

**NATIONAL SNAFFLE BIT ASSOCIATION
AND AFFILIATE**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

NATIONAL SNAFFLE BIT ASSOCIATION AND AFFILIATE

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Boards of Directors
National Snaffle Bit Association and National Snaffle Bit Foundation
Gurnee, Illinois

We have reviewed the accompanying consolidated statement of assets, liabilities and net assets of NATIONAL SNAFFLE BIT ASSOCIATION AND AFFILIATE. (Georgia and Illinois not-for-profit corporations, respectively) as of December 31, 2013, and the related consolidated statements of revenues, expenses, and other changes in net assets, and cash flows for the year then ended, all on the modified cash basis. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the modified cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the consolidated financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in conformity with the modified cash basis of accounting, as described in Note 1. The supplementary information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the reviews of the basic financial statements. This information is presented on the modified cash basis of accounting, and we are not aware of any material modifications that should be made thereto.

Warady & Davis LLP

February 28, 2014

NATIONAL SNAFFLE BIT ASSOCIATION AND AFFILIATE
 CONSOLIDATED STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS
 Modified Cash Basis
 As of December 31, 2013

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 945,968	
Prepaid Expenses	14,120	
Certificates of Deposit	97,732	
Total Current Assets	1,057,820	Total

PROPERTY AND EQUIPMENT

Land	36,397	
Building and Building Improvements	327,570	
Office and Computer Equipment	54,204	
Computer Software	49,069	
Vehicles	6,662	
Furniture and Fixtures	51,502	
	525,404	
Accumulated Depreciation and Amortization	135,705	
	389,699	

* CERTIFICATES OF DEPOSIT	296,455	
	\$ 1,743,974	

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Current Portion of Note Payable	\$ 8,149	
Accrued Vacation Liability	15,654	
Deferred Revenue	297,062	
Total Current Liabilities	320,865	

LONG-TERM LIABILITIES

Note Payable, Net of Current Maturities	152,748	
Deferred Revenue	484,863	
Total Long-Term Liabilities	637,611	
Total Liabilities	958,476	

NET ASSETS

Unrestricted Net Assets		
Board-Designated	413,378	
Undesignated	252,117	
	665,495	
Temporarily Restricted Net Assets	120,003	
	785,498	
	\$ 1,743,974	

See accompanying notes and accountants' report.

NATIONAL SNAFFLE BIT ASSOCIATION AND AFFILIATE

CONSOLIDATED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Modified Cash Basis

For the Year Ended December 31, 2013

	Unrestricted	Temporarily Restricted	Total
REVENUES			
BCF/World Show	\$ 1,276,379	\$ —	\$ 1,276,379
Membership	281,377	—	281,377
Credit Card Surcharges	38,627	—	38,627
Merchandise Sales	12,998	—	12,998
Stallion Incentive Fund	118,672	—	118,672
Yearling Sale	138,442	—	138,442
Judges Program	11,600	—	11,600
Licensing Program	99,100	—	99,100
Magazine	67,393	—	67,393
Smart Point	34,587	—	34,587
Trainer Sales	46,570	—	46,570
Other Shows	119,582	—	119,582
Other Revenue	7,967	—	7,967
Year-End Award Banquet	44,980	—	44,980
Interest Income	1,651	—	1,651
Auctions	13,957	—	13,957
Contributions	8,372	39,846	48,218
Release of Restrictions	7,963	(7,963)	—
Total Revenues	<u>2,330,217</u>	<u>31,883</u>	<u>2,362,100</u>
EXPENSES			
Payroll	364,485	—	364,485
Payroll Taxes	27,573	—	27,573
Employee Benefits	53,111	—	53,111
Temporary Help	13,646	—	13,646
Advertising	105,406	—	105,406
Arena Rental	150,123	—	150,123
Bank Charges and Credit Card Fees	38,526	—	38,526
Other Show Expense	30,663	—	30,663
Awards	134,621	—	134,621
Meetings	14,240	—	14,240
Computer Expense	38,660	—	38,660
Crisis Fund	22,500	—	22,500
Outside Services	76,839	—	76,839
Day Fees	134,362	—	134,362
Depreciation	14,617	—	14,617
Drug Testing	18,580	—	18,580
Equipment	6,080	—	6,080
Equipment Rental	14,895	—	14,895
Licenses, Permits, and Filing Fees	929	—	929
Insurance Expense	4,396	—	4,396
Interest Expense	10,196	—	10,196
Travel, Meals and Lodging	142,397	—	142,397
Office Expenses and Supplies	14,323	—	14,323
Payout	595,687	—	595,687
Plaques and Trophies	65,666	—	65,666
Postage and Shipping	28,595	—	28,595
Printing	38,688	—	38,688
Real Estate Taxes	10,567	—	10,567
Telephone	7,819	—	7,819
Occupancy	15,451	—	15,451
Year-End Award Banquet	23,478	—	23,478
Website and Internet	4,763	—	4,763
Professional Fees	29,597	—	29,597
Auction Expense	650	—	650
Clothes Closet	11,169	—	11,169
Fundraising	912	—	912
Heroes on Horses	950	—	950
Scholarships	4,000	—	4,000
Other	3,252	—	3,252
Total Expenses	<u>2,272,412</u>	<u>—</u>	<u>2,272,412</u>
CHANGE IN NET ASSETS			
	57,805	31,883	89,688
Net Assets, Beginning of Year, as Previously Reported	454,218	—	454,218
Prior Period Adjustment	153,472	88,120	241,592
Net Assets, Beginning of Year, as Restated	607,690	88,120	695,810
NET ASSETS, ENDING	<u>\$ 665,495</u>	<u>\$ 120,003</u>	<u>\$ 785,498</u>

See accompanying notes and accountants' report.

NATIONAL SNAFFLE BIT ASSOCIATION AND AFFILIATE

CONSOLIDATED STATEMENT OF CASH FLOWS

Modified Cash Basis

For the Year Ended December 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	<u>\$ 89,688</u>
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities	
Depreciation and Amortization	14,617
Inventory	10,834
Prepaid Expenses	(8,326)
Accrued Vacation Liability	15,654
Deferred Revenue	439,597
Other Liabilities	<u>(324,933)</u>
Total Adjustments	<u>147,443</u>
Net Cash Provided by Operating Activities	<u>237,131</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Redemption of Certificate of Deposit	(52,961)
Reinvested Interest on Certificates of Deposits	1,283
Purchases of Property and Equipment	<u>(45,870)</u>
Net Cash Used by Investing Activities	<u>(97,548)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal Payments on Note Payable	<u>(26,604)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	112,979
Cash and Cash Equivalents, Beginning	<u>832,989</u>
<u>CASH AND CASH EQUIVALENTS, ENDING</u>	<u>\$ 945,968</u>
SUPPLEMENTAL CASH FLOWS DISCLOSURES	
Cash paid for:	
Interest	<u>\$ 10,196</u>

See accompanying notes and accountants' report.

NATIONAL SNAFFLE BIT ASSOCIATION AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NATURE OF ORGANIZATION

The accompanying consolidated financial statements include the accounts of National Snaffle Bit Association ("NSBA") and its affiliate, National Snaffle Bit Foundation ("the Foundation"), collectively the "Association". NSBA was formed in 1983 primarily to define, promote, and improve the qualities of the pleasure horse, promote exhibits, events and contests in expositions and shows, and to encourage the use of standard rules for holding and judging contests of the pleasure horse.

National Snaffle Bit Foundation ("Foundation") was formed in 2009 to encourage, by public contribution, support of worthwhile educational and charitable projects of interest and benefit to devotees of the National Snaffle Bit Association.

The majority of the assets and revenues are associated with NSBA.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the Association's consolidated financial statements. The consolidated financial statements and notes are representations of management who is responsible for their integrity and objectivity.

BASIS OF ACCOUNTING

The accompanying consolidated financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than U. S. generally accepted accounting principles. Under that basis, certain revenues and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligations are incurred. Consequently, the Association recognizes revenue when contributions are received, defers revenue recognition of prepayments of competition registration fees and Association memberships, capitalizes and depreciates/amortizes property and equipment, and recognizes certain liabilities and prepaid expenses and their related effects on earnings in the accompanying consolidated financial statements.

In preparation of the consolidated financial statements, the Association follows the provisions of the FASB Codification topic related to "Financial Statements of Not-for-Profit Organizations." Net assets and revenues, gains, expenses and losses are classified as unrestricted, temporarily restricted or permanently restricted based on the existence or absence of imposed restrictions as follows:

- Unrestricted – These funds are not subject to any imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties.
- Temporarily Restricted – These are funds whose use is subject to donor-imposed stipulations that could be fulfilled by actions of the Board of Directors pursuant to those stipulations or that expire by the passage of time. Only the Foundation has temporarily restricted net assets.
- Permanently restricted net assets – Net assets subject to donor-imposed stipulations that the resources be maintained in perpetuity by the Association. Investment income, including realized and unrealized gains and losses are classified as temporarily restricted net assets until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Association had no permanently restricted net assets at December 31, 2013.

NATIONAL SNAFFLE BIT ASSOCIATION AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of NSBA and the Foundation. Inter-entity transactions and balances have been eliminated in the consolidation.

USE OF ESTIMATES

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the 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

The Association considers all highly-liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

CERTIFICATES OF DEPOSIT

The Association has investments in certificates of deposits (CDs) with varying lengths of maturity which range from 1.5 to 3 years. The CDs are recorded at cost plus accrued interest and the interest is reinvested when a CD is rolled over. Interest rates range from .2 to .5%.

INVENTORY

Inventory consists of non-cash donated items to the Foundation. The value is based on fair value of such items at the date of donation. Donated items are recorded as revenue to the Foundation as received and as expenses when distributed to the programs. At December 31, 2013, inventory was \$-0- as management wrote off the remaining value.

PROPERTY AND EQUIPMENT

Property and equipment purchases of \$500 or more are recorded at cost if purchased, or fair value if donated, and depreciated/amortized on straight-line or accelerated bases over their estimated useful lives. The cost of assets sold or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts and the resulting gain or loss is recognized in income.

Major renewals and betterments that extend the useful life of an asset are capitalized while routine maintenance and repairs are expensed as incurred. The estimated useful lives for determining depreciation and amortization of the various classes of assets are as follows:

<u>Asset Class</u>	<u>Years</u>
Buildings and Building Improvements	39
Office and Computer Equipment	3 - 5
Computer Software	3
Trailers	5 - 7
Furniture	5 - 7

NATIONAL SNAFFLE BIT ASSOCIATION AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INCOME TAXES

NSBA is incorporated in Georgia and the Foundation is incorporated in Illinois, both as not-for-profit organizations. A determination letter from the Internal Revenue Service for NSBA was received on January 21, 1985 stating that it is exempt from federal income taxes under Internal Revenue Code section 501(c)(5). A determination letter was received for the Foundation stating that it is exempt from federal income taxes under Internal Revenue Code section 501(c)(3) effective November 30, 2009. It is similarly classified by the State of Illinois. To the extent unrelated business income exists, NSBA and the Foundation would be subject to income taxes.

The Association has adopted the guidance in the FASB ASC topic on Income Taxes related to Uncertainty in Income Taxes which prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements uncertain tax positions that the Association has taken or expects to take in its tax returns. Under the guidance, the Association may recognize the tax benefit from an uncertain tax position only if it is "more likely than not" that it is sustainable, based on its technical merits. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority having full knowledge of all relevant information. The Association believes that it has appropriate support for the positions taken on its returns.

No income tax liabilities resulting from unrelated business income tax are reported in the statement of assets, liabilities and net assets and no unrelated business income tax expenses are included in the statement of revenues, expenses and changes in net assets as management believes the amounts would not be material.

NSBA and the Foundation file their Form 990's and NSBA files its 990T in the federal jurisdiction and NSBA files its Illinois 990T and the Foundation its AG 990IL with the State of Illinois. NSBA and the Foundation are generally no longer subject to examination by the Internal Revenue Service or the State of Illinois for years before 2010.

REVENUE RECOGNITION

NSBA membership dues are deferred and recognized as revenue over the membership period which is on a calendar-year basis; lifetime memberships are amortized on a straight-line basis over an estimated life of three years. Sponsorship income is recognized as revenue when received. Subscriptions for NSBA's magazine are deferred and recognized as revenue over the subscription period. The amount of membership dues collected but unearned as of year-end are recorded as deferred revenue. BCF enrollment revenue is recognized throughout the period the horse is in competition. Trainer sales revenue is recognized when the training occurs. Stallion sales proceeds are paid out based on year-end competition points and are recognized as revenue upon payout.

NATIONAL SNAFFLE BIT ASSOCIATION AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2—DEFERRED REVENUE

Deferred revenue at December 31, 2013 consisted of the following:

BCF Enrollment	\$ 470,888
Memberships.....	191,098
Stallion Incentive Fund.....	108,789
Trainer Sales.....	<u>11,150</u>
	<u>\$ 781,925</u>

NOTE 3—NOTE PAYABLE BANK

On July 28, 2011, NSBA obtained a loan to finance the purchase of its office building. The note is collateralized by the property. Unpaid principal plus accrued interest is due July 28, 2016. Monthly payments, including principal and interest at 5.5%, are \$1,393. The amount outstanding was \$160,897 at December 31, 2013.

Principal repayments due in the next three years are:

Year Ending December 31	
2014	\$ 8,149
2015	8,602
2016	<u>144,146</u>
	<u>\$ 160,897</u>

NOTE 4—TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2013 are as follows:

Crisis Fund.....	\$ 37,531
Youth Scholarship Fund	39,801
Riders with Disabilities.....	23,555
Heroes on Horses	14,612
Animal Welfare.....	<u>7,517</u>
	<u>\$ 123,016</u>

Amounts released from restriction during 2013 totaled \$7,963 and represent \$4,000 of youth scholarships, \$274 for Riders with Disabilities and \$3,689 for Heroes on Horses.

NATIONAL SNAFFLE BIT ASSOCIATION AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5—OPERATING LEASE

In January, 2014, the Association entered into a 39-month copier lease agreement. Monthly payments are \$381. During the year ended December 31, 2013, the Association had a prior copier lease with monthly payments of \$414. Rent expense for 2013 for this and other short-term rental agreements totaled \$14,895.

Future minimum lease payments are as follows:

Year Ending December 31		
2014	\$	4,570
2015		4,570
2016		4,570
Period January 1, 2017 through March 31, 2017		<u>1,142</u>
Total	\$	<u>14,852</u>

NOTE 5—FUNCTIONAL EXPENSES

The Association's functional expenses for the year ended December 31, 2013 are as follows:

	<u>NSBA</u>	<u>Foundation</u>
Program	\$ 1,603,519	\$ 19,322
Management and General	618,829	27,136
Fundraising	<u>—</u>	<u>3,606</u>
	<u>\$ 2,222,348</u>	<u>\$ 50,064</u>

NOTE 6—PRIOR PERIOD ADJUSTMENTS

The consolidated financial statements have been adjusted to correct beginning net assets at January 1, 2013. Both NSBA's and the Foundation's beginning net assets were adjusted. The Foundation's beginning net assets were increased to reflect temporarily restricted net assets totaling \$88,120 and unrestricted net assets of \$2,080 that were incorrectly recorded as liabilities in 2012. The \$88,120 was comprised of the following temporarily restricted net assets: Crisis Fund \$21,709, Scholarship Fund \$43,636, Riders with Disabilities \$7,805, Heroes on Horses \$7,768 and Animal Welfare \$7,202. The \$2,080 increase to the Foundation's unrestricted net assets related to amounts donated in memorial of an individual which were assumed to be restricted donations and erroneously recorded as a liability, when in fact the amounts were unrestricted and should have been reflected as contribution revenue in prior years. NSBA's net assets were increased by \$151,392 to reflect \$23,291 of unrecorded accrued vacation liability, and \$128,101 of net assets related to the board-designated crisis fund and interfund borrowings both reflected as liabilities in 2012 rather than as net assets. Liabilities for all of the above were reduced accordingly.

NOTE 7—SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 28, 2014, the date which the financial statements were available for issue. There are no subsequent events which require disclosure.

SUPPLEMENTARY INFORMATION

NATIONAL SNAFFLE BIT ASSOCIATION AND AFFILIATE
CONSOLIDATING SCHEDULE OF ASSETS, LIABILITIES, AND NET ASSETS
Modified Cash Basis
As of December 31, 2013

	National Snaffle Bit Association	National Snaffle Bit Foundation	Total
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 849,077	\$ 96,891	\$ 945,968
Prepaid Expenses	14,120	—	14,120
Certificates of Deposit	77,829	19,903	97,732
Total Current Assets	<u>941,026</u>	<u>116,794</u>	<u>1,057,820</u>
PROPERTY AND EQUIPMENT			
Land	36,397	—	36,397
Building	327,570	—	327,570
Office and Computer Equipment	54,204	—	54,204
Computer Software	49,069	—	49,069
Vehicles	6,662	—	6,662
Furniture and Fixtures	51,502	—	51,502
	<u>525,404</u>	<u>—</u>	<u>525,404</u>
Less Accumulated Depreciation and Amortization	135,705	—	135,705
	<u>389,699</u>	<u>—</u>	<u>389,699</u>
CERTIFICATE OF DEPOSIT	296,455	—	296,455
	<u>\$ 1,627,180</u>	<u>\$ 116,794</u>	<u>\$ 1,743,974</u>
LIABILITIES AND NET ASSETS (DEFICIENCY)			
CURRENT LIABILITIES			
Current Portion of Long-Term Debt	\$ 8,149	\$ —	\$ 8,149
Accrued Vacation Liability	15,654	—	15,654
Deferred Revenue	297,062	—	297,062
Total Current Liabilities	<u>320,865</u>	<u>—</u>	<u>320,865</u>
LONG-TERM LIABILITIES			
Long-Term Debt, Net of Current Maturities	152,748	—	152,748
Deferred Revenue	484,863	—	484,863
Total Long-Term Liabilities	<u>637,611</u>	<u>—</u>	<u>637,611</u>
Total Liabilities	<u>958,476</u>	<u>—</u>	<u>958,476</u>
NET ASSETS (DEFICIENCY)			
Unrestricted			
Board-Designated	413,378	—	413,378
Undesignated	255,326	(3,209)	252,117
	<u>668,704</u>	<u>(3,209)</u>	<u>665,495</u>
Temporarily Restricted	—	120,003	120,003
	<u>668,704</u>	<u>116,794</u>	<u>785,498</u>
	<u>\$ 1,627,180</u>	<u>\$ 116,794</u>	<u>\$ 1,743,974</u>

See accompanying accountants' report.

NATIONAL SNAFFLE BIT ASSOCIATION AND AFFILIATE

CONSOLIDATING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Modified Cash Basis

For the Year Ended December 31, 2013

	National Snaffle Bit Association	National Snaffle Bit Foundation			Total
		Unrestricted	Temporarily Restricted	Total	
REVENUES					
BCF/World Show	\$ 1,276,379	\$ —	\$ —	\$ —	\$ 1,276,379
Membership	281,377	—	—	—	281,377
Credit Card Surcharges	38,627	—	—	—	38,627
Merchandise Sales	12,998	—	—	—	12,998
Stallion Incentive Fund	118,672	—	—	—	118,672
Yearling Sales	138,442	—	—	—	138,442
Judges Program	11,600	—	—	—	11,600
Licensing Program	99,100	—	—	—	99,100
Magazines	67,393	—	—	—	67,393
Smart Point	34,587	—	—	—	34,587
Trainer Sales	46,570	—	—	—	46,570
Other Shows	119,582	—	—	—	119,582
Other Revenue	7,967	—	—	—	7,967
Year End Award Banquet	44,980	—	—	—	44,980
Interest Income	1,585	66	—	66	1,651
Auction	—	13,957	—	13,957	13,957
Contributions	—	8,372	39,846	48,218	48,218
Release of Restrictions	—	7,963	(7,963)	—	—
Total Revenues	2,299,859	30,358	31,883	62,241	2,362,100
EXPENSES					
Payroll	364,485	—	—	—	364,485
Payroll Taxes	27,573	—	—	—	27,573
Employee Benefits	53,111	—	—	—	53,111
Temporary Help	13,646	—	—	—	13,646
Advertising	102,283	3,123	—	3,123	105,406
Arena Rental	150,123	—	—	—	150,123
Bank Charges and Credit Card Fees	38,526	—	—	—	38,526
Other Show Expense	30,663	—	—	—	30,663
Awards	132,496	2,125	—	2,125	134,621
Meetings	14,240	2,694	—	2,694	16,934
Computer Expense	38,660	—	—	—	38,660
Crisis Fund	22,500	—	—	—	22,500
Outside Services	56,839	20,000	—	20,000	76,839
Day Fees	134,362	—	—	—	134,362
Depreciation	14,617	—	—	—	14,617
Drug Testing	18,580	—	—	—	18,580
Equipment	5,976	104	—	104	6,080
Equipment Rental	14,895	—	—	—	14,895
Licenses, Permits, and Filing Fees	791	138	—	138	929
Insurance Expense	4,396	—	—	—	4,396
Interest Expense	10,196	—	—	—	10,196
Travel, Meals and Lodging	137,639	2,064	—	2,064	139,703
Office Expenses and Supplies	13,830	493	—	493	14,323
Payouts	595,687	—	—	—	595,687
Plaques and Trophies	65,666	—	—	—	65,666
Postage and Shipping	28,270	325	—	325	28,595
Printing	38,554	134	—	134	38,688
Real Estate Taxes	10,567	—	—	—	10,567
Telephone	7,216	603	—	603	7,819
Occupancy	15,451	—	—	—	15,451
Year-End Award Banquet	23,478	—	—	—	23,478
Website and Internet	4,763	—	—	—	4,763
Professional Fees	29,072	525	—	525	29,597
Auction Expense	—	650	—	650	650
Clothes Closet	—	11,169	—	11,169	11,169
Promotional Expense	—	912	—	912	912
Heroes on Horses	—	950	—	950	950
Scholarships	—	4,000	—	4,000	4,000
Other	3,197	55	—	55	3,252
Total Expenses	2,222,348	50,064	—	50,064	2,272,412
CHANGE IN NET ASSETS	77,511	(19,706)	31,883	12,177	89,688
Net Assets, Beginning	439,801	14,417	—	14,417	454,218
Prior Period Adjustment	151,392	2,080	88,120	90,200	241,592
Net Assets, Beginning, as Adjusted	591,193	16,497	88,120	104,617	695,810
NET ASSETS (DEFICIENCY), ENDING	\$ 668,704	\$ (3,209)	\$ 120,003	\$ 116,794	\$ 785,498

See accompanying accountants' report.