

**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

**2002**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

**A** For the 2002 calendar year, or tax year period beginning **OCT 1, 2002** and ending **SEP 30, 2003**

|  |   |  |   |
|--|---|--|---|
| <b>B</b> Check if applicable:<br><input type="checkbox"/> Address change<br><input type="checkbox"/> Name change<br><input type="checkbox"/> Initial return<br><input type="checkbox"/> Final return<br><input checked="" type="checkbox"/> Amended return<br><input type="checkbox"/> Application pending | Please use IRS label or print or type. See Specific Instructions.<br><b>C</b> Name of organization<br><b>NORTH AMERICAN FLYBALL ASSOCIATION, INC.</b> | <b>D</b> Employer identification number<br><b>38-3257568</b> |   |
|  | Number and street (or P.O. box if mail is not delivered to street address)<br><b>1400 W DEVON AVE</b>   | Room/suite<br><b>512</b>                                     | <b>E</b> Telephone number<br><b>800-318-6312</b>  |
|  | City or town, state or country, and ZIP + 4<br><b>CHICAGO, IL 60660</b>   |  | <b>F</b> Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual<br><input type="checkbox"/> Other (specify) ▶ |

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

**H and I are not applicable to section 527 organizations.**

**H(a)** Is this a group return for affiliates?  Yes  No

**H(b)** If "Yes," enter number of affiliates ▶

**H(c)** Are all affiliates included? **N/A**  Yes  No (If "No," attach a list.)

**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No

**I** Enter 4-digit GEN ▶

**G** Web site: ▶ **WWW.FLYBALL.ORG**

**J** Organization type (check only one) ▶  501(c) ( **4** ) ◀ (insert no.)  4947(a)(1) or  527

**K** Check here  if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

**M** Check  if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

**L** Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **126,782.**

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances**

|   |   | 1a             | 1b            | 1c              | 1d              |
|---|---|----------------|---------------|-----------------|-----------------|
| Revenue   | <b>1</b> Contributions, gifts, grants, and similar amounts received:  |                |               |                 |                 |
|   | <b>a</b> Direct public support  |                |               |                 |                 |
|   | <b>b</b> Indirect public support  |                |               |                 |                 |
|   | <b>c</b> Government contributions (grants)  |                |               |                 |                 |
|   | <b>d</b> Total (add lines 1a through 1c) (cash \$ _____ noncash \$ _____)                                   |                |               |                 | <b>0.</b>       |
|   | <b>2</b> Program service revenue including government fees and contracts (from Part VII, line 93)           |                |               |                 | <b>107,632.</b> |
|   | <b>3</b> Membership dues and assessments  |                |               |                 | <b>13,353.</b>  |
|   | <b>4</b> Interest on savings and temporary cash investments   |                |               |                 | <b>2,176.</b>   |
|   | <b>5</b> Dividends and interest from securities   |                |               |                 |                 |
|   | <b>6 a</b> Gross rents  | <b>6a</b>      |               |                 |                 |
|   | <b>b</b> Less: rental expenses  | <b>6b</b>      |               |                 |                 |
|   | <b>c</b> Net rental income or (loss) (subtract line 6b from line 6a)  | <b>6c</b>      |               |                 |                 |
| <b>7</b> Other investment income (describe ▶ _____) | <b>7</b>  |                |               |                 |                 |
| Revenue   | <b>8 a</b> Gross amount from sale of assets other than inventory  | (A) Securities | (B) Other     |                 |                 |
|   | <b>b</b> Less: cost or other basis and sales expenses   | <b>8a</b>      | <b>8b</b>     |                 |                 |
|   | <b>c</b> Gain or (loss) (attach schedule)   | <b>8c</b>      |               |                 |                 |
|   | <b>d</b> Net gain or (loss) (combine line 8c, columns (A) and (B))  | <b>8d</b>      |               |                 |                 |
| Revenue   | <b>9</b> Special events and activities (attach schedule)  |                |               |                 |                 |
|   | <b>a</b> Gross revenue (not including \$ _____ of contributions reported on line 1a)                        | <b>9a</b>      |               |                 |                 |
|   | <b>b</b> Less: direct expenses other than fundraising expenses  | <b>9b</b>      |               |                 |                 |
| Revenue   | <b>c</b> Net income or (loss) from special events (subtract line 9b from line 9a)                           | <b>9c</b>      |               |                 |                 |
|   | <b>10 a</b> Gross sales of inventory, less returns and allowances   | <b>10a</b>     | <b>3,621.</b> |                 |                 |
| Revenue   | <b>b</b> Less: cost of goods sold   | <b>10b</b>     | <b>3,467.</b> |                 |                 |
|   | <b>c</b> Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a) | <b>10c</b>     | <b>STMT 1</b> | <b>154.</b>     |                 |
|   | <b>11</b> Other revenue (from Part VII, line 103)   | <b>11</b>      |               |                 |                 |
|   | <b>12</b> Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)                              | <b>12</b>      |               | <b>123,315.</b> |                 |
| Expenses  | <b>13</b> Program services (from line 44, column (B))   | <b>13</b>      |               | <b>58,785.</b>  |                 |
|   | <b>14</b> Management and general (from line 44, column (C))   | <b>14</b>      |               | <b>19,921.</b>  |                 |
|   | <b>15</b> Fundraising (from line 44, column (D))  | <b>15</b>      |               |                 |                 |
|   | <b>16</b> Payments to affiliates (attach schedule)  | <b>16</b>      |               |                 |                 |
|   | <b>17</b> Total expenses (add lines 16 and 44, column (A))  | <b>17</b>      |               | <b>78,706.</b>  |                 |
| Net Assets  | <b>18</b> Excess or (deficit) for the year (subtract line 17 from line 12)                                  | <b>18</b>      |               | <b>44,609.</b>  |                 |
|   | <b>19</b> Net assets or fund balances at beginning of year (from line 73, column (A))                       | <b>19</b>      |               | <b>242,949.</b> |                 |
|   | <b>20</b> Other changes in net assets or fund balances (attach explanation)                                 | <b>20</b>      |               | <b>0.</b>       |                 |
|   | <b>21</b> Net assets or fund balances at end of year (combine lines 18, 19, and 20)                         | <b>21</b>      |               | <b>287,558.</b> |                 |

**Part II Statement of Functional Expenses** All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. Page 2

| Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I. |  | (A) Total | (B) Program services | (C) Management and general | (D) Fundraising |    |
|---|--|-----------|----------------------|----------------------------|-----------------|----|
| 22  | Grants and allocations (attach schedule)   |           |                      |                            |                 |    |
|   | cash \$ _____ noncash \$ _____   | 22        |                      |                            |                 |    |
| 23  | Specific assistance to individuals (attach schedule)   | 23        |                      |                            |                 |    |
| 24  | Benefits paid to or for members (attach schedule)  | 24        |                      |                            |                 |    |
| 25  | Compensation of officers, directors, etc.  | 25        | 0.                   | 0.                         | 0.              |    |
| 26  | Other salaries and wages   | 26        |                      |                            |                 |    |
| 27  | Pension plan contributions   | 27        |                      |                            |                 |    |
| 28  | Other employee benefits  | 28        |                      |                            |                 |    |
| 29  | Payroll taxes  | 29        |                      |                            |                 |    |
| 30  | Professional fundraising fees  | 30        |                      |                            |                 |    |
| 31  | Accounting fees  | 31        |                      |                            |                 |    |
| 32  | Legal fees   | 32        | 53.                  | 53.                        |                 |    |
| 33  | Supplies   | 33        | 21,569.              | 16,558.                    | 5,011.          |    |
| 34  | Telephone  | 34        | 2,638.               | 2,638.                     |                 |    |
| 35  | Postage and shipping   | 35        | 3,017.               | 3,017.                     |                 |    |
| 36  | Occupancy  | 36        |                      |                            |                 |    |
| 37  | Equipment rental and maintenance   | 37        | 1,015.               | 1,015.                     |                 |    |
| 38  | Printing and publications  | 38        | 1,238.               | 1,238.                     |                 |    |
| 39  | Travel   | 39        | 14,306.              | 14,306.                    |                 |    |
| 40  | Conferences, conventions, and meetings   | 40        | 1,336.               | 1,336.                     |                 |    |
| 41  | Interest   | 41        |                      |                            |                 |    |
| 42  | Depreciation, depletion, etc. (attach schedule)  | 42        | 32,983.              | 32,983.                    |                 |    |
| 43  | Other expenses not covered above (itemize):  |           |                      |                            |                 |    |
|   | a <b>BANK CHARGES</b>  | 43a       | 551.                 | 551.                       |                 |    |
|   | b _____  | 43b       |                      |                            |                 |    |
|   | c _____  | 43c       |                      |                            |                 |    |
|   | d _____  | 43d       |                      |                            |                 |    |
|   | e _____  | 43e       |                      |                            |                 |    |
| 44  | Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15 | 44        | 78,706.              | 58,785.                    | 19,921.         | 0. |

Joint Costs. Check  if you are following SOP 98-2.  
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_; (ii) the amount allocated to Program services \$ \_\_\_\_\_;  
 (iii) the amount allocated to Management and general \$ \_\_\_\_\_; and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments**

| What is the organization's primary exempt purpose? <input type="checkbox"/>   | Program Service Expenses<br>(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.) |
|---|---|
| <b>SUPPORT RESPONSIBLE DOG OWNERSHIP</b>  |   |
| a SEE STATEMENT 2   |   |
| (Grants and allocations \$ _____)   | 49,541.   |
| b REGISTERED 1364 NEW DOGS TO PARTICIPATE IN THE SPORT AND REGISTERED 57 NEW CLUBS ACROSS THE US AND CANADA                               |   |
| (Grants and allocations \$ _____)   | 5,655.  |
| c PROVIDE MAINTENANCE FOR 22 ELECTRONIC JUDGING SYSTEMS AND 18 MEASURING DEVICES THAT ARE SHIPPED TO TOURNAMENTS ACROSS THE US AND CANADA |   |
| (Grants and allocations \$ _____)   | 1,015.  |
| d PUBLISHED NAFA NEWS TO 362 ACTIVE CLUBS AND THEIR DELEGATES 4 TIMES DURING THE YEAR.  |   |
| (Grants and allocations \$ _____)   | 1,238.  |
| e Other program services (attach schedule) STATEMENT 3  | (Grants and allocations \$ _____) 1,336.  |
| f Total of Program Service Expenses (should equal line 44, column (B), Program services)  | 58,785.   |

**Part IV Balance Sheets**

**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

|                                    |  | (A)<br>Beginning of year   |          | (B)<br>End of year |          |
|------------------------------------|--|--|----------|--------------------|----------|
| <b>Assets</b>                      | 45   | Cash - non-interest-bearing .....  | 12,726.  | 45                 | 27,993.  |
|                                    | 46   | Savings and temporary cash investments .....                               | 153,180. | 46                 | 157,199. |
|                                    | 47 a   | Accounts receivable .....  | 3,707.   |                    |          |
|                                    | b  | Less: allowance for doubtful accounts .....                                |          | 1,750.             | 3,707.   |
|                                    | 48 a   | Pledges receivable .....   |          |                    |          |
|                                    | b  | Less: allowance for doubtful accounts .....                                |          |                    |          |
|                                    | 49   | Grants receivable .....  |          |                    |          |
|                                    | 50   | Receivables from officers, directors, trustees,<br>and key employees ..... |          |                    |          |
|                                    | 51 a   | Other notes and loans receivable .....                                     |          |                    |          |
|                                    | b  | Less: allowance for doubtful accounts .....                                |          |                    |          |
|                                    | 52   | Inventories for sale or use .....  |          |                    |          |
|                                    | 53   | Prepaid expenses and deferred charges .....                                |          |                    |          |
|                                    | 54   | Investments - securities .....   |          |                    |          |
|                                    | 55 a   | Investments - land, buildings, and<br>equipment: basis .....               |          |                    |          |
| b                                  | Less: accumulated depreciation .....   |  |          |                    |          |
| 56                                 | Investments - other .....  |  |          |                    |          |
| 57 a                               | Land, buildings, and equipment: basis .....  | 179,151.   |          |                    |          |
| b                                  | Less: accumulated depreciation <b>STMT 4</b> .....   | 73,915.  | 75,634.  | 105,236.           |          |
| 58                                 | Other assets (describe ▶ .....   |  |          |                    |          |
| 59                                 | <b>Total assets</b> (add lines 45 through 58) (must equal line 74) .....   | 243,290.   | 59       | 294,135.           |          |
| <b>Liabilities</b>                 | 60   | Accounts payable and accrued expenses .....                                | 341.     | 60                 | 6,577.   |
|                                    | 61   | Grants payable .....   |          | 61                 |          |
|                                    | 62   | Deferred revenue .....   |          | 62                 |          |
|                                    | 63   | Loans from officers, directors, trustees, and key employees .....          |          | 63                 |          |
|                                    | 64 a   | Tax-exempt bond liabilities .....  |          | 64a                |          |
|                                    | b  | Mortgages and other notes payable .....                                    |          | 64b                |          |
|                                    | 65   | Other liabilities (describe ▶ .....  |          |                    |          |
| 66                                 | <b>Total liabilities</b> (add lines 60 through 65) .....   | 341.   | 66       | 6,577.             |          |
| <b>Net Assets or Fund Balances</b> | Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.                         |  |          |                    |          |
|                                    | 67   | Unrestricted .....   | 242,949. | 67                 | 287,558. |
|                                    | 68   | Temporarily restricted .....   |          | 68                 |          |
|                                    | 69   | Permanently restricted .....   |          | 69                 |          |
|                                    | Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.   |  |          |                    |          |
|                                    | 70   | Capital stock, trust principal, or current funds .....                     |          | 70                 |          |
|                                    | 71   | Paid-in or capital surplus, or land, building, and equipment fund .....    |          | 71                 |          |
|                                    | 72   | Retained earnings, endowment, accumulated income, or other funds .....     |          | 72                 |          |
| 73                                 | <b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72;<br>column (A) must equal line 19; column (B) must equal line 21) ..... | 242,949.   | 73       | 287,558.           |          |
| 74                                 | <b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73) .....  | 243,290.   | 74       | 294,135.           |          |

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

**Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return**

|     |  |   |     |
|-----|--|---|-----|
| a   | Total revenue, gains, and other support per audited financial statements | a | N/A |
| b   | Amounts included on line a but not on line 12, Form 990:                 | b |     |
| (1) | Net unrealized gains on investments \$                                   |   |     |
| (2) | Donated services and use of facilities \$                                |   |     |
| (3) | Recoveries of prior year grants \$                                       |   |     |
| (4) | Other (specify): \$  |   |     |
|     | Add amounts on lines (1) through (4)                                     | b |     |
| c   | Line a minus line b  | c |     |
| d   | Amounts included on line 12, Form 990 but not on line a:                 | d |     |
| (1) | Investment expenses not included on line 6b, Form 990 \$                 |   |     |
| (2) | Other (specify): \$  |   |     |
|     | Add amounts on lines (1) and (2)   | d |     |
| e   | Total revenue per line 12, Form 990 (line c plus line d)                 | e |     |

**Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return**

|     |  |   |     |
|-----|--|---|-----|
| a   | Total expenses and losses per audited financial statements | a | N/A |
| b   | Amounts included on line a but not on line 17, Form 990:   | b |     |
| (1) | Donated services and use of facilities \$                  |   |     |
| (2) | Prior year adjustments reported on line 20, Form 990 \$    |   |     |
| (3) | Losses reported on line 20, Form 990 \$                    |   |     |
| (4) | Other (specify): \$  |   |     |
|     | Add amounts on lines (1) through (4)                       | b |     |
| c   | Line a minus line b  | c |     |
| d   | Amounts included on line 17, Form 990 but not on line a:   | d |     |
| (1) | Investment expenses not included on line 6b, Form 990 \$   |   |     |
| (2) | Other (specify): \$  |   |     |
|     | Add amounts on lines (1) and (2)                           | d |     |
| e   | Total expenses per line 17, Form 990 (line c plus line d)  | e |     |

**Part V List of Officers, Directors, Trustees, and Key Employees** (List each one even if not compensated.)

| (A) Name and address | (B) Title and average hours per week devoted to position | (C) Compensation (If not paid, enter -0-) | (D) Contributions to employee benefit plans & deferred compensation | (E) Expense account and other allowances |
|----------------------|--|---|---|--|
| SEE STATEMENT 5      |  | 0.  | 0.  | 0.                                       |
|                      |  |   |   |  |
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|                      |  |   |   |  |

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? If "Yes," attach schedule.  Yes  No

Part VI Other Information

76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity
77 Were any changes made in the organizing or governing documents but not reported to the IRS?
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?
78 b If "Yes," has it filed a tax return on Form 990-T for this year?
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year?
80 a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?
80 b If "Yes," enter the name of the organization and check whether it is exempt or nonexempt.
81 a Enter direct or indirect political expenditures. See line 81 instructions
81 b Did the organization file Form 1120-POL for this year?
82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?
82 b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?
83 b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?
84 a Did the organization solicit any contributions or gifts that were not tax deductible?
84 b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?
85 b Did the organization make only in-house lobbying expenditures of \$2,000 or less?
85 c Dues, assessments, and similar amounts from members
85 d Section 162(e) lobbying and political expenditures
85 e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices
85 f Taxable amount of lobbying and political expenditures (line 85d less 85e)
85 g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?
85 h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?
86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12
86 b Gross receipts, included on line 12, for public use of club facilities
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders
87 b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3?
89 a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911; section 4912; section 4955
89 b 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year?
90 a List the states with which a copy of this return is filed
90 b Number of employees employed in the pay period that includes March 12, 2002
91 The books are in care of DALE SMITH Telephone no. 402-468-4804

Located at 6137 N RIDGE ROAD, FORT CALHOUN, NE ZIP + 4 68023

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year

**Part VII Analysis of Income-Producing Activities** (See page 31 of the instructions.)

|  | Unrelated business income |               | Excluded by section 512, 513, or 514 |               | (E)<br>Related or exempt<br>function income |
|--|---------------------------|---------------|--------------------------------------|---------------|---|
|  | (A)<br>Business<br>code   | (B)<br>Amount | (C)<br>Exclu-<br>sion<br>code        | (D)<br>Amount |   |
| <b>93</b> Program service revenue:                                     |                           |               |                                      |               |   |
| <b>a</b> <u>TOURNAMENT SANCTIONING</u>                                 |                           |               |                                      |               | 107,632.                                    |
| <b>b</b> _____   |                           |               |                                      |               |   |
| <b>c</b> _____   |                           |               |                                      |               |   |
| <b>d</b> _____   |                           |               |                                      |               |   |
| <b>e</b> _____   |                           |               |                                      |               |   |
| <b>f</b> Medicare/Medicaid payments                                    |                           |               |                                      |               |   |
| <b>g</b> Fees and contracts from government agencies                   |                           |               |                                      |               |   |
| <b>94</b> Membership dues and assessments                              |                           |               |                                      |               | 13,353.                                     |
| <b>95</b> Interest on savings and temporary cash investments           |                           |               | 14                                   | 2,176.        |   |
| <b>96</b> Dividends and interest from securities                       |                           |               |                                      |               |   |
| <b>97</b> Net rental income or (loss) from real estate:                |                           |               |                                      |               |   |
| <b>a</b> debt-financed property  |                           |               |                                      |               |   |
| <b>b</b> not debt-financed property                                    |                           |               |                                      |               |   |
| <b>98</b> Net rental income or (loss) from personal property           |                           |               |                                      |               |   |
| <b>99</b> Other investment income                                      |                           |               |                                      |               |   |
| <b>100</b> Gain or (loss) from sales of assets<br>other than inventory |                           |               |                                      |               |   |
| <b>101</b> Net income or (loss) from special events                    |                           |               |                                      |               |   |
| <b>102</b> Gross profit or (loss) from sales of inventory              |                           |               |                                      |               | 154.  |
| <b>103</b> Other revenue:  |                           |               |                                      |               |   |
| <b>a</b> _____   |                           |               |                                      |               |   |
| <b>b</b> _____   |                           |               |                                      |               |   |
| <b>c</b> _____   |                           |               |                                      |               |   |
| <b>d</b> _____   |                           |               |                                      |               |   |
| <b>e</b> _____   |                           |               |                                      |               |   |
| <b>104</b> Subtotal (add columns (B), (D), and (E))                    |                           | 0.            |                                      | 2,176.        | 121,139.                                    |
| <b>105</b> Total (add line 104, columns (B), (D), and (E))             |                           |               |                                      |               | 123,315.                                    |

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See page 32 of the instructions.)

| Line No. | Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes). |
|----------|---|
| ▼        | SEE STATEMENT 6   |

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See page 32 of the instructions.)

| (A)<br>Name, address, and EIN of corporation,<br>partnership, or disregarded entity | (B)<br>Percentage of<br>ownership interest | (C)<br>Nature of activities | (D)<br>Total income | (E)<br>End-of-year<br>assets |
|---|--|-----------------------------|---------------------|------------------------------|
| N/A   | %  |                             |                     |                              |
|   | %  |                             |                     |                              |
|   | %  |                             |                     |                              |
|   | %  |                             |                     |                              |

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See page 33 of the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer: [Signature] Date: 2/15/06 Type or print name and title: Date Smith Treasurer

Paid Preparer's Use Only

Preparer's signature: [Signature] Date: 2/15/06 Check if self-employed:  Preparer's SSN or PTIN: \_\_\_\_\_

Firm's name (or yours if self-employed), address, and ZIP + 4: SEIM, JOHNSON, SESTAK & QUIST, LLP  
8807 INDIAN HILLS DRIVE, SUITE 300  
OMAHA, NE 68114-4123

EIN: \_\_\_\_\_ Phone no.: (402) 330-2660

| Asset No. | Description             | Date Acquired | Method | Life  | Line No. | Unadjusted Cost Or Basis | Bus % Excl | * Reduction In Basis | Basis For Depreciation | Accumulated Depreciation | Current Sec 179 | Amount Of Depreciation |
|-----------|-------------------------|---------------|--------|-------|----------|--------------------------|------------|----------------------|------------------------|--------------------------|-----------------|------------------------|
| 1         | RACING EQUIPMENT        | 100101SL      |        | 5.00  | 16       | 45,872.                  |            |                      | 45,872.                | 9,174.                   |                 | 9,174.                 |
| 2         | RACING EQUIPMENT        | 100102SL      |        | 5.00  | 16       | 61,829.                  |            |                      | 61,829.                | 12,366.                  |                 | 12,366.                |
| 3         | RACING EQUIPMENT        | 100198SL      |        | 5.00  | 16       | 9,772.                   |            |                      | 9,772.                 | 7,817.                   |                 | 1,954.                 |
| 4         | RACING EQUIPMENT        | 100199SL      |        | 5.00  | 16       | 10,155.                  |            |                      | 10,155.                | 6,093.                   |                 | 2,031.                 |
| 5         | RACING EQUIPMENT        | 100100SL      |        | 5.00  | 16       | 32,547.                  |            |                      | 32,547.                | 13,018.                  |                 | 6,509.                 |
| 6         | TRADEMARK COSTS         | 100195SL      |        | 20.00 | 16       | 9,332.                   |            |                      | 9,332.                 | 3,267.                   |                 | 467.                   |
| 7         | TRADEMARK COSTS         | 100196SL      |        | 20.00 | 16       | 1,055.                   |            |                      | 1,055.                 | 317.                     |                 | 53.                    |
| 8         | TRADEMARK COSTS         | 100197SL      |        | 20.00 | 16       | 1,086.                   |            |                      | 1,086.                 | 271.                     |                 | 54.                    |
| 9         | TRADEMARK COSTS         | 100198SL      |        | 20.00 | 16       | 1,639.                   |            |                      | 1,639.                 | 328.                     |                 | 82.                    |
| 10        | TRADEMARK COSTS         | 100199SL      |        | 20.00 | 16       | 1,000.                   |            |                      | 1,000.                 | 150.                     |                 | 50.                    |
| 11        | TRADEMARK COSTS         | 100100SL      |        | 20.00 | 16       | 2,203.                   |            |                      | 2,203.                 | 220.                     |                 | 110.                   |
| 12        | INCORPORATION COSTS     | 010193SL      |        | 20.00 | 16       | 500.                     |            |                      | 500.                   | 207.                     |                 | 25.                    |
| 13        | TRADEMARK COSTS         | 100101SL      |        | 20.00 | 16       | 1,405.                   |            |                      | 1,405.                 | 70.                      |                 | 70.                    |
| 14        | TRADEMARK COSTS         | 100102SL      |        | 20.00 | 16       | 756.                     |            |                      | 756.                   |                          |                 | 38.                    |
|           | * TOTAL 990 PAGE 2 DEPR |               |        |       |          | 179,151.                 |            | 0.                   | 179,151.               | 40,932.                  | 0.              | 32,983.                |

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FORM 990 INCOME AND COST OF GOODS SOLD STATEMENT 1  
INCLUDED ON PART I, LINE 10

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INCOME

|  |       |       |
|--|-------|-------|
| 1. GROSS RECEIPTS . . . . .                    | 3,621 |       |
| 2. RETURNS AND ALLOWANCES . . . . .            |       |       |
| 3. LINE 1 LESS LINE 2 . . . . .                |       | 3,621 |
| 4. COST OF GOODS SOLD (LINE 13) . . . . .      | 3,467 |       |
| 5. GROSS PROFIT (LINE 3 LESS LINE 4) . . . . . |       | 154   |

COST OF GOODS SOLD

|  |       |       |
|--|-------|-------|
| 6. INVENTORY AT BEGINNING OF YEAR . . . . .            |       |       |
| 7. MERCHANDISE PURCHASED . . . . .                     | 3,467 |       |
| 8. COST OF LABOR . . . . .                             |       |       |
| 9. MATERIALS AND SUPPLIES . . . . .                    |       |       |
| 10. OTHER COSTS . . . . .                              |       |       |
| 11. ADD LINES 6 THROUGH 10 . . . . .                   |       | 3,467 |
| 12. INVENTORY AT END OF YEAR . . . . .                 |       |       |
| 13. COST OF GOODS SOLD (LINE 11 LESS LINE 12). . . . . |       | 3,467 |

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FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 2

DESCRIPTION OF PROGRAM SERVICE ONE

SANCTIONED 278 EVENTS ACROSS THE US AND CANADA WHERE 41,384 DOGS AND THEIR OWNERS COMPETED. NAFA PROVIDED EJS SYSTEMS, CONSISTENT RULES & JUDGES AND AWARDS FOR 5204 TITLES EARNED INCLUDING CERTIFICATES, PINS AND PLAQUES.

|                               | GRANTS | EXPENSES |
|-------------------------------|--------|----------|
| TO FORM 990, PART III, LINE A |        | 49,541.  |

FORM 990 OTHER PROGRAM SERVICES STATEMENT 3

| DESCRIPTION   | GRANTS AND ALLOCATIONS | EXPENSES |
|---|------------------------|----------|
| EXPOSED FLYBALL TO NEW TRAINERS AND PROSPECTIVE HANDLERS AT APDT WITH A WELL-RECEIVED BOOTH |                        | 1,336.   |
| TOTAL TO FORM 990, PART III, LINE E   |                        | 1,336.   |

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 4

| DESCRIPTION                       | COST OR OTHER BASIS | ACCUMULATED DEPRECIATION | BOOK VALUE |
|-----------------------------------|---------------------|--------------------------|------------|
| RACING EQUIPMENT                  | 45,872.             | 18,348.                  | 27,524.    |
| RACING EQUIPMENT                  | 61,829.             | 12,366.                  | 49,463.    |
| RACING EQUIPMENT                  | 9,772.              | 9,771.                   | 1.         |
| RACING EQUIPMENT                  | 10,155.             | 8,124.                   | 2,031.     |
| RACING EQUIPMENT                  | 32,547.             | 19,527.                  | 13,020.    |
| TRADEMARK COSTS                   | 9,332.              | 3,734.                   | 5,598.     |
| TRADEMARK COSTS                   | 1,055.              | 370.                     | 685.       |
| TRADEMARK COSTS                   | 1,086.              | 325.                     | 761.       |
| TRADEMARK COSTS                   | 1,639.              | 410.                     | 1,229.     |
| TRADEMARK COSTS                   | 1,000.              | 200.                     | 800.       |
| TRADEMARK COSTS                   | 2,203.              | 330.                     | 1,873.     |
| INCORPORATION COSTS               | 500.                | 232.                     | 268.       |
| TRADEMARK COSTS                   | 1,405.              | 140.                     | 1,265.     |
| TRADEMARK COSTS                   | 756.                | 38.                      | 718.       |
| TOTAL TO FORM 990, PART IV, LN 57 | 179,151.            | 73,915.                  | 105,236.   |

FORM 990                      PART V - LIST OF OFFICERS, DIRECTORS,  
TRUSTEES AND KEY EMPLOYEES                      STATEMENT      5

| NAME AND ADDRESS   | TITLE AND<br>AVRG HRS/WK    | COMPEN-<br>SATION | EMPLOYEE<br>BEN PLAN EXPENSE<br>CONTRIB ACCOUNT |    |
|--|-----------------------------|-------------------|---|----|
| STEVE MCAVOY<br>1002 E SAMUEL AVE<br>PEORIA HEIGHTS, IL 61614          | EXECUTIVE DIRECTOR/CEO<br>5 | 0.                | 0.  | 0. |
| JUDY HAGAN<br>1890 COTTAGE GROVE PKWY<br>MARION, IA 52302              | CHAIRMAN<br>5               | 0.                | 0.  | 0. |
| JULE JAMES<br>4517 SAGE ROAD<br>ROCHESTER, IL 62563                    | VICE CHAIRMAN<br>2          | 0.                | 0.  | 0. |
| SAM FORD<br>PO BOX 1338<br>LA PORTE, TX 77572                          | SECRETARY<br>4              | 0.                | 0.  | 0. |
| DALE SMITH<br>6137 N RIDGE ROAD<br>FORT CALHOUN, NE 68023              | TREASURER<br>7              | 0.                | 0.  | 0. |
| KEN ELDRIDGE<br>48 WESTAWAY PL<br>HAMILTON, ON L9C2G1, AK 00000        | BOARD MEMBER<br>2           | 0.                | 0.  | 0. |
| BRIAN FAY<br>60 ESTHER LORRIE DR, #104<br>REXDALE, ON M9W4T9, AK 00000 | BOARD MEMBER<br>2           | 0.                | 0.  | 0. |
| AARON HUGHES<br>2253 AMHERST AVE<br>SYDNEY, BC V8L2G5, AK 00000        | BOARD MEMBER<br>2           | 0.                | 0.  | 0. |
| BRETT WILLIAMS<br>PO BOX 335932<br>NORTH LAS VEGAS, NV 89033           | BOARD MEMBER<br>2           | 0.                | 0.  | 0. |
| TODD MORNINGSTAR<br>10090 FAR RD<br>MILAN, MI 48160                    | BOARD MEMBER<br>2           | 0.                | 0.  | 0. |
| TOTALS INCLUDED ON FORM 990, PART V                                    |                             | 0.                | 0.  | 0. |

