

NAPHA's 2012 Financial Summary

For the third year in a row, NAPHA has recorded a net profit for the year.

NAPHA ended 2012 with a profit of just under \$10,000. The net profit for 2012 is lower than the net profit the organization had in 2011. This is due to a number of factors, as listed below:

- Due to less horses being bred and sold, registration income dropped 30% compared to 2011
- Membership income dropped from 2011
- The US National Show netted \$13,000 less than 2011

The greatest financial achievement of NAPHA for 2012 was the outcome of the IRS audit. The IRS originally assessed NAPHA \$77,147 for the improper treatment of past independent contractors. With the help of Patrick Bossetta and the finance committee, NAPHA settled with the IRS for \$6,655.

With the IRS audit finalized, NAPHA only has one outstanding liability of \$13,650 at the end of 2012. Considering that at the end of 2010 the organization had outstanding liabilities of approximately \$140,000, the board is to be commended for leading the organization out of a very large financial hole.

Another positive as we enter 2013 is that the new registration program, CLRC (Canadian Livestock Records Corporation), is almost completely in service and we will be able to stop our payments to Horse Stud Book. This will dramatically help NAPHA's cash flow and will tie registration expense to registration income and alleviate the fixed overhead that we currently have. In other words, NAPHA has "tied" its registration expense to registration income so that in years of fewer registrations, NAPHA will pay less. Under the agreement with Horse Stud Book we paid the same regardless of the registration income.

As long as we continue to adapt to the changing economy and with the continued support of the members, NAPHA should continue to grow and further promote our very special breed.

NPPHA North American Peruvian Horse Association

	12/31/2012	12/31/2011
ASSETS		
Checking/Savings	50,757	54,402
Accounts Receivable	8,425	2,822
Fixed Assets	1,420	1,420
TOTAL ASSETS	60,602	58,644
LIABILITIES & EQUITY		
Liabilities		
IRS Liability (IRS Settlement Amount)	-	6,655
Linda Virgin	13,650	13,650
Total Liabilities	13,650	20,305
Equity		
Equity	37,339	(12,302)
Net Income	9,612	50,642
Total Equity	46,952	38,339
TOTAL LIABILITIES & EQUITY	60,602	58,644



Income Statement

	Jan - Dec 12	Jan - Dec 11
Ordinary Income/Expense		
Income		
Registration Income		
Registration Income	12,796	5,450
Transfer Fees	9,470	18,315
Registration Fee	7,432	13,780
Stallion Report Income	6,650	11,575
DNA Income	6,542	11,225
Fines & Penalties	350	62
Surcharge	180	1,590
Total Registration Income	43,420	61,997
Membership Income		
Dues Income	24,760	32,290
Horsestudbook.com	2,300	3,600
Total Membership Income	27,060	35,890
Fund Raisers	-	490
Donations	355	475
Show Approval Income	5,970	9,665
US National Show		
Income	97,224	95,724
Expenses	(70,594)	(60,616)
Total US National Show Income	26,630	35,108
Eastern Regional Championship Show		
Income	-	19,125
Expenses	-	(19,125)
Total Eastern Regional Championship Show	-	-
Joy of Riding		
Income	-	875
Expenses	-	(1,127)
Total Joy of Riding	-	(252)
Annual Membership Meeting		
Income	1,805	2,640
Expenses	(350)	(3,693)
Total Annual Membership Meeting	1,455	(1,053)
Sponsorship Income	3,501	440
Miscellaneous Income	518	741
Total Income	108,909	143,501

Expense

Registration Expense		
Payroll Expenses	41,898	39,363
On-Line Registration Program	19,700	18,058
CLRC Fees	7,230	-
Storage	4,622	3,658
DNA Typing	4,056	6,559
California Office Expenses	3,898	3,441
Printing Expense	3,468	1,424
Scanning Records Expense	1,752	1,718
Postage meter	1,303	1,644
Registration Expense - Other	144	3,807
Total Registration Expense	88,070	79,672
Operating Expense		
Insurance Expense	2,509	2,552
Credit Card Fees	2,489	2,323
ADP Fees	1,301	1,970
Website Expense	1,052	344
Bank Charges	417	1,050
Workers Comp	416	569
Box Rental Fee	380	-
Filing Fees	103	10
Computer Expense	43	-
NY - office expense	-	336
Dues & Subscriptions	-	150
Miscellaneous Expense	(453)	-
Total Operating Expense	8,256	9,304
Member Services		
Member Mailings	2,470	2,810
Member Sponsorships	-	250
Total Member Services	2,470	3,060
Professional Fees		
Legal Services	500	(470)
Total Professional Fees	500	(470)
Unrelated Business Income Tax		
	-	1,293
Total Expense	99,296	92,859
Net Income (Loss)	9,612	50,642