearned fees and remittances. Unearned fees and remittances represent amounts received in advance for registrations, transfers and total performance evaluation.

Supplies and inventories. Supplies and inventories consist of office supplies and promotional items available for sale which are valued at the lower of cost or net realizable value.

Advertising. The Association's advertising efforts are associated with nondirect-response programs. The costs are expensed in the period of the related advertisement. The Association expensed $4,410 and $8,324 for the years ended December 31, 2020 and 2019, respectively.

Note 2. Revenue from Contracts with Customers (Members)

Fees revenue from its members, disaggregated by type, during the years ended

December 31, 2020 and 2019 are as follows:

	2020	2019
Registrations	$ 263,468	$ 259,347
Herd Transfers	119,902	137,623
Jersey*Tags*	566,285	560,981
Genome Testing	564,113	545,931
REAP	1,322,424	1,350,869
Other	144,594	162,675
	$ 2,980,786	$ 3,017,426

The following table provides information about significant changes in contract liabilities (unearned fees) for the year ended December 31, 2020:

Unearned fees, beginning of year	$ 328,685
Revenue recognized that was included in unearned fees at the beginning of the year	(328,685)
Increase in unearned fees due to cash received during the year	433,512
	$ 433,512

Note 3. Expenses by Cost of Operations Classification

The Association's operating expenses by cost of operations classification for December 31 are as follows:

	2020	2019
Herd Services	$ 1,162,398	$ 1,149,834
Information Technology	292,830	318,912
Performance	619,919	650,690
Jersey Journal	361,147	415,624
Development	89,004	146,891
Field	535,234	579,251
Accounting, administration, and general	278,899	276,501
Total cost of operations	$ 3,339,431	$ 3,537,703

Note 4. Lines of Credit

At December 31, 2020 and 2019, the Association has available a $100,000 line of credit due on demand with interest payable monthly at prime (3.25% and 4.75% at 2020 and 2019, respectively). The line is collateralized by investments held by AJCA. No funds were drawn on the line as of 2020 or 2019.

At December 31, 2020 and 2019, AJSC has available a $175,000 line of credit due on demand with interest payable monthly at prime. The line is collateralized by investments held by AJCA and NAJ (Note 1). No funds were drawn on the line as of December 31, 2020 or 2019.

Note 5. Note Payable

In June 2015, the Association entered into a note payable agreement with a bank for $380,000 bearing interest at 3.18%. The note requires monthly payments of $6,975, including principal and interest. The note was paid in full in June 2020. The note was collateralized by all property of the Association.

Note 6. Operating Lease Obligations

In 2018, the Association entered into a lease for equipment under an operation lease which expires in 2023. Lease expense for the years ended December 31, 2020 and 2019 totaled $29,028. Future minimum lease payments for the next 3 years are approximately as follows:

Years Ending:	2021	29,028
	2022	29,028
	2023	16,933

Note 7. Employee Benefit Plan

The Association maintains a 401(k) plan covering substantially all employees who have been employed for one year with at least 1,000 hours of service. The plan allows for a matching contribution of 25% of employees' contributions up to a maximum contribution of 15% of salary. Matching contributions for 2020 and 2019 amounted to $30,671 and $30,305, respectively.

Note 8. Designation of Net Assets

The Board of Directors has designated net assets for the following at December 31:

	2020	2019
Building - established with original proceeds from sale of former operating facility; invested in securities *(see Note 8)*	$ 1,569,092	$ 1,455,837
Research and development - increased annually on a discretionary basis	196,871	197,516
	$ 1,765,963	$ 1,653,353

In 2020 and 2019, there were expenditures of $645 and $1,728, respectively, from the research and development designated net assets. In 2020 and 2019, the Board of Directors did not authorize any appropriation from undesignated to research and development.

Note 9. Investments

Investments consist of the following at December 31:

	2020	2019
Money market	$ 116,240	$ 37,711
Mutual funds	1,811,601	1,751,010
	$ 1,927,841	$ 1,788,721

Total investment income consists of the following at December 31:

	2020	2019
Interest and dividend income	$ 54,804	$ 72,984
Net realized and unrealized (loss) gain on investments	118,813	227,774
	$ 173,617	$ 300,758

The investment income attributable to The All American Show and Sale is as follows and has been reflected in the "Net gain from The All American Show and Sale" on the Statements of Activities and in the above schedule.

	2020	2019
Interest and dividend income	$ 3,275	$ 4,329
Net realized and unrealized (loss) on investments	7,089	13,608
	$ 10,364	$ 17,937

Note 10. Fair Value Measurements

The Association uses fair value measurements to record fair value adjustments to certain assets and liabilities. The FASB established a framework for measuring fair value, established a three-level valuation hierarchy for disclosure of fair value measurement and enhanced disclosure requirements for fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The Association uses various valuation approaches, including market, income and/or cost approaches. The framework establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Association. Unobservable inputs are inputs that reflect the Association's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs, as follows: :

Level 1: Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2: Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3: Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

The following is a description of the valuation methodologies used for instruments measured at fair value:

Investments. The fair values of investments are based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, due to the limited market activity of the instrument, fair value is based upon externally developed models that use unobservable inputs.

The following tables set forth by level within the fair value hierarchy the Association's financial assets and liabilities that were accounted for at a fair value on a recurring basis as of December 31, 2020 and 2019. The financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Association's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and their placement within the fair value hierarchy levels. The tables do not include cash on hand or other assets and liabilities that are measured at historical cost or any basis other than fair value.

December 31, 2020

Asset Category	Total	Level 1	Level 2	Level 3
Equity mutual funds:				
U.S. large-cap core	$ 281,184	$ 281,184	$ –	$ –
U.S. large-cap growth	230,615	230,615	–	–
International	155,196	155,196	–	–
Multi-sector	212,774	212,774	–	–
Fixed income mutual funds:				
Short-term	249,768	249,768	–	–
High-yield	48,180	48,180	–	–
Intermediate	557,452	557,452	–	–
Real estate securities fund	76,432	76,432		
Total Assets	$ 1,811,601	$ 1,811,601	$ –	$ –

December 31, 2019

Asset Category	Total	Level 1	Level 2	Level 3
Equity mutual funds:				
U.S. large-cap core	$ 313,447	$ 313,447	$ –	$ –
U.S. large-cap value	107,392	107,392	–	–
U.S. large-cap growth	133,815	133,815	–	–
U.S. mid-cap	17,924	17,924	–	–
U.S. small-cap	35,823	35,823	–	–
International	161,636	161,636	–	–
Emerging Markets	35,636	35,636	–	–
Multi-sector	161,196	161,196	–	–
Fixed income mutual funds:				
Short-term	182,059	182,059	–	–
High-yield	159,714	159,714	–	–
Intermediate	369,975	369,975	–	–
Real estate securities fund	72,393	72,393		
Total Assets	$ 1,751,010	$ 1,751,010	$ –	$ –

Note 11. Functional Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the tables below. Administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Association.

December 31, 2020

	Herd Services	Performance	Jersey Journal	Total Program	Administrative	TOTAL
Salaries and benefits	$ 421,572	$ 643,007	$ 250,465	$ 1,315,044	$ 152,315	$ 1,467,359
Program services	943,390	41,260	2,235	986,885	8,239	995,124
Occupancy and general	79,081	80,104	40,034	199,219	20,985	220,204
Depreciation	6,636	12,660	948	20,244	3,792	24,036
Office supplies	65,157	72,143	22,146	159,446	28,369	187,815
Postage and printing	24,483	9,264	96,464	130,211	2,257	132,468
Information technology	7,446	8,510	1,064	17,020	4,255	21,275
Travel	19,594	212,520	5,643	237,757	11,195	248,952
Auto expense	13,463	18,649	1,923	34,035	7,694	41,729
Interest expense	164	188	23	375	94	469
Net loss from All American Show and Sale	16,705	-	-	16,705	-	16,705
Research and development	645	-	-	645	-	645
Net realized and unrealized gain on investments	-	-	-	-	(111,724)	(111,724)
	$1 ,598,336	$1,098,305	$ 420,945	$ 3,117,586	$ 127,471	$ 3,245,057

December 31, 2019

	Herd Services	Performance	Jersey Journal	Total Program	Administrative	TOTAL
Salaries and benefits	$ 437,680	$ 659,309	$ 289,639	$ 1,386,628	$ 160,550	$ 1,547,178
Program services	937,974	48,045	3,688	989,707	12,302	1,002,009
Occupancy and general	87,082	89,375	44,606	221,063	23,290	244,353
Depreciation	7,406	20,323	1,058	28,787	4,232	33,019
Office supplies	57,328	77,506	24,096	158,930	27,981	186,911
Postage and printing	25,576	9,615	102,489	137,680	2,523	140,203
Information technology	7,414	8,473	1,059	16,946	4,237	21,183
Travel	39,219	244,061	13,253	296,533	21,942	318,475
Auto expense	11,547	21,288	1,650	34,485	6,598	41,083
Interest expense	1,151	1,316	164	2,631	658	3,289
Net income from All American Show and Sale	(6,015)	-	-	(6,015)	-	(6,015)
Research and development	1,728	-	-	1,728	-	1,728
Net realized and unrealized gain on investments	-	-	-	-	(214,166)	(214,166)
	$1 ,608,090	$ 1,179,311	$ 481,702	$ 3,269,103	$ 50,147	$ 3,319,250

Note 12. Liquidity and Availability of Resources

The Association has financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures. This amount consists of cash and accounts receivable as presented on the accompanying statements of financial position. None of these amounts are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position.

The Association manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. The Association maintains financial assets on hand to meet normal operating expenses. As more fully described in Note 4, the Association also has committed lines of credit, which it could draw upon in the event of an unanticipated liquidity need.

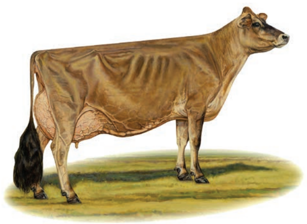
Note 13. Uncertainties due to COVID-19

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, the federal government, and many state and local jurisdictions in the U.S. have declared states of emergency. It is anticipated that these impacts will continue for some time. During 2020, the impact to the Association included reduced external events and reduction in costs primarily in travel and other costs associated with these events. Future potential impacts may include disruptions of restrictions on the employees' ability to work, the Association's ability to hold revenue events or obtain product for sale to its members, and the ability of its customers to pay its outstanding balances. Changes to the operating environment may increase operating costs. The future effects of these issues are unknown.

Note 14. Subsequent Events

Events that occur after the Statement of Financial Position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Financial Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Financial Position date require disclosure in the accompanying notes.

Management evaluated the activity of American Jersey Cattle Association through March 26, 2021 (the date the Financial Statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the Financial Statements or disclosure in the Notes to the Financial Statements.



To the Board of Directors
National All-Jersey Inc. and Subsidiary

We have audited the accompanying consolidated financial statements of National All-Jersey Inc. and Subsidiary which comprise the consolidated statements of financial position, as of December 31, 2020 and 2019, and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these 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.

Auditors' 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 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 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 present fairly, in all material respects, the consolidated financial position of National All-Jersey Inc. and Subsidiary as of December 31, 2020 and 2019, 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.

Tidwell Group, LLC

Columbus, Ohio
March 26, 2021

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019

ASSETS	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	$ **1,935,961**	$ 1,601,369
Custodial cash	**86,460**	84,111
Investments, at fair value	**719,550**	667,671
Accounts receivable, net	**58,086**	148,770
Total current assets	**2,800,057**	2,501,921
PROPERTY AND EQUIPMENT		
Land	**12,000**	12,000
Building	**87,256**	87,256
Furniture and equipment	**21,973**	20,939
Vehicles	**124,091**	124,091
	245,320	244,286
Less accumulated depreciation and amortization	**(227,039)**	(223,829)
Total property and equipment, net	**18,281**	20,457
	$ 2,818,338	$ 2,522,378

LIABILITIES AND NET ASSETS	2020	2019
CURRENT LIABILITIES		
Accounts payable	$ **327**	$ 6,634
Advances due to American Jersey Cattle Association	**885,919**	790,377
Fees due consignors	**100,964**	105,693
Accrued expenses	**21,707**	18,959
Accrued payroll and related benefits	**15,610**	16,057
Advances and reserves for advertising	**31,828**	31,828
Deferred income	**56,165**	47,400
Total current liabilities	**1,112,520**	1,016,948
NET ASSETS		
Without donor restrictions:		
Board Designated	**390,623**	390,945
Undesignated	**1,315,195**	1,114,485
Total net assets	**1,705,818**	1,505,430
	$ 2,818,338	$ 2,522,378

See Notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years Ended December 31, 2020 and 2019

	2020	2019
REVENUES		
Equity project fees	$ 877,541	$ 890,815
Commissions	142,740	150,554
Interest and dividend income	20,457	27,066
Other	34,071	26,409
Total revenues	1,074,809	1,094,844
COST OF OPERATIONS		
Salaries, service, and administrative	813,303	959,133
Field services	100,190	101,881
Bad debt expense	1,647	35,883
Depreciation and amortization	3,210	7,375
Total costs of operations	918,350	1,104,272
CHANGES IN NET ASSETS FROM OPERATIONS	156,459	(9,428)
OTHER INCOME (EXPENSE)		
Net realized and unrealized gain (loss) on investments	44,251	84,947
Total other income (expense)	44,251	84,947
CHANGES IN NET ASSETS BEFORE EXPENDITURES FROM DESIGNATED NET ASSETS	200,710	75,519
DECREASE FROM DESIGNATED NET ASSETS		
Research and development	(322)	(864)
Total decrease from designated net assets	(322)	(864)
CHANGES IN NET ASSETS	200,388	74,655
NET ASSETS, beginning	1,505,430	1,430,775
NET ASSETS, ending	$ 1,705,818	$ 1,505,430

See Notes to the Consolidated Financial Statements.

Statements of Cash Flows have not been included with these reports. A copy is available upon request.

Note 1. Nature of Organization and Significant Accounting Policies

Nature of business: National All-Jersey Inc. (NAJ) (the Company) was incorporated in the State of Ohio in 1957. Its purpose is to promote the increased production and sale of Jersey milk and milk products, and to promote Jersey cattle and the interests of breeders of Jersey cattle.

All-Jersey Sales Corporation (AJSC) (Subsidiary), a wholly-owned subsidiary of National All-Jersey Inc. was incorporated in the State of Ohio in 1961. It is a for-profit corporation with the original purpose of developing and selling All-Jersey milk advertising materials. In 1970, the corporation started a cattle marketing service, Jersey Marketing Service (JMS). The purpose of Jersey Marketing Service is to provide marketing assistance to buyers and sellers of Jersey cattle and embryos.

The objectives of both National All-Jersey Inc. and All-Jersey Sales Corporation are to increase the value of and demand for Jersey milk and cattle.

Principles of consolidation. The consolidated financial statements include the accounts of NAJ and its wholly-owned subsidiary, AJSC. All significant intercompany accounts and transactions have been eliminated.

Basis of presentation. The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Net assets, support and revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes in net assets are classified and reported as follows:

Without Donor Restrictions: Net assets available for use in general operation and not subject to donor restrictions. The Board of Directors has designated assets for research and development which totaled $390,623 and $390,945 for 2020 and 2019, respectively.

With Donor Restrictions: Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets and liabilities are reported as increases or decreases in net assets without donor restrictions. Expirations of restrictions on net assets are reported as reclassifications between applicable net asset classes.

Use of estimates. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments. Investments consist of money market and mutual funds. Money market funds are carried at cost which represents fair value. Mutual funds are carried at fair value on the statement of financial position, with the change in fair value included in the statement of activities and changes in net assets.

Cash and cash equivalents. For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Cash and custodial cash as of December 31, 2020 and 2019 consisted of the following:

	2020	2019
Cash and cash equivalents	$ 1,935,961	$ 1,601,369
Custodial Cash	86,460	84,111
	$2,022,421	$1,685,480

Custodial cash. The Company maintains cash due consignors in a separate custodial cash account.

Revenue recognition. Equity project fees are contributions from individual producers or producer organizations. The money is used to develop markets and to promote multiple component pricing. Equity project revenue is recognized in the period earned. However, equity fees received as annual Registration, Equity, Appraisal, Performance (REAP) payments are an exchange transaction and are recognized over a 12 month period using straight-line amortization.

Jersey Marketing Service recognizes public sale commissions in the period in which the sale is held and private sale commissions in the period in which the exchange transaction has been performed.

Accounts receivable. JMS extends credit to buyers of cattle at public auction sales. JMS typically does not pay sellers of cattle until collection from buyers has occurred for dispersal auction sales, per the sales contract. JMS typically guarantees payment to consignors of public consignment auction sales based on the selling price of the consignment. Accounts receivable are reflected at their billed amount. Management estimated an allowance for doubtful accounts, which was $11,000 and $15,000 as of December 31, 2020 and 2019. Bad debt expense of $1,647 and $35,883 was recognized for 2020 and 2019, respectively, as a result of this estimate. Specific accounts are charged directly to the reserve when management obtains evidence that the account is uncollectible.

Affiliated company. National All-Jersey Inc. and its wholly-owned subsidiary, All-Jersey Sales Corporation, are affiliated with American Jersey Cattle Association (AJCA) (the Association). These entities conduct operations from the same facility and have certain common directors, officers, and staff. Therefore, it is necessary to allocate jointly incurred expenses, such as salaries, rents, utilities, depreciation, and other costs of services and administration. The cost of operations reflected in the Consolidated Statements of Activities for 2020 and 2019 include reimbursements of $239,691 and $249,310, respectively, paid to the Association for these jointly incurred costs.

Valuation of long-lived assets. The Company 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 long-lived assets is measured by a comparison of the carrying amount of the asset to future undiscounted 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 estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell. There were no impairment losses recognized in 2020 and 2019.

Income taxes. National All-Jersey Inc. has been recognized by the Internal Revenue Service as an organization exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code. All-Jersey Sales Corporation is not exempt from income taxes.

AJSC accounts for income taxes using the liability approach. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

The Company follows ASC guidance on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. The Company has not recorded a reserve for any tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. The Company files tax returns in all appropriate jurisdictions. For the years ended December 31, 2020 and 2019, management has determined that there are no material uncertain tax positions.

While no tax returns are currently being reviewed by the Internal Revenue Service, tax years since 2017 remain open.

Concentration of credit and market risk. The Company maintains its demand deposits and temporary cash investments with one financial institution. Balances may at times exceed federally insured limits. Cash equivalents and investments are maintained in trust accounts with a trust company. The Company continually monitors its balances to minimize the risk of loss.

The Company's cattle sales are primarily to domestic buyers. The Company minimizes credit risk with foreign buyers by requiring irrevocable letters of credit or cash upon sale until they have established a business relationship and understanding with the buyer.

The Company also invests in a professionally managed portfolio that contains various securities as detailed in Note 9. Such investments are exposed to various risks, such as fluctuations in market value and credit risk. The investment balances in the accompanying consolidated financial statements may not be reflective of the portfolio's value during subsequent periods.

Property and equipment. Property and equipment are stated at cost. Expenditures which materially increase values or extend useful lives are capitalized. Routine maintenance and repairs are charged to expense as incurred. The cost of assets sold or retired and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Any gains or losses resulting from property disposals are included in income.

The Company provides for depreciation in amounts adequate to amortize cost over the estimated useful lives of the assets, utilizing the straight-line method, generally as follows:

Class of Assets	Useful Lives
Building	31½ years
Furniture and equipment	10 years
Vehicles	3–5 years

Fees due consignors. Fees due consignors represent amounts due to sellers of Jersey cattle from public auctions and private treaty sales managed by JMS.

Advertising. The Company's advertising efforts are associated with nondirect-response programs. The costs are expensed in the period of the related advertisement. The Company expensed $7,054 and $22,056 for the years ended December 31, 2020 and 2019, respectively.

Note 2. Revenue from Contracts with Customers (Members)

Equity project fees revenue consists of the following categories for the years ended December 31, 2020 and 2019:

	2020	2019
Equity project fee—contributions	$ 315,507	$ 324,000
Equity project fee—Registration, Equity, Appraisal Performance (REAP)	562,034	566,815
	$ 877,541	$ 890,815

The following table provides information about significant changes in contract liabilities (deferred income) for the year ended December 31, 2020:

Deferred income, beginning of year	$ 47,400
Revenue recognized that was included in deferred income at the beginning of the year	(47,400)
Increase due to cash received during the year	56,165
Deferred income, end of year	$ 56,165

Note 3. Expenses by Cost of Operations Classification

The Company's operating expenses by cost of operations for December 31 are as follows:

	2020	2019
National All-Jersey Equity program	$ 518,250	$ 556,980
Accounting, administration, general and field service	245,284	258,615
All-Jersey Sales (JMS)	154,816	288,677
Total cost of operations	$ 918,350	$ 1,104,272

Note 4. Advances and Reserves for Advertising

	2020	2019
5% National - represents funds accumulated as a percentage of member advances to be applied to cost of national or regional advertising for benefit of all members	$ 31,828	$ 31,828

Note 5. Designation of Net Assets

The Board of Directors has designated net assets for the following at December 31:

	2020	2019
Research and development: In 2020 and 2019, there were expenditures of $322 and $864, respectively, from research and development designated net assets.	$ 390,623	$ 390,945

Note 6. Income Taxes

Deferred income taxes arise from temporary differences resulting from income and expense items reported for financial accounting and tax reporting purposes in different periods. Deferred taxes are classified as current or long-term, depending on the classification of the assets and liabilities to which they relate. Deferred taxes arising from temporary differences that are not related to an asset or liability are classified as current or long-term depending on the periods in which the temporary differences are expected to reverse.

Net deferred tax assets in the accompanying balance sheet include the following components at December 31:

Deferred Tax Assets	2020	2019
Provision for doubtful accounts	$ 2,000	$ 2,600
Net operating loss	147,100	149,000
Gross deferred tax assets	149,100	151,600
Less valuation allowance	(149,100)	(151,600)
Net deferred tax assets	$ –	$ –

For the year ended December 31, 2020, AJSC incurred a net operating loss and the future deductible net operating loss carry forward was increased. In addition, no benefit for income taxes has been recorded due to the uncertainty of the realization of any tax assets. At December 31, 2020, the Company had approximately $866,000 of federal net operating loss carryforwards. The net operating loss carry forwards, if not utilized, will begin to expire in 2030.

Note 7. Lines of Credit

At December 31, 2020 and 2019, the Company has available a $175,000, due on demand, line of credit with interest payable monthly at prime (3.25% and 4.75% at December 31, 2020 and 2019, respectively). The line is collateralized by investments held by NAJ and AJCA. NAJ is a guarantor on the line of credit. No funds were drawn on the line at December 31, 2020 and 2019.

Note 8. Benefit Plan

The Company maintains a 401(k) plan covering substantially all employees, who have been employed for one year with at least 1,000 hours of service. The plan allows for a matching contribution of 25% of employees' contributions up to a maximum contribution of 15% of salary. Matching contributions for 2020 and 2019 amounted to $10,021 and $9,709, respectively.

Note 9. Investments

Investments consisted of the following at December 31:

	2020	2019
Money market	$ 43,404	$ 14,087
Mutual funds	676,146	653,584
	$ 719,550	$ 667,671

Investment income consists of the following:

	2020	2019
Interest and dividend income	$ 20,457	$ 27,066
Net realized and unrealized gain on investments	44,251	84,947
	$ 64,708	$ 112,013

Note 10. Fair Value Measurements

The Company uses fair value measurements to record fair value adjustments to certain assets and liabilities. The FASB established a framework for measuring fair value, established a three-level valuation hierarchy for disclosure of fair value measurement and enhanced disclosure requirements for fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The Company uses various valuation approaches, including market, income and/or cost approaches. The framework establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs, as follows:

Level 1: Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2: Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3: Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

The following is a description of the valuation methodologies used for instruments measured at fair value:

Investments: The fair values of investments are based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, due to the limited market activity of the instrument, fair value is based upon externally developed models that use unobservable inputs.

The following tables set forth by level within the fair value hierarchy the Company's financial assets and liabilities that were accounted for at a fair value on a recurring basis as of December 31, 2020, and 2019. The financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and their placement within the fair value hierarchy levels. The table does not include cash on hand or other assets and liabilities that are measured at historical cost or any basis other than fair value.

December 31, 2020

Asset Category	Total	Level 1	Level 2	Level 3
Equity mutual funds:				
U.S. large-cap core	$ 104,950	$ 104,950	$ –	$ –
U.S. large-cap growth	86,065	86,065	–	–
International	57,926	57,926	–	–
Multi-Sector	79,409	79,409	–	–
Fixed income mutual funds:				
Short-term	93,224	93,224	–	–
High-yield	17,982	17,982	–	–
Intermediate	208,063	208,063	–	–
Real estate securities fund	28,527	28,527	–	–
Total Assets	$ 676,146	$ 676,146	$ –	$ –

December 31, 2019

Asset Category	Total	Level 1	Level 2	Level 3
Equity mutual funds:				
U.S. large-cap core	$ 102,083	$ 102,083	$ –	$ –
U.S. large-cap value	40,081	40,081	–	–
U.S. large-cap growth	49,978	49,978	–	–
U.S. mid-cap	6,689	6,689	–	–
U.S. small-cap	13,371	13,371	–	–
International	60,332	60,332	–	–
Emerging Markets	13,302	13,302	–	–
Multi-Sector	60,138	60,138	–	–
Fixed income mutual funds:				
Short-term	92,146	92,146	–	–
High-yield	21,896	21,896	–	–
Intermediate	166,541	166,541	–	–
Real estate securities fund	27,027	27,027	–	–
Total Assets	$ 653,584	$ 653,584	$ –	$ –

Note 11. Functional Expenses

The cost of providing the various programs have been summarized on a functional basis in the table below. Administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Association.

December 31, 2020

	Equity	Public Sales	Total Program	Administrative	TOTAL
Salaries and benefits	$268,868	$64,284	$333,152	$238,350	$571,502
Field	90,415	45,786	136,201	-	136,201
Occupancy and general	6,670	6,670	13,340	53,356	66,696
Depreciation	1,059	1,059	2,118	1,092	3,210
Office supplies	18,592	4,346	22,938	71,828	94,766
Travel and auto expense	8,107	7,028	15,135	8,476	23,611
Board and annual meetings	11,182	-	11,182	11,182	22,364
Research and development	322	-	322	-	322
Net realized and unrealized gain on investments	-	-	-	(44,251)	(44,251)
	$405,215	$129,173	$534,388	$340,033	$874,421

December 31, 2019

	Equity	Public Sales	Total Program	Administrative	TOTAL
Salaries and benefits	$262,975	$106,031	$369,006	$236,904	$605,910
Field	91,348	125,278	216,626	-	216,626
Occupancy and general	6,763	6,763	13,526	54,103	67,629
Depreciation	2,434	2,434	4,868	2,508	7,376
Office supplies	33,197	5,682	38,879	83,756	122,635
Travel and auto expense	16,545	8,315	24,860	16,982	41,842
Board and annual meetings	21,127	-	21,127	21,127	42,254
Research and development	864	-	864	-	864
Net realized and unrealized gain on investments	-	-	-	(84,947)	(84,947)
	$435,253	$254,503	$689,756	$330,433	$1,020,189

Note 12. Liquidity and Availability of Resources

The Company has financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures. This amount consists of cash and accounts receivable as presented on the accompanying statements of financial position. None of these amounts are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position.

The Company manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. The Company maintains financial assets on hand to meet normal operating expenses. As more fully described in Note 7, the Company also has committed lines of credit, which it could draw upon in the event of an unanticipated liquidity need.

Note 13. Uncertainty due to COVID-19

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, the federal government, and many state and local jurisdictions in the U.S. have declared states of emergency. It is anticipated that these impacts will continue for some time. During 2020, the impact to the Company included reduced events and auctions and reduction in costs primarily in travel costs and other costs associated with these events and auctions. Future potential impacts may include disruptions or restrictions on the employees' ability to work, reduction in some revenue producing activities, and the ability of the Company's customers to pay outstanding accounts receivable balances. Changes to the operating environment may increase operating costs. The future effects of these issues are unknown.

Note 14. Subsequent Events

Events that occur after the Statement of Financial Position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Financial Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Financial Position date require disclosure in the accompanying notes. Management evaluated the activity of National All-Jersey Inc. and Subsidiary. through March 26, 2021 (the date the Financial Statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the Financial Statements or disclosure in the Notes to the Financial Statements.

AMERICAN JERSEY CATTLE ASSOCIATION
NATIONAL ALL-JERSEY INC.
ALL-JERSEY SALES CORPORATION

LEADING INDICATORS OF JERSEY BREED GROWTH AND IMPROVEMENT

	2020	2010	2000	Change *('20 v. '00)*
Identification				
Animals recorded	121,724	90,366	63,776	90.86%
Animals transferred	13,170	16,799	20,691	(36.35%)
Performance Programs				
Herds enrolled	1,033	1,059	918	12.53%
Cows enrolled	154,924	132,246	92,369	67.72%
Jersey Tags	279,380	142,254		
Production *(AJCA lactations, 305-day, 2x, ME)*				
Protein, true *(*reported as total protein)*	750	671	654*	14.68%
Milk	20,205	18,567	17,680	14.28%
Fat	980	859	807	21.44%
Equity Investment	$ 877,526	$ 655,512	$ 338,247	159.43%
Jersey Marketing Service				
Gross for private treaty sales	$1,420,560	$ 1,594,349	$ 3,190,317	(55.47%)
Gross for public sales	$ 1,725,746	$ 4,276,335	$ 6,617,370	(73.92%)
Combined Net Assets	$4,585,866	$2,591,403	$ 2,097,176	118.67%

American Jersey Cattle Association Board of Directors

Jonathan Merriam
President

Jonathan Merriam
President
Hickman, California

Mark O. Gardner
Vice President
Dayton, Pennsylvania

Joel Albright
Willard, Ohio

John G. Boer
Dalhart, Texas

Karen Bohnert
East Moline, Illinois

Tyler Boyd
Hilmar, California

Rebecca Ferry
Johnstown, New York

Garry Hansen
Mulino, Oregon

John Maxwell
Donahue, Iowa

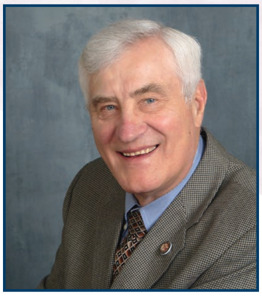
Cornell Kasbergen
Tulare, California

Donna Phillips
Newton, Wisconsin

Sheldon "Tom" Sawyer, Jr.
Walpole, New Hampshire

Bradley Taylor
Booneville, Mississippi

National All-Jersey Inc. Board of Directors



John Kokoski
President

John Kokoski
President
Hadley, Massachusetts

James S. Huffard III
Vice President
Crockett, Virginia

Jason L. Cast
Beaver Crossing, Nebraska

Calvin Graber
Parker, South Dakota

Rogelio "Roger" Herrera
Hilmar, California

John Marcoot
Greenville, Illinois

Jonathan Merriam, *ex officio*

Walter Owens
Frederic, Wisconsin

Sheldon "Tom" Sawyer, Jr., *ex officio*

Veronica L. Steer
Cottage Grove, Tennessee

Bradley Taylor, *ex officio*

6486 E. Main Street, Reynoldsburg, Ohio 43068-2362 U.S.A.
614/861-3636 Phone 614/861-8040 Fax www.USJersey.com