



ARABIAN
HORSE ASSOCIATION

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AHA FINANCIALS

AS OF MARCH 31, 2011 WITH THE INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Arabian Horse Association:

We have audited the accompanying statement of financial position of Arabian Horse Association as of March 31, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior-year summarized comparative information has been derived from the Association's March 31, 2010, financial statements and, in our report dated November 4, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Arabian Horse Association as of March 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The information in Schedules 1- 5 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 auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

JDS Professional Group

October 28, 2011

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ARABIAN HORSE ASSOCIATION
Statement of Financial Position
As of March 31, 2011
(With Summarized Financial Information as of March 31, 2010)

	<u>ASSETS</u>						
	<u>Unrestricted</u>			Temporarily Restricted	Permanently Restricted	Current Year Total	Prior Year Total
	<u>Operations</u>	<u>Prize Money Programs</u>	<u>Total</u>				
Assets:							
Cash and Cash Equivalents (Note 4)	\$ 469,676	\$ 96,979	\$ 566,655	\$ 6,247	\$ -	\$ 572,902	\$ 739,506
Cash Investments (Note 4)	575,993	7,779,169	8,355,162	66,794	51,244	8,473,200	7,948,407
Accounts Receivable -							
Interest	107,337	287	107,624	-	-	107,624	70,130
Trade	331,906	-	331,906	-	-	331,906	383,691
Allowance for Doubtful Accounts	(60,147)	-	(60,147)	-	-	(60,147)	(62,736)
Notes Receivable (Note 6)	125,047	-	125,047	-	-	125,047	187,017
Inventory, at lower of cost (Weighted Average) or market	6,537	-	6,537	-	-	6,537	8,192
Prepayments	137,528	-	137,528	-	-	137,528	202,222
Interfund Receivable/(Payable)	(707,206)	667,699	(39,507)	36,989	2,518	-	-
Property and equipment, net of accumulated depreciation of \$3,823,802 (Note 7)	<u>3,802,574</u>	<u>-</u>	<u>3,802,574</u>	<u>-</u>	<u>-</u>	<u>3,802,574</u>	<u>3,743,218</u>
TOTAL ASSETS	<u>\$4,789,245</u>	<u>\$8,544,134</u>	<u>\$13,333,379</u>	<u>\$ 110,030</u>	<u>\$ 53,762</u>	<u>\$13,497,171</u>	<u>\$13,219,647</u>
	<u>LIABILITIES AND NET ASSETS</u>						
Liabilities:							
Accounts Payable	\$ 458,938	\$ -	\$ 458,938	\$ -	\$ -	\$ 458,938	\$ 434,329
Accrued Liabilities	211,218	-	211,218	-	-	211,218	185,883
Capital Lease Obligations (Note 13)	110,444	-	110,444	-	-	110,444	168,183
Deferred Revenues (Note 8)	1,010,930	-	1,010,930	-	-	1,010,930	1,085,642
Obligations to prize programs (Note 9)	125,048	8,544,134	8,669,182	-	-	8,669,182	8,363,899
Total Liabilities	<u>1,916,578</u>	<u>8,544,134</u>	<u>10,460,712</u>	<u>-</u>	<u>-</u>	<u>10,460,712</u>	<u>10,237,936</u>
Contingencies & Commitments (Note 16)							
Net Assets: (Note 10)							
Unrestricted							
Undesignated	1,820,447	-	1,820,447	-	-	1,820,447	1,820,857
Designated	1,052,220	-	1,052,220	-	-	1,052,220	998,762
Total unrestricted net assets	2,872,667	-	2,872,667	-	-	2,872,667	2,819,619
Temporarily Restricted	-	-	-	110,030	-	110,030	108,330
Permanently Restricted	-	-	-	-	53,762	53,762	53,762
Total Net Assets	<u>2,872,667</u>	<u>-</u>	<u>2,872,667</u>	<u>110,030</u>	<u>53,762</u>	<u>3,036,459</u>	<u>2,981,711</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$4,789,245</u>	<u>\$8,544,134</u>	<u>\$13,333,379</u>	<u>\$ 110,030</u>	<u>\$ 53,762</u>	<u>\$13,497,171</u>	<u>\$13,219,647</u>

The accompanying notes are an integral part of the financial statements.

ARABIAN HORSE ASSOCIATION

Statement of Activities

For the Year Ended March 31, 2011

(With Summarized Financial Information for the year ended March 31, 2010)

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	Current Year <u>Total</u>	Prior Year <u>Total</u>
REVENUES AND OTHER SUPPORT:					
Horse shows	\$ 4,523,615	\$ -	\$ -	\$ 4,523,615	\$ 4,782,142
Registrations	1,264,508	-	-	1,264,508	1,545,458
Memberships dues	1,065,084	-	-	1,065,084	1,195,724
Service fees	666,115	-	-	666,115	746,474
Advertising	477,176	-	-	477,176	363,253
Judges program fees	345,424	-	-	345,424	358,981
Sponsorship/donations	227,557	-	-	227,557	134,875
Breeders' Sweepstakes interest	279,393	-	-	279,393	293,189
Merchandising	240,483	3,428	-	243,911	260,698
Other interest	64,310	-	-	64,310	64,959
Fund raising	12,328	-	-	12,328	15,792
Other	41,520	-	-	41,520	58,279
Net assets release from restrictions:					
Satisfaction of program restrictions	<u>1,728</u>	<u>(1,728)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue and Other Support	<u>9,209,241</u>	<u>1,700</u>	<u>-</u>	<u>9,210,941</u>	<u>9,819,824</u>
EXPENSES:					
Program Services -					
Events and shows	4,024,772	-	-	4,024,772	4,063,417
Sales and marketing	1,177,210	-	-	1,177,210	1,432,132
Member services	145,753	-	-	145,753	149,047
Registry Services	647,096	-	-	647,096	695,266
Judges programs	338,954	-	-	338,954	332,340
Total Program Expenses	<u>6,333,785</u>	<u>-</u>	<u>-</u>	<u>6,333,785</u>	<u>6,672,202</u>
Supporting Services -					
General administration	2,203,715	-	-	2,203,715	2,466,060
Membership development	64,404	-	-	64,404	81,015
Total Supporting Services Expenses	<u>2,268,119</u>	<u>-</u>	<u>-</u>	<u>2,268,119</u>	<u>2,547,075</u>
Total Expenses	<u>8,601,904</u>	<u>-</u>	<u>-</u>	<u>8,601,904</u>	<u>9,219,277</u>
Changes in Net Assets before Gain (Loss) on Investments, and Royalty Expenses	607,337	1,700	-	609,037	600,547
Realized and unrealized Gain (Loss) on Investments	(188,369)	-	-	(188,369)	19,012
Royalty Expense (Note 16)	<u>(365,920)</u>	<u>-</u>	<u>-</u>	<u>(365,920)</u>	<u>(445,266)</u>
CHANGES IN NET ASSETS	<u>53,048</u>	<u>1,700</u>	<u>-</u>	<u>54,748</u>	<u>174,293</u>
Net Assets, Beginning of Year	2,819,619	108,330	53,762	2,981,711	2,807,418
Net Assets, End of Year	<u>\$ 2,872,667</u>	<u>\$ 110,030</u>	<u>\$ 53,762</u>	<u>\$ 3,036,459</u>	<u>\$ 2,981,711</u>

The accompanying notes are an integral part of the financial statements.

ARABIAN HORSE ASSOCIATION
Statement of Cash Flows
For the Year ended March 31, 2011
(With Summarized Financial Information for the year ended March 31, 2009)

	Unrestricted						
	Operations	Prize Money Programs	Total	Temporarily Restricted	Permanently Restricted	Total	Prior Year Total
Cash flows from operating activities:							
Changes in Net Assets	\$ 53,048	\$ -	\$ 53,048	\$ 1,700	\$ -	\$ 54,748	\$ 174,293
Adjustments to reconcile Change in Net Assets to net cash provided by operating activities:							
Depreciation	242,484	-	242,484	-	-	242,484	250,245
Loss/(gain) on retirement of assets	-	-	-	-	-	-	9,970
Allowance for doubtful accounts	2,589	-	2,589	-	-	2,589	(43,827)
(Gain)/loss on investment fair market	188,369	-	188,369	-	-	188,369	(19,012)
Decrease (increase) in accounts receivable	8,435	678	9,113	-	-	9,113	221,599
Decrease (increase) in notes receivable	61,970	-	61,970	-	-	61,970	13,021
Decrease (increase) in inventories	1,655	-	1,655	-	-	1,655	(40)
Decrease (increase) in prepayments	64,694	-	64,694	-	-	64,694	(19,709)
Increase (decrease) in accounts payable	24,609	-	24,609	-	-	24,609	(129,076)
Increase/(decrease) in interfund payable	(1,759,781)	1,721,069	(38,712)	67,004	(28,292)	-	-
Increase (decrease) in accrued liabilities	25,335	-	25,335	-	-	25,335	2,626
Increase (decrease) in deferred revenue	(74,712)	-	(74,712)	-	-	(74,712)	(63,089)
Increase (decrease) in obligations to prize money programs	(61,970)	367,253	305,283	-	-	305,283	150,931
Net cash provided by (used in) operating activities	<u>(1,223,275)</u>	<u>2,089,000</u>	<u>865,725</u>	<u>68,704</u>	<u>(28,292)</u>	<u>906,137</u>	<u>547,932</u>
Cash flows from investing activities:							
Purchases of property and equipment	(301,840)	-	(301,840)	-	-	(301,840)	(307,428)
Net investment activity	20,586	(772,356)	(751,770)	5,280	33,328	(713,162)	39,823
Net cash provided by (used in) investing activities	<u>(281,254)</u>	<u>(772,356)</u>	<u>(1,053,610)</u>	<u>5,280</u>	<u>33,328</u>	<u>(1,015,002)</u>	<u>(267,605)</u>
Cash flows from financing activities:							
Payments on capital lease obligations	(57,739)	-	(57,739)	-	-	(57,739)	(29,497)
Net cash (used in) financing activities	<u>(57,739)</u>	<u>-</u>	<u>(57,739)</u>	<u>-</u>	<u>-</u>	<u>(57,739)</u>	<u>(29,497)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,562,268)	1,316,644	(245,624)	73,984	5,036	(166,604)	250,830
Cash and Cash Equivalents at Beginning of Year	<u>617,532</u>	<u>115,733</u>	<u>733,265</u>	<u>6,241</u>	<u>-</u>	<u>739,506</u>	<u>488,676</u>
Cash and Cash Equivalents at End of Year	<u>\$ (944,736)</u>	<u>\$ 1,432,377</u>	<u>\$ 487,641</u>	<u>\$ 80,225</u>	<u>\$ 5,036</u>	<u>\$ 572,902</u>	<u>\$ 739,506</u>
Supplemental Cash Flow Information:							
Equipment acquired under capital lease						<u>\$ -</u>	<u>\$ 150,643</u>

The accompanying notes are an integral part of the financial statements.

ARABIAN HORSE ASSOCIATION
Notes to Financial Statements
For the Year Ended March 31, 2011

(1) **Nature of the Organization**

Purposes of the Organization

The reporting entity referred to as the Arabian Horse Association (the "Association") is a non-profit corporation. The Association was incorporated to aid and encourage the breeding, exhibiting, use and perpetuation of the Arabian horse as well as Half-Arabian and Anglo-Arabian horses. The majority of the Association's revenues are derived from national championship Arabian horse shows, Arabian, Half-Arabian and Anglo-Arabian horse registration revenue, memberships and program service fees.

Description of Unrestricted Program Activities and Supporting Services

Events and Shows

The Events and Shows program expenses include costs related to the management and maintenance of the records for the Association's horse shows and other events. The following is a description of these activities:

Events

The Association sponsors the following Arabian, Half-Arabian and Anglo-Arabian horse show competitions during the year: U.S. Nationals, Canadian Nationals, Youth Nationals, Sport Horse Nationals, Championship Endurance Ride and Championship Competitive Trail Ride. The Association works with applicable volunteer committees to promote and manage these competitions. Included in this area is the cost to fulfill the commitments associated with commercial exhibit space, patron packages, event seating, farm flags and event sponsors for the Association's national events.

Convention

The Association holds an annual meeting where delegates from the Association's Member Organizations gather to carry on the business of the Association. Such business includes the election of officers, meetings of committees and the consideration of resolutions. The Association works with the applicable volunteer committees in order to promote and coordinate the convention.

Youth Activities

The Association develops and administers activities for its members who are age eighteen and under. Such activities include the Arabian Horse Youth Association, regional youth team tournaments, youth achievement awards and horse judging contests.

Sales and Marketing

The Sales and Marketing expenses span several budget departments and related expenses. Responsibilities include advancing the corporate identity and visibility of AHA products and services and Arabian, Half-Arabian and Anglo-Arabian horses to the public, production of the *Modern Arabian Horse* magazine, marketing collaterals and advertising; as well as sales of sponsorships and advertising in the AHA Magazine and other publications.

Market Development & Promotion

These expenses relate to the execution of the Market Development & Promotion Plan which includes design and printing of promotional materials, advertising in AHA and non-AHA publications, attendance at exhibitions for the purpose of promoting the Arabian/Half-Arabian horses and AHA, the development of educational materials and videos, trophies/awards related to Incentive Riding Programs and other recognition programs. Other expenses relate to the Market Development and Promotion Committee meetings and staff travel expenses to various events and meetings.

ARABIAN HORSE ASSOCIATION
Notes to Financial Statements
(continued)

Communications

The responsibilities of Communications are to write copy for collateral materials, press releases, AHA website and advertising used by departments across AHA. Expenses relate to the purchase of photography management of press releases and public relations contacts, educational publications and memberships, as well as staff travel and lodging related to covering AHA events.

Design and Publications

The Association designs and produces many of its printed materials such as pamphlets, flyers, brochures, prize lists, forms, show programs, convention materials and the annual handbook. The Association also designs, produces and distributes the *Modern Arabian Horse* magazine. This magazine is produced six times a year and provides the latest information about the Association and the Arabian horse industry. The *Modern Arabian Horse* magazine is distributed to the membership of the Association and other interested parties.

Sponsorships and Merchandisers

Sponsorship expenses include the related costs and staff time for the fulfillment of sponsorship contractual requirements and merchandising relationships. In addition, various office supplies and related costs are incurred to support sales and fulfillment by staff of sponsorship and merchandiser relationships.

Event Sales

Expenses included relate to the sale of event packages such as commercial exhibit space, patronships and sponsorships.

Member Services

Member Services program expenses include the costs of maintaining the membership records of the Association and administering the following program activities:

Shows

The Association is responsible for recognizing US Equestrian Federation rated and Equine Canada equivalent shows. Association recognition is sought so that show exhibitors can earn qualification points for future shows and for achievement awards. Expenses include the cost of administering the recognition process, maintaining the related show results records and processing the national show entries.

Achievement Awards

The Association administers and issues achievement awards for all Arabian, Half-Arabian and Anglo-Arabian horses and amateur exhibitors that are enrolled in this program.

Agency Relationships

The Association acts in an agency capacity for the Sweepstakes, Halter Futurity, Yearling Jackpot and Performance Futurity programs. This includes the collection of all cash, payment of prize money and the record keeping for all facets of these programs (see supplemental financial statements). Net interest on the entries received in the Sweepstakes, Yearling Jackpot, and Performance Futurity programs is added to prize payout for these programs. Interest on the entries received in the Halter Futurity program is used to support the activities of the Association.

ARABIAN HORSE ASSOCIATION
Notes to Financial Statements
(continued)

Registry Services

The Association registers and transfers the recorded ownership of Arabian, Half-Arabian and the Anglo-Arabian horses. Expenses include the cost of maintaining the registration and transfer for these stud books, genetic testing, racing certificates, registration certificate changes, special service file investigations and delivery of customer service.

Judges Programs

The Judges program expenses include the costs associated with the operation of the Judges & Stewards Commissioner's office including judges schools, seminars, evaluations and all related committees. Also included are the costs associated with the Majority Opinion Scoring system.

General Administration

General administration expenses include business management, office, building, purchasing, information systems, accounting, human resources, legal, insurance, general public relations and Board and committee operations.

Membership Development

Membership development expenses include costs related to promoting membership in the Association and developing and providing new services and benefits to its members.

(2) **Summary of Significant Accounting Policies**

Basis of Accounting

The financial statements of the Association have been prepared on the accrual basis.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Management estimates also affect the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

Basis of Presentation

The Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers all highly liquid debt instruments purchased with an initial maturity of three months or less, except for money market funds, to be cash equivalents.

Fair Value Measurements

The Association follows *Fair Value Measurements* which among other things require enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the standard are described below:

ARABIAN HORSE ASSOCIATION
Notes to Financial Statements
(continued)

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value

U.S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Money market: Approximates fair value because of the immediate or short-term maturities of these financial statements.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statement of financial position.

The carrying amount reported in the statement of financial position for cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, approximate fair value because of the immediate or short-term maturities of these financial instruments.

Trade Receivables

Trade receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

ARABIAN HORSE ASSOCIATION
Notes to Financial Statements
(continued)

Property and Equipment

Property and equipment is stated at cost or fair market value, if donated, and depreciated over the following estimated useful lives using the straight-line method:

Furniture and fixtures	10 years
Equipment and software	5 years
Films	3 years
Building & Land Improvements	10 years
Building	30 years

Expenditures for maintenance, repairs and minor replacements are charged to operations and expenditures for major replacements and improvements of \$500 or more are capitalized.

Capital leases are recorded at the lower of fair market value or the present value of future minimum lease payments. Amortization of capital leases is included with depreciation expense.

Donated Services

A significant portion of the Association's functions, which are conducted by unpaid volunteers, is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition.

Revenue Recognition

Registration revenues are recognized when received with an allowance provided for potential cancelled transactions. Life membership revenue is recognized over the expected active membership period which has been determined at ten years. Other membership revenue is recognized over the term of the membership. Convention and national championship events revenue are recognized in the month the convention or event occurs. Other revenue is recognized as earned. As of **March 31, 2011**, the Association recorded deferred revenue which represents revenue collected during the fiscal year that applies to activity of subsequent years.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Prior Year Summarized Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended March 31, 2010, from which the summarized information was derived.

Evaluation of Subsequent Events

The Association has performed an evaluation of subsequent events through August 5, 2011, which is the date the financial statements were available to be issued, and has considered any relevant matters in the preparation of the financial statements and footnotes.

ARABIAN HORSE ASSOCIATION
Notes to Financial Statements
(continued)

Reclassification

Certain amounts have been reclassified in the prior period for comparative purposes.

(3) Tax Exempt Status

The Association has previously received notice from the Internal Revenue Service of exemption from income tax under section 501(c) (5) of the Internal Revenue Code.

Certain portions of the Association's operations are subject to unrelated business income tax. No income tax expense was incurred for the year ended March 31, 2011.

The Association follows the *Accounting for Uncertainty in Income Taxes* accounting standard which requires them to determine whether a tax position (and the related tax benefit) is more likely than not to be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement, presuming that the tax position is examined by the appropriate taxing authority that has full knowledge of all relevant information. During the year ended March 31, 2011, the Association's management evaluated its tax positions to determine the existence of uncertainties, and did not note any matters that would require recognition or which may have an affect on its tax-exempt status.

The Association is no longer subject to U.S. federal and state income tax audits on its Form 990 and Form 990-T for years prior to Fiscal Year 2008, and is no longer subject to audits on its related state return by taxing authorities for years prior to Fiscal Year 2007. The years subsequent to these years contain matters that could be subject to differing interpretations of applicable tax laws and regulations. Although the outcome of tax audits is uncertain, the Association believes no issues would arise.

(4) Cash Investments and Concentration of Credit Risk

The following table presents the Association's fair value hierarchy for those assets measured at fair value on a recurring basis as of March 31, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money Market	\$ 638,533	\$ -	\$ -	\$ 638,533
U.S. obligations	7,834,667	-	-	7,834,667
Total	<u>\$ 8,473,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,473,200</u>

Concentration of Credit Risk:

The money markets invest in U.S. government securities and are not concentrated in any specific U.S. geographical area or industry group. U.S. obligations are backed by the full faith and credit of the U.S. government.

The majority of the Association's cash demand deposits are held at financial institutions in which deposits are fully insured on all non-interest bearing accounts and insured up to \$250,000 per institution on all interest bearing accounts by the FDIC. As of March 31, 2011, the Association's cash demand deposits held at financial institutions did not exceed the FDIC's insurance limit.

(5) Prize Money Program Assets

Sweepstakes assets are held in trust by the Association for its Sweepstakes program participants. The agreement governing the trust and the rules and regulations of the Sweepstakes program mandate that the principal of these assets shall be used solely to fund awards to Sweepstakes winners and for no other purpose during the duration of the Sweepstakes program.

ARABIAN HORSE ASSOCIATION

Notes to Financial Statements

(continued)

In addition, the Association acts in an agency capacity for the Halter Futurity, Yearling Jackpot and Performance Futurity prize money program assets.

	<u>Cash</u>	<u>Cash Investments</u>	<u>Interfund Receivable</u>	<u>Interest</u>	<u>Total</u>
Sweepstakes program	\$ 82,795	\$ 6,856,059	\$ 381,418	\$ -	\$ 7,320,272
Futurity program	14,184	923,110	142,186	-	1,079,480
Yearling Jackpot	-	-	7,559	287	7,846
Performance Futurity	-	-	136,536	-	136,536
Total	<u>\$ 96,979</u>	<u>\$ 7,779,169</u>	<u>\$ 667,699</u>	<u>\$ 287</u>	<u>\$ 8,544,134</u>

The net interest earned on the cash investments of the Sweepstakes and Performance Futurity programs is added to prize money payout for these programs. The net interest earned on cash investments of the Halter Futurity program is used to support the activities of the Association. The realized and unrealized gains or losses on the cash investments of the Sweepstakes, Halter Futurity and Performance Futurity programs are recognized as unrestricted income available for the activities of the Association. Yearling Jackpot interest is added on to prize money payout for associated classes.

(6) Sweepstakes Notes Receivable

On April 1, 2005, the Association changed from taking promissory notes from participants in the Sweepstakes program who wished to finance their entries to a deferred billing program which accomplished the same purpose but is administered more efficiently. Each form of financing is a contractual obligation of the participant. Although money collected on these receivables is an asset of the Sweepstakes trust, the receivable itself is not considered to be an asset of the Trust. The Trust agreement prevents any amounts not yet actually received from being included in the assets available to pay prize money. As payments are received, they are then included in the total Sweepstakes program assets available for payment of prize money. As of March 31, 2011, the carrying value approximated the fair market value. The receivables are determined to be past due based upon the contractual terms. The receivable is shown net of approximately \$22,000 in notes receivable that is considered potentially uncollectible.

(7) Property and Equipment

All property and equipment is stated at cost. A summary of capitalized property and equipment is as follows:

Equipment and software	3,030,336	2,755,800	274,536
Films	82,714	73,964	8,750
Building	1,021,938	526,118	495,820
Building improvements	195,134	143,649	51,485
Land	162,925	-	162,925
Land improvements	14,019	14,019	-
Software development	2,801,994	-	2,801,994
	<u>\$ 7,626,376</u>	<u>\$ 3,823,802</u>	<u>\$ 3,802,574</u>

Amounts under capital leases, which are included in equipment and software consist of the following as of March 31, 2011:

Equipment and software	<u>\$ 261,583</u>	<u>\$ 146,090</u>	<u>\$ 115,493</u>
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ARABIAN HORSE ASSOCIATION
Notes to Financial Statements
(continued)

(8) Unrestricted Deferred Revenue

Unrestricted deferred revenue consists of the following as of March 31, 2011:

Membership dues	\$ 880,737
Horse shows	5,335
Registrations	84,000
Other	40,858
	<u>\$ 1,010,930</u>

Deferred membership dues represent the portion of membership revenue collected during the current fiscal year that applies to activity for subsequent fiscal years. The deferred horse show revenue represents revenue collected during the current fiscal year for events held during the next fiscal year. The proceeds from such events might be refunded if the event were canceled.

(9) Obligation to Prize Money Programs

Agency obligations consist of the following:

	Breeders Sweepstakes	Halter Futurity	Yearling Jackpot	Performance Futurity	Total
Liabilities:					
Accounts payable	\$ 53,577	\$ -	\$ -	\$ -	\$ 53,577
Accrued liabilities	<u>15,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,316</u>
Prize money program assets currently committed	68,893	-	-	-	68,893
Amounts retained for future payout	<u>7,251,379</u>	<u>1,079,480</u>	<u>7,846</u>	<u>136,536</u>	<u>8,475,241</u>
Obligations to prize money programs	<u>\$ 7,320,272</u>	<u>\$ 1,079,480</u>	<u>\$ 7,846</u>	<u>\$ 136,536</u>	<u>\$ 8,544,134</u>
Obligation related to Sweepstakes Promissory Notes & Deferred Billing					<u>125,047</u>
					<u>\$ 8,669,181</u>

Sweepstakes accounts payable is primarily due to unclaimed Sweepstakes checks and amounts due for government withholdings as of March 31, 2011. Accrued liabilities are prize money amounts that have been won and are in the process of being paid as of March 31, 2011.

Sweepstakes promissory notes and deferred billings represent amounts owed from participants in the Sweepstakes program who have elected to finance Sweepstakes entry nominations. New financing arrangements increase this reported amount and payments received from participants will decrease this amount.

(10) Net Assets

Unrestricted Net Assets

Unrestricted net assets are available to fund current operations of the Association. Certain portions of unrestricted net assets have been designated by the Association's Board of Directors or by Convention resolution to be used for specific purposes.

ARABIAN HORSE ASSOCIATION
Notes to Financial Statements
(continued)

Undesignated Net Assets

Undesignated net assets represent the accumulated excess of unrestricted revenues over expenses that have not been set aside by the Board of Directors as designated net assets.

Designated Net Assets

Designated net assets are those assets that have been designated by the Association's Board of Directors or by Convention resolution for specific purposes.

Education and Evaluation Net Assets

Participants at certain horse shows are required to pay additional entry fees in order to fund a judges and stewards education and evaluation program. In accordance with the resolution establishing this program, the related activity produces designated net assets. As of March 31, 2011, the Education and Evaluation designated funds amounted to \$395,416.

Scoring Net Assets

Participants at certain horse shows are required to pay additional fees in order to fund the implementation and administration of the Majority Opinion Scoring (MOS) system. In accordance with the resolution establishing this system, the related activity produces designated net assets. As of March 31, 2011, scoring designated funds amounted to \$117,039.

Legal Defense Fund

The Legal Defense Fund, established in 1999, is funded by donations, settlements of legal action and the interest earned thereon. Such funds are used only for legal expenses related to legal defense. Donations are classified as temporarily restricted funds and settlements and interest are unrestricted designated funds. The Legal Defense Fund unrestricted designated funds as of March 31, 2011, amounted to \$437,656.

Half-Arabian/Anglo-Arabian Promotional Fund

The Half-Arabian/Anglo-Arabian Promotional Fund, established in 2003 as a part of the merger between International Arabian Horse Association and the Arabian Horse Registry of America, is funded by the Association out of Half-Arabian and Anglo-Arabian registration revenue. One-third of the revenues are transferred to this fund. The purpose of the fund is to provide promotional activities that will promote the Half-Arabian and Anglo-Arabian horses. One-third of the revenues for the year were \$55,582 and related expenses were \$60,589. The Half-Arabian/Anglo-Arabian Promotional Fund as of March 31, 2011, amounted to \$71,361.

Contingency Fund

The Board of Directors designated \$30,748 as of March 31, 2011, for future repairs, replacements, or other unexpected expenses.

ARABIAN HORSE ASSOCIATION
Notes to Financial Statements
(continued)

Restricted Net Assets

Temporarily Restricted Net Assets

Temporarily restricted net assets may only be used according to specific donor imposed stipulations. Once these stipulations are met, either through the passage of time or by actions of the Association, these assets will be released from the temporary restriction. Donations to the Legal Defense Fund are classified as temporarily restricted net assets. Such funds are used only for legal expenses related to legal defense. Temporarily restricted net assets consist of the following as of March 31, 2011:

Legal Defense fund	\$ 98,758
Other	<u>11,272</u>
Total Temporarily Restricted Net Assets	<u><u>\$ 110,030</u></u>

Permanently Restricted Net Assets

Permanently restricted net assets as of March 31, 2011, consisted of the Yearling Jackpot with earnings to be used for future prize payouts.

Legal Defense Fund

The Legal Defense Fund consists of temporarily restricted funds made up solely of donations and unrestricted designated funds from all other sources including, but not limited to, settlements and interest earned on investments. The balances in the areas making up the Legal Defense Fund as of March 31, 2011, are as follows:

Unrestricted designated funds	\$ 437,686
Temporarily restricted funds	<u>98,758</u>
	<u><u>\$ 536,444</u></u>

(11) Endowment

General

The Endowment Fund may include both donor-restricted endowment funds as well as funds designated by the Board to function as endowments. The endowment funds may be established for either specific purposes or general operating use. As required by Generally Accepted Accounting Principles (GAAP), net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Association classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Association considers the following factors in make a determination to appropriate or accumulate donor-restricted endowment funds:

ARABIAN HORSE ASSOCIATION
Notes to Financial Statements
(continued)

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the organization

Changes in Endowment Net Assets as of March 31, 2011

	<u>Permanently Restricted</u>
Endowment net assets, beginning of the year	\$ 53,762
Changes and reclassifications	-
Endowment net assets, end of year	<u>\$ 53,762</u>

Spending Policy and How the Investment Objectives Relate to the Spending Policy

The Association's policy towards the Yearling Jackpot investment account is that investment earnings are to be added to the pool of money paid out to competition members who enter, show and win in classes designated as Yearling Jackpot classes at the National level.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Association to retain as a fund of perpetual duration. As of March 31, 2011, such deficiencies amounted to \$2,518, and were due from the unrestricted fund.

Return Objectives and Risk Parameters

The Association has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk.

Strategies Employed For Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Association targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

(12) Employee 401(k) Plan/Pension Plan

The Association's 401(k) plan allows no more than 17% of a participant's compensation to be allocated to a participant's account during any plan year. The Association does not match participant contributions. Total expenses for this 401(k) plan for the fiscal year ending **March 31, 2011**, are \$0. The Association suspended the employer match contribution on March 1, 2009. Neither the assets nor the liabilities of the pension plan/401(k) plan are reflected in these financial statements. The Association's plan obligation for the year end **March 31, 2011**, is fully funded.

ARABIAN HORSE ASSOCIATION
Notes to Financial Statements
(continued)

(13) Capital Lease Obligations

The following represent obligations under capital leases for equipment as of March 31, 2011:

Due in monthly installments of principal and interest of \$3,538 through January 2014, interest rate 6.0%, secured by equipment.	\$ 120,366
Less: interest	9,922
Present value of future minimum lease payments	<u>110,444</u>
Less: current portion	36,834
Total long term portion	<u><u>\$ 73,610</u></u>

Future annual maturities of these obligations as of March 31, 2011, are as follows:

2012	36,834	
2013	39,106	
2014	34,504	
	<u>\$ 110,444</u>	

(14) Operating Lease Commitment

During July 2008, the Association entered into an operating lease to lease storage space. The term of the lease is from July 2008 – August 2013. In addition, the Association has entered into leases for office equipment and storage space, with various lease term expirations through August 2014.

Future minimum rental payments are as follows:

	<u>Storage</u>	<u>Other</u>	<u>Total</u>
2012	25,726	788	26,514
2013	26,236	788	27,024
2014	11,022	788	11,810
2015	-	328	328
	<u>\$ 62,984</u>	<u>\$ 2,692</u>	<u>\$ 65,676</u>

Total rent expense for the year ended March 31, 2011, was \$28,796.

(15) Litigation

As of March 31, 2011, the Association had no lawsuits outstanding. A Legal Defense Fund has been established to fund legal expenses associated with lawsuits brought against the Association to prevent further depletion of operating funds.

ARABIAN HORSE ASSOCIATION
Notes to Financial Statements
(continued)

(16) Commitments and Contingencies

License Agreement

Pursuant to the Merger Agreement which formed the Association, there exists a License Agreement (the "Agreement") between the Association and The Purebred Arabian Trust (the Trust). In this agreement, the Trust granted to the Association an exclusive, perpetual license to use the database, software, and information technology formerly owned by the Arabian Horse Registry of America in conducting its Purebred Registration activities. In consideration of this license, the Association pays to the Trust a royalty of one-third of purebred registration revenues. The Agreement may be altered, amended or revoked only by an instrument in writing signed by all parties to the Agreement. In the year ended March 31, 2011, the Association paid to the Trust \$365,920 in royalty. Ownership of the licensed rights remains with the Trust and in the event that a bankruptcy or dissolution of the Association occurs or the failure to pay royalty, the licensed rights would revert to the Trust. The Arabian Horse Association Market Development and Promotion Committee may solicit funding for Purebred marketing or promotional activities from the Trust. The Trustees of the Trust may, at their sole discretion, agree to fund the Purebred marketing or promotional activities. In the year ended March 31, 2011, the Trust funded promotional activities in the amount of \$0. Since inception, the Association has paid to the Trust \$3,995,780 in royalty and the Trust has funded promotional activities in the amount of \$1,849,363.

(17) Expenses

Total expenses for the year ended March 31, 2011, were as follows:

	<u>Total Expense</u>	<u>Less: Royalty Expense</u>	<u>Total Expense Reported By Function</u>
Program expenses	\$ 6,699,705	\$ (365,920)	\$ 6,333,785
Supporting services	2,268,119		2,268,119
Total expenses	<u>\$ 8,967,824</u>	<u>\$ (365,920)</u>	<u>\$ 8,601,904</u>

The Association uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the year ended March 31, 2011, advertising costs totaled \$70,712.

ARABIAN HORSE ASSOCIATION
Sweepstakes Supplemental Schedule of Financial Position
As of March 31, 2011 and March 31, 2010

	Balance as of Mar-11	Balance as of Mar-10
<u>ASSETS</u>		
Cash	\$ 82,795	\$ 96,906
Cash Investments	6,856,058	6,108,572
Interfund Receivable	381,419	629,318
TOTAL ASSETS	\$ 7,320,272	\$ 6,834,796
<u>LIABILITIES</u>		
Accounts Payable (1)	\$ 53,577	\$ 17,350
Accrued Liabilities (2)	15,316	8,178
Prize Money Program Assets		
Currently Committed	68,893	25,527
Amounts Retained for Future Payout	7,251,379	6,809,269
TOTAL LIABILITIES	\$ 7,320,272	\$ 6,834,796

(1) Amounts in Sweepstakes accounts payable are primarily due to unclaimed Sweepstakes checks, amounts due for government withholdings and unfunded disbursements as of period end.

(2) Amounts in Sweepstakes accrued liabilities are prize money amounts that have been won and are in the process of being paid as of period end.

ARABIAN HORSE ASSOCIATION
Sweepstakes Supplemental Schedule of Activities
For the periods ended March 31, 2011 and March 31, 2010

	Balance as of Mar-11	Balance as of Mar-10
<u>RECEIPTS</u>		
Entries	\$ 1,180,174	\$ 1,333,252
Interest	23,500	22,375
TOTAL RECEIPTS	1,203,674	1,355,627
<u>EXPENDITURES</u>		
Prize Money (3)	761,564	962,044
INCREASE/(DECREASE) IN ASSETS HELD FOR THE BENEFIT OF PRIZE MONEY PROGRAM		
	442,110	393,583
Amounts Retained for Future Payout Beginning of Period	6,809,269	6,415,686
Amounts Retained for Future Payout, End of Period	\$ 7,251,379	\$ 6,809,269

(3) Prize money expenditures, reported on a fiscal year basis, may show variances resulting from timing differences in reporting show results and the payout of prize money.

ARABIAN HORSE ASSOCIATION
Sweepstakes Investments
As of March 31, 2011

<u>Description</u>	<u>Maturity Date</u>	<u>Face Value or Cost Basis</u>	<u>Market Value</u>	<u>Face Yield</u>
Cash & Money Market	next day	\$ 279,849	\$ 279,849	0.10%
U.S. Government Bonds:				
FNMA Note	Jan-13	\$ 119,540	\$ 119,900	5.92%
FHLMC Note	Dec-18	305,653	306,315	4.25%
FHLMC Note	Dec-18	157,921	158,263	4.25%
FHLMC Note	Dec-18	76,413	76,579	4.25%
FHLMC Note	Dec-18	101,886	102,105	4.25%
FFCB Note	Nov-19	201,661	202,842	3.95%
FFCB Note	Jul-20	404,352	390,880	3.30%
FHLMC Note	Mar-21	258,273	250,133	5.40%
FNMA Note	Oct-21	563,945	560,000	5.45%
FHLB Note	Apr-25	250,000	250,325	4.00%
FNMA Note	Dec-28	211,696	203,710	5.00%
FNMA Note	Apr-36	294,456	269,110	6.00%
FNMA Note	Nov-36	320,920	314,205	5.95%
FNMA Note	Oct-37	109,493	105,419	5.80%
FFCB Note	Jul-25	375,000	366,512	4.15%
FFCB Note	Jul-25	500,000	483,269	4.23%
FHLB Note	Jul-25	375,000	364,786	4.20%
FHLMC Note	Aug-25	450,000	422,075	4.00%
FHLB Note	Sep-25	450,000	421,105	3.65%
FNMA Note	Dec-25	300,000	282,608	4.10%
FNMA Note	Oct-30	750,000	710,910	4.00%
Total Bonds		<u>\$ 6,576,209</u>	<u>\$ 6,361,050</u>	
Total Investments		<u>\$ 6,856,058</u>	<u>\$ 6,640,899</u>	

ARABIAN HORSE ASSOCIATION
Halter Futurity Supplemental Schedule of Financial Position
As of March 31, 2011 and March 31, 2010

	Balance as of Mar-11	Balance as of Mar-10
<u>ASSETS</u>		
Cash	\$ 14,184	\$ 18,827
Cash Investments	923,110	898,241
Interfund Receivable	142,186	282,027
TOTAL ASSETS	\$ 1,079,480	\$ 1,199,095
<u>LIABILITIES</u>		
Accrued Liabilities	\$ -	\$ -
Amounts Retained for Future Payout	1,079,480	1,199,095
TOTAL LIABILITIES	\$ 1,079,480	\$ 1,199,095

ARABIAN HORSE ASSOCIATION
Halter Futurity Supplemental Schedule of Activities
For the periods ended March 31, 2011 and March 31, 2010

	Balance as of Mar-11	Balance as of Mar-10
<u>RECEIPTS</u>		
Nominations	\$ 72,810	\$ 84,060
Renominations	128,165	163,680
Late Fees	17,750	39,200
Show fees	9,200	27,325
		-
TOTAL RECEIPTS	227,925	314,265
<u>EXPENDITURES</u>		
Trophies and awards	8,267	8,181
Prize Money	339,273	358,571
TOTAL EXPENDITURES	347,540	366,752
INCREASE/(DECREASE) IN ASSETS HELD FOR THE BENEFIT OF PRIZE MONEY PROGRAM	(119,615)	(52,487)
Amounts Retained for Future Payout Beginning of Period	1,199,095	1,251,582
Amounts Retained for Future Payout, End of Period	\$ 1,079,480	\$ 1,199,095

ARABIAN HORSE ASSOCIATION
Yearling Jackpot Supplemental Schedule of Financial Position
As of March 31, 2011 and March 31, 2010

	Balance as of Mar-11	Balance as of Mar-10
<u>ASSETS</u>		
Cash & Investments	\$ -	\$ -
Interfund Receivable	7,559	7,194
Accrued Interest	287	965
TOTAL ASSETS	\$ 7,846	\$ 8,159
Amounts Retained for Future Payout	\$ 7,846	\$ 8,159
TOTAL LIABILITIES	\$ 7,846	\$ 8,159

ARABIAN HORSE ASSOCIATION
Yearling Jackpot Supplemental Schedule of Activities
For the periods ended March 31, 2011 and March 31, 2010

	Balance as of Mar-11	Balance as of Mar-10
<u>RECEIPTS</u>		
Entries	\$ 18,000	\$ 25,250
Interest	(574)	2,906
TOTAL RECEIPTS	17,426	28,156
<u>EXPENDITURES</u>		
Prize Money	17,739	27,339
INCREASE/(DECREASE) IN ASSETS HELD FOR THE BENEFIT OF PRIZE MONEY PROGRAM	(313)	817
Amounts Retained for Future Payout Beginning of Period	8,159	7,342
Amounts Retained for Future Payout, End of Period	\$ 7,846	\$ 8,159

ARABIAN HORSE ASSOCIATION
Performance Futurity Supplemental Schedule of Financial Position
As of March 31, 2011 and March 31, 2010

	<u>Balance as of Mar-11</u>	<u>Balance as of Mar-10</u>
<u>ASSETS</u>		
Cash & Investments	\$ -	\$ -
Interfund Receivable	<u>136,536</u>	<u>134,831</u>
TOTAL ASSETS	<u>\$ 136,536</u>	<u>\$ 134,831</u>
Amounts Retained for Future Payout	<u>\$ 136,536</u>	<u>\$ 134,831</u>
TOTAL LIABILITIES	<u>\$ 136,536</u>	<u>\$ 134,831</u>

ARABIAN HORSE ASSOCIATION
Performance Futurity Supplemental Schedule of Activities
For the periods ended March 31, 2011 and March 31, 2010

	<u>Balance as of Mar-11</u>	<u>Balance as of Mar-10</u>
<u>RECEIPTS</u>		
Entries	\$ 279,300	\$ 253,200
Interest	<u>43,675</u>	<u>53,350</u>
TOTAL RECEIPTS	<u>322,975</u>	<u>306,550</u>
<u>EXPENDITURES</u>		
Trophies and awards	13,623	54,449
Prize Money	<u>307,647</u>	<u>269,923</u>
TOTAL EXPENDITURES	<u>321,270</u>	<u>324,372</u>
INCREASE/(DECREASE) IN ASSETS HELD FOR THE BENEFIT OF PRIZE MONEY PROGRAM	1,705	(17,822)
Amounts Retained for Future Payout Beginning of Period	<u>134,831</u>	<u>152,653</u>
Amounts Retained for Future Payout, End of Period	<u>\$ 136,536</u>	<u>\$ 134,831</u>



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