



ROGERS WOOD HILL STARMAN & GUSTASON

PROFESSIONAL ASSOCIATION
Certified Public Accountants

To the Board of Directors and Management
of Naples Equestrian Challenge, Inc.

In planning and performing our audit of the financial statements of Naples Equestrian Challenge, Inc., (NEC), as of and for the year ended December 31, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Other Matters:

Reconciling Donations between Donor Software & the General Ledger

After receiving multiple detailed reports from the Executive Director from Donor Pro we were able to trace the amounts on those reports to the income reported in QuickBooks by completing a reconciliation spreadsheet which adjusted for income not reported in Donor Pro. The Organization should create a reconciliation spreadsheet on a quarterly basis, noting the transactions that are not included in Donor Pro, which assists in tracing Donor Pro directly to QuickBooks.

Reconcile Restricted Bank Accounts to Temporarily Restricted Assets

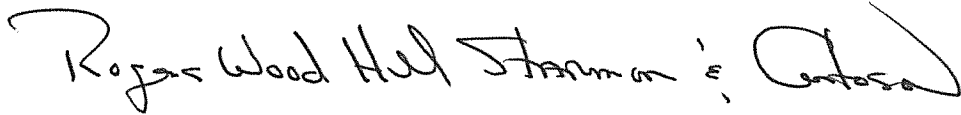
The Capital Campaign and Restricted bank accounts did not reconcile to the temporarily restricted net assets at the end of the year because some of the funds were included in the unrestricted bank account. A cash reconciliation that ties the bank balance to the general ledger balance should be prepared to determine that all cash transactions have been recorded properly and to discover bank errors. A benefit of monthly reconciliations is that errors do not accumulate but can be identified and attributed to a particular period in a timely manner.

Temporarily Restricted vs. Unrestricted Funds

A temporarily restricted contribution generally is recognized when received and is reclassified from temporarily restricted net assets to unrestricted net assets when the donor's restriction is satisfied or when the stipulated time has elapsed. The Organization should develop a policy to track restricted contributions from receipt until the contribution becomes unrestricted. Items that are still restricted at the end of the fiscal year should be classified as such.

To the Board of Directors and Management
of Naples Equestrian Challenge, Inc.
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This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Rogers Wood Hill Starman & Gustason, PA". The signature is written in a cursive, flowing style.

Rogers Wood Hill Starman & Gustason, PA
Naples, Florida
May 6, 2016

NAPLES EQUESTRIAN
CHALLENGE, INC.

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT THEREON

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NAPLES EQUESTRIAN CHALLENGE, INC.
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FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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ROGERS WOOD HILL STARMAN & GUSTASON

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Naples Equestrian Challenge, Inc.
Naples, Florida

We have audited the accompanying financial statements of Naples Equestrian Challenge, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

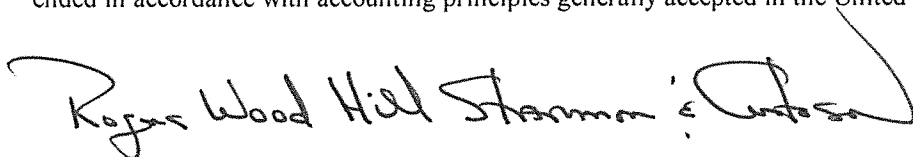
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Naples Equestrian Challenge, Inc. as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



ROGERS WOOD HILL STARMAN & GUSTASON, P.A.
Certified Public Accountants & Advisors
May 6, 2016

**NAPLES EQUESTRIAN
CHALLENGE, INC.**

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014

ASSETS

	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 989,876	\$ 662,049
Accounts receivable	6,675	2,090
Pledges receivable	200,167	60,000
Prepaid expenses	7,115	6,808
Property and equipment, net	<u>1,862,182</u>	<u>1,804,975</u>
Total assets	<u>\$ 3,066,015</u>	<u>\$ 2,535,922</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 21,846	\$ 19,535
Mortgage note payable	<u>130,262</u>	<u>133,697</u>
Total liabilities	<u>152,108</u>	<u>153,232</u>
Net assets:		
Unrestricted	1,886,060	1,658,089
Temporarily restricted	<u>1,027,847</u>	<u>724,601</u>
Total net assets	<u>2,913,907</u>	<u>2,382,690</u>
Total liabilities and net assets	<u>\$ 3,066,015</u>	<u>\$ 2,535,922</u>

**NAPLES EQUESTRIAN
CHALLENGE, INC.**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND SUPPORT:			
Contributions	\$ 152,126	\$ 426,248	\$ 578,374
Grant income	357,895	-	357,895
Rider fees	69,088	-	69,088
Exercise riding lessons	450	-	450
Special events, net	143,524	7,000	150,524
Rental income	3,500	-	3,500
Interest income	3,083	-	3,083
Miscellaneous income	4,118	-	4,118
In kind contributions	95,987	-	95,987
	<hr/>		
Total revenues and support	829,771	433,248	1,263,019
	<hr/>		
Net assets released from restrictions	130,002	(130,002)	-
	<hr/>		
Total revenues, support and net assets released from restrictions	959,773	303,246	1,263,019
	<hr/>		
EXPENSES:			
Program services	589,608	-	589,608
Management and general	63,113	-	63,113
Fundraising	79,081	-	79,081
Total expenses	731,802	-	731,802
	<hr/>		
INCREASE IN NET ASSETS	227,971	303,246	531,217
	<hr/>		
NET ASSETS - Beginning of year	1,658,089	724,601	2,382,690
	<hr/>		
NET ASSETS - End of year	\$ 1,886,060	\$ 1,027,847	\$ 2,913,907
	<hr/> <hr/>		

**NAPLES EQUESTRIAN
CHALLENGE, INC.**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Unrestricted	Temporarily Restricted	Total
REVENUES AND SUPPORT:			
Contributions	\$ 194,335	\$ 485,899	\$ 680,234
Grant income	172,832	-	172,832
Rider fees	66,100	-	66,100
Exercise riding lessons	699	-	699
Special events, net	206,087	40,000	246,087
Interest income	1,111	-	1,111
Miscellaneous income	5,040	-	5,040
In kind contributions	113,603	-	113,603
	<hr/>		
Total revenues and support	759,807	525,899	1,285,706
	<hr/>		
Net assets released from restrictions	88,698	(88,698)	-
	<hr/>		
Total revenues, support and net assets released from restrictions	848,505	437,201	1,285,706
	<hr/>		
EXPENSES:			
Program services	639,697	-	639,697
Management and general	58,568	-	58,568
Fundraising	75,948	-	75,948
Total expenses	774,213	-	774,213
	<hr/>		
INCREASE IN NET ASSETS	74,292	437,201	511,493
	<hr/>		
NET ASSETS - Beginning of year	1,583,797	287,400	1,871,197
	<hr/>		
NET ASSETS - End of year	\$ 1,658,089	\$ 724,601	\$ 2,382,690
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**NAPLES EQUESTRIAN
CHALLENGE, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Program Services	Support Services		Total Expenses
		Management and General	Fundraising	
Salaries and wages	\$ 218,734	\$ 29,966	\$ 54,297	\$ 302,997
Payroll taxes and employee benefits	47,159	6,461	11,706	65,326
Total salaries and related expenses	<u>265,893</u>	<u>36,427</u>	<u>66,003</u>	<u>368,323</u>
Bank charges	191	-	9,361	9,552
Computer technology	6,558	203	-	6,761
Depreciation	59,630	10,210	-	69,840
Horse and barn operating expenses	63,219	-	-	63,219
In kind expenses	85,077	-	-	85,077
Insurance	21,256	350	3,015	24,621
Interest	4,178	619	361	5,158
Loss on disposal of assets	4,361	-	-	4,361
Maintenance	14,702	-	-	14,702
Marketing and advertising	8,740	971	-	9,711
Miscellaneous	11,728	1,771	-	13,499
Other program costs	14,445	-	-	14,445
Professional fees	11,298	11,299	-	22,597
Supplies	10,854	244	341	11,439
Taxes and licenses	392	53	-	445
Utilities	7,086	966	-	8,052
Total expenses	<u>\$ 589,608</u>	<u>\$ 63,113</u>	<u>\$ 79,081</u>	<u>\$ 731,802</u>

**NAPLES EQUESTRIAN
CHALLENGE, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Program Services	Support Services		Total Expenses
		Management and General	Fundraising	
Salaries and wages	\$ 212,461	\$ 29,107	\$ 52,740	\$ 294,308
Payroll taxes and employee benefits	37,448	5,130	9,296	51,874
Total salaries and related expenses	<u>249,909</u>	<u>34,237</u>	<u>62,036</u>	<u>346,182</u>
Bank charges	204	-	10,001	10,205
Computer technology	5,742	177	-	5,919
Depreciation	56,154	10,210	-	66,364
Horse and barn operating expenses	76,047	-	-	76,047
In kind expenses	108,404	-	-	108,404
Insurance	20,863	350	3,127	24,340
Interest	4,284	635	370	5,289
Loss on disposal of assets	43,633	-	-	43,633
Maintenance	17,558	-	-	17,558
Marketing and advertising	8,753	973	-	9,726
Miscellaneous	4,278	1,233	-	5,511
Other program costs	15,568	-	-	15,568
Professional fees	9,223	9,223	-	18,446
Supplies	10,025	296	414	10,735
Taxes and licenses	1,159	158	-	1,317
Utilities	7,893	1,076	-	8,969
Total expenses	<u>\$ 639,697</u>	<u>\$ 58,568</u>	<u>\$ 75,948</u>	<u>\$ 774,213</u>

**NAPLES EQUESTRIAN
CHALLENGE, INC.**

**STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from contributions	\$ 433,621	\$ 622,514
Grants received	357,895	172,832
Rental fees	3,500	-
Rider fees	69,088	66,100
Exercise riding lessons	450	699
Special event and other income	352,112	433,223
Cash paid to suppliers and employees	(757,080)	(723,839)
Interest earned	3,083	1,111
Net cash provided by operating activities	<u>462,669</u>	<u>572,640</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(131,407)	(140,981)
Net cash used by investing activities	<u>(131,407)</u>	<u>(140,981)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on note payable	(3,435)	(3,303)
Principal payments on line of credit	-	(10,000)
Net cash used by financing activities	<u>(3,435)</u>	<u>(13,303)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	327,827	418,356
CASH AND CASH EQUIVALENTS - Beginning of year	<u>662,049</u>	<u>243,693</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 989,876</u>	<u>\$ 662,049</u>
RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Increase in net assets	\$ 531,217	\$ 511,493
Depreciation	69,839	66,364
Loss on disposal of property and equipment	4,361	43,633
Changes in assets and liabilities:		
Accounts receivable	(4,585)	2,280
Pledges receivable	(140,167)	(60,000)
Other assets	-	5,000
Prepaid expenses	(307)	-
Accounts payable and accrued expenses	2,311	3,870
Net cash provided by operating activities	<u>\$ 462,669</u>	<u>\$ 572,640</u>
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	<u>\$ 5,158</u>	<u>\$ 5,289</u>

NAPLES EQUESTRIAN CHALLENGE, INC.

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2015 AND 2014

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Naples Equestrian Challenge, Inc. (the Organization) is a nonprofit corporation incorporated in 1997 in the State of Florida to provide therapeutic horseback riding to children and adults with disabilities. Program services provided by the Organization include therapeutic horseback riding, summer camps, and school outreach programs. The Organization is supported by donor contributions, grants, rider fees and several fundraising activities. The Organization is affiliated with the Professional Association of Therapeutic Horsemanship International (PATH).

Financial Statement Presentation

The accompanying financial statements have been prepared in accordance with the reporting principles of not-for-profit accounting as defined by current accounting standards for general purpose external financial statements of not-for-profit organizations.

The accompanying financial statements have been prepared to focus on the Organization as a whole and to present balances and transactions according to the existence of donor imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Unrestricted - Resources over which the board of directors has discretionary control. Designated amounts represent those revenues, which the board has set aside for a particular purpose.

Temporarily restricted - Those resources subject to donor imposed restrictions, which will be satisfied by actions of the Organization or passage of time.

Permanently restricted - Those resources subject to a donor imposed restriction that they be maintained permanently by the Organization. The donors of these resources typically permit Organizations to use all or part of the income earned, including capital appreciation, on related investments for unrestricted or temporarily restricted purposes. The Organization held no permanently restricted net assets at December 31, 2015 and 2014.

Liquidity

Assets are presented in the statement of financial position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

Cash and Cash Equivalents

The Organization considers all unrestricted bank and similar deposits, demand deposits, money market funds and certificates of deposit with original maturities of three months or less to be cash equivalents. The Organization maintains bank accounts with balances which, at times, may exceed federally insured limits.

Property and Equipment

The Organization records property and equipment at cost when purchased or at fair market value at the time of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as temporarily restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service or purchased and reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Depreciation is recorded on the straight-line basis over the estimated useful lives of the related assets ranging from five to thirty-nine years. The cost of maintenance and repairs is charged as an expense as incurred. All acquisitions of property and equipment and all expenditures for repairs, maintenance, renewals, and betterments in excess of \$1,000 that materially prolong the useful lives of assets are capitalized.

NAPLES EQUESTRIAN CHALLENGE, INC.

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2015 AND 2014

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Contributions

In accordance with current accounting standards, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted contributions whose restrictions are met in the same reporting period are shown as unrestricted support. All contributions are considered to be available for operations unless specifically restricted by the donor.

Contributed Goods and Services

Contributions of noncash items are recorded at fair value on the date donated. Contributed services meeting the requirement for recognition in the financial statements are recorded at the fair market value of professional services rendered.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain amounts have been allocated among the program, management and general, and fundraising expenses.

Income Taxes

The Internal Revenue Service has determined the Organization is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3). In addition, the Organization has been determined by the Internal Revenue Service to be other than a private foundation within the meaning of Section 509(a) of the Code. Accordingly, no provision for income taxes has been made in these financial statements.

The Organization has implemented the standard for uncertain tax positions. As a result, the Organization evaluated its tax positions and determined it has no uncertain tax positions as of December 31, 2015. The Organization's tax returns from the tax years ended December 31, 2012 through December 31, 2014 are open to examination by federal authorities.

Fair Value Measurement

The Organization measures fair value as set forth in the Statement of Financial Accounting Standard FASB ASC 820, Fair Value Measurements. This standard applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. The Organization currently does not measure any of its assets or liabilities at fair value and is not required under generally accepted accounting principles to disclose the fair value of its financial instruments.

The Organization also adopted the fair value option for financial assets and liabilities standard. This standard allows entities the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities on a contract-by contract basis. The Organization has not elected to measure any existing financial instruments at fair value. However, the Organization may elect to measure newly acquired financial instruments at fair value in the future.

Donated Services

The Organization receives a significant benefit from volunteer work provided by parents and other interested parties. These services do not meet the reporting requirement of skilled professional labor and, as a result, the value of such services is not reflected in these financial statements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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.

NAPLES EQUESTRIAN CHALLENGE, INC.

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2015 AND 2014

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2015 and 2014:

	2015	2014
Land	\$ 781,671	\$ 781,671
Buildings	750,871	750,871
Site improvements	679,159	674,310
Horses	39,450	40,949
Equipment	98,159	70,408
Furniture and fixtures	45,411	21,951
Construction in progress	123,465	57,150
	2,518,186	2,397,310
Less accumulated depreciation	(656,004)	(592,335)
Total	\$ 1,862,182	\$ 1,804,975

Depreciation expense was \$69,840 and \$66,364 for the years ended December 31, 2015 and 2014, respectively.

NOTE 3 - PLEDGES RECEIVABLE

Pledges consist of unconditional promises to give and are due as follows:

<u>Year ending December 31,</u>		
2016	\$	105,500
2017		53,500
2018		40,167
2019		1,000
	\$	200,167

The Organization has one conditional pledge, which is not accrued, of approximately \$150,000 to be received over the next three years for barn and program expenses.

NOTE 4 - MORTGAGE NOTE PAYABLE

	2015	2014
Mortgage note payable to First Florida Integrity Bank, interest rate is 3.85%, at December 31, 2015 and 2014, collateralized by building and fixtures, monthly payments totaling \$716 due through the maturity date of December 2018, when final balloon principal payment is due.	\$ 130,262	\$ 133,697

NAPLES EQUESTRIAN CHALLENGE, INC.

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2015 AND 2014

NOTE 4 - MORTGAGE NOTE PAYABLE - CONTINUED

Future principal payments on the mortgage note payable at December 31, 2015 are as follows:

<u>Year Ending December 31,</u>	
2016	\$ 3,557
2017	3,713
2018	122,992
	<u>\$ 130,262</u>

NOTE 5 - LINE OF CREDIT

In December 2015, the Organization renewed its line of credit with First Florida Integrity Bank in the amount of \$50,000. As of December 31, 2015 there was no amount outstanding. The interest rate on the line of credit at December 31, 2015 was 3.25%. The credit line is secured by the Organization's property and equipment.

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of funds restricted for the following purposes:

	<u>2015</u>	<u>2014</u>
Horse retirement	\$ 22,728	\$ 13,319
Barn dance sponsorships	27,000	40,000
Operation Strides	24,599	43,396
Program grants	49,055	-
Facility expansion project	904,465	627,886
	<u>\$ 1,027,847</u>	<u>\$ 724,601</u>

NOTE 7 - IN KIND CONTRIBUTIONS

In kind contributions consist of the following:

	<u>2015</u>	<u>2014</u>
Revenue in kind		
Professional services	\$ 600	\$ 2,000
Horses	5,500	4,999
Flooring	4,910	-
Landscape services	27,751	25,943
Auction items and other donations and services	57,226	80,661
Total revenue in kind	<u>95,987</u>	<u>113,603</u>
Less capitalized items:		
Horses	(6,000)	(5,199)
Flooring	(4,910)	-
Total expenses in kind	<u>\$ 85,077</u>	<u>\$ 108,404</u>

NAPLES EQUESTRIAN CHALLENGE, INC.

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2015 AND 2014

NOTE 8 - RENTAL INCOME

The Organization leased a single family home on its property to an employee in 2015. The home is being rented under a non-cancellable operating lease from August 2015 through July 2016 for \$700 a month.

Rental income totaled \$3,500 for the year ended December 31, 2015.

NOTE 9 - SPECIAL EVENTS, NET

Revenues and expenses from the various special events consist of the following:

	<u>2015</u>	<u>2014</u>
Revenues	\$ 347,994	\$ 428,183
Less: Expenses	<u>(197,470)</u>	<u>(182,096)</u>
Net Total	<u>\$ 150,524</u>	<u>\$ 246,087</u>

NOTE 10 - CONCENTRATIONS

The Organization maintains cash balances at a financial institution. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2015, the Organization had deposits of \$737,844 in excess of FDIC insurance coverage.

NOTE 11 - RECLASSIFICATION

During the year ended December 31, 2015, a correction was made in the classification of special event income. Income which was previously classified as unrestricted totaling \$40,000, as of December 31, 2014, has been reclassified to temporarily restricted.

NOTE 12 - SUBSEQUENT EVENTS

Naples Equestrian Challenge, Inc. contracted with Compass Construction for a facility expansion project totaling \$2,525,648. Construction site development commenced in March 2016. The project is expected to be completed in November 2016.

Subsequent events were evaluated through May 6, 2016, which is the date the financial statements were available to be issued.