



marked for greatness™

**2017
ANNUAL
REPORT**

2017 Executive Committee

APHA Structure

Members:

Elect Board of Directors.

Board of Directors:

Decide and direct Association policy. Make, amend, repeal and enforce Association rules and regulations.

Executive Committee:

Sets Association policy. Responsible for planning the future direction of the Association, while ensuring its fiscal integrity.

Executive Director:

Responsible for day-to-day operation and guidance of the Association. Implements policies adopted by the Board of Directors and Executive Committee. Carries out decisions made by resolution of the Executive Committee.

Leadership Team:

Responsible for the day-to-day management of departments.



Acting President
Dr. Craig Wood
Owenton, Kentucky



President-Elect
Mike Short
Shiner, Texas



Vice-President
Casey West
Abilene, Kansas



Senior Committee Member
Karen Thomas
Morganton, North Carolina



Fifth Committee Member
Alison Umberger
Broad Run, Virginia



Sixth Committee Member
Dr. Travis Titlow
Lincoln, California



Immediate Past President
Susie Shaw
Parsons, Tennessee



Executive Director
Billy Smith
Fort Worth, Texas

The 2017 Executive Committee (L to R): Acting President Dr. Craig Wood; President-Elect, Mike Short; Vice-President Casey West, Senior Committee Member, Karen Thomas; Fifth Committee Member, Alison Umberger; Sixth Committee Member, Dr. Travis Titlow; Immediate Past President, Susie Shaw.



Membership by Location

United States

LOCATION	TOTAL	LOCATION	TOTAL	LOCATION	TOTAL
AEO	0	Kentucky	363	Oklahoma	1,755
Alaska	37	Louisiana	492	Oregon	1,060
Alabama	341	Massachusetts	182	Pennsylvania	689
APO	2	Maryland	207	Rhode Island	7
Arkansas	398	Maine	73	South Carolina	396
Arizona	909	Michigan	1,074	South Dakota	350
California	2,719	Minnesota	942	Tennessee	552
Colorado	1,369	Missouri	964	Texas	5,644
Connecticut	91	Mississippi	402	Utah	563
District of Columbia	2	Montana	615	Virginia	413
Delaware	70	North Carolina	737	Vermont	59
Florida	1,212	North Dakota	270	Washington	1,216
Georgia	600	Nebraska	521	Wisconsin	907
Hawaii	41	New Hampshire	101	West Virginia	94
Iowa	981	New Jersey	295	Wyoming	433
Idaho	705	New Mexico	334		
Illinois	1,063	Nevada	391		
Indiana	654	New York	509		
Kansas	789	Ohio	1,116		
				U.S. Total	35,709

International

LOCATION	TOTAL	LOCATION	TOTAL	LOCATION	TOTAL
Austria	286	Hungary	30	South Africa	16
Argentina	2	Honduras	1	South East Asia	1
Australia	94	Holland	17	Singapore	1
Belize	1	Ireland	14	Sweden	310
Belgium	273	Israel	31	Spain	50
Namibia	2	Italy	639	Slovakia Republic	66
Bulgaria	4	Jamaica	29	Saudi Arabia	1
Brazil	6	Japan	18	Slovenia	17
China	8	Luxembourg	29	Switzerland	237
Colombia	17	Mexico	164	Netherlands	275
Costa Rica	8	Monaco	1	United Arab Emirates	1
Croatia	16	New Caledonia	9	United Kingdom	66
Czech Republic	373	Norway	52	Uruguay	1
Canal Zone	7	New Zealand	3	Venezuela	17
Denmark	192	Poland	40		
Dominican Republic	8	Panama	8		
Finland	52	Paraguay	1		
France	781	Republic Serbia	2		
Germany	1,609	Russia	2		
				Foreign Total	5,888

Canada

LOCATION	TOTAL	United States	35,709	MEMBERSHIP	
Alberta	963	International	5,888	Regular 1-year	18,093
British Columbia	402	Canada	2,894	Regular 3-year	11,902
Manitoba	111			Regular 5-year	3,930
New Brunswick	68			Total Regular	33,925
Newfoundland	2				
Nova Scotia	78			Junior Members	1,849
Ontario	546			Junior 3-year	915
Prince Edward Island	9			J-Term Members	1,561
Quebec	369			Total Junior	4,325
Saskatchewan	341				
Yukon	5			Lifetime Members	6,241
Canadian Total	2,894	Grand Total	44,491	Total Members	44,491

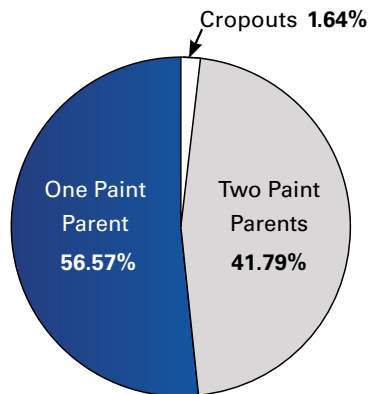
Paint Horse Distribution (Total horses registered in 2017)

Registration and Breeding Statistics

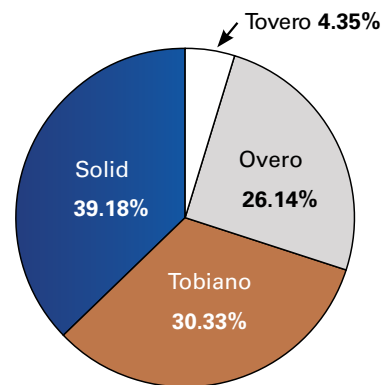
Year	Horses Registered Annually	Horses Transferred Annually	Mares Bred	Stallion Breeding Reports
2017	10,225	14,004	*	*
2016	10,964	15,734	16,530	4,963
2015	10,813	16,554	17,551	5,465
2014	11,572	17,645	17,862	5,882
2013	13,409	19,526	19,145	6,433

** Please note: Because the majority of stallion breeding reports are received by APHA late in the year, complete statistics are not available when the Annual Report is compiled. Totals for 2017 will be available in next year's report. Also note that as late reports are filed, totals for previous years might increase.*

Total horses registered by bloodline



Total horses registered by pattern



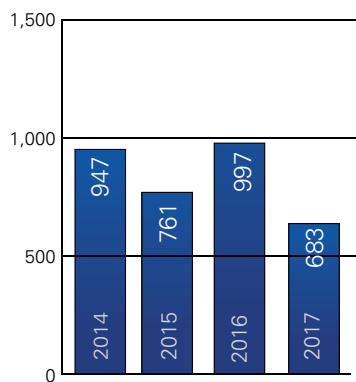
Horse Analysis by Location (Total horses registered in 2017)

United States	Total horses	Type				Sex				Bloodline		
		Overo	Tobiano	Solid	Tovero	Stallions	Mares	Geldings	Cropout	One Paint Parent	Two Paint Parents	
Alabama	73	17	18	35	3	30	35	8	4	54	15	
Alaska	0	0	0	0	0	0	0	0	0	0	0	
Arizona	174	63	44	63	4	70	84	20	2	89	83	
Arkansas	101	22	23	52	4	41	53	7	1	75	25	
California	398	125	86	176	11	143	214	41	9	212	177	
Colorado	272	49	97	118	8	90	150	32	3	173	96	
Connecticut	6	4	0	2	0	3	2	1	0	3	3	
Dist. Of Columbia	1	1	0	0	0	0	0	1	0	0	1	
Delaware	10	5	3	2	0	3	7	0	0	6	4	
Florida	204	65	52	80	7	71	111	22	7	125	72	
Georgia	83	18	25	36	4	33	42	8	0	57	26	
Hawaii	1	0	0	1	0	0	1	0	0	1	0	
Idaho	134	31	41	59	3	53	67	14	1	84	49	
Illinois	146	72	20	51	3	46	85	15	3	73	70	
Indiana	117	38	34	44	1	43	67	7	8	56	53	
Iowa	337	125	72	131	9	118	174	45	5	180	152	
Kansas	166	45	52	62	7	63	91	12	2	90	74	
Kentucky	103	27	31	42	3	40	57	6	6	57	40	
Louisiana	77	17	19	38	3	31	44	2	1	44	32	
Maine	2	2	0	0	0	1	1	0	0	2	0	
Maryland	21	16	1	4	0	5	12	4	3	9	9	
Massachusetts	9	3	5	1	0	6	2	1	0	6	3	
Michigan	191	74	50	60	7	54	111	26	3	91	97	
Minnesota	227	59	74	87	7	77	116	34	2	134	91	
Mississippi	60	14	20	22	4	19	37	4	1	32	27	
Missouri	222	57	48	107	10	86	106	30	1	141	80	
Montana	191	36	73	79	3	82	101	8	2	116	73	
Nebraska	127	50	40	27	10	50	69	8	4	59	64	
Nevada	50	19	10	18	3	18	25	7	1	28	21	
New Hampshire	6	3	1	2	0	1	3	2	0	2	4	
New Jersey	26	9	2	12	3	7	17	2	3	15	8	
New Mexico	49	5	14	27	3	21	28	0	1	37	11	
New York	51	10	21	18	2	22	24	5	1	35	15	
North Carolina	99	33	30	33	3	36	51	12	5	52	42	
North Dakota	134	19	72	38	5	62	70	2	0	74	60	
Ohio	188	61	39	84	4	69	91	28	7	108	73	
Oklahoma	507	105	159	237	6	203	261	43	6	308	193	
Oregon	205	66	53	80	6	67	103	35	2	134	69	
Pennsylvania	81	25	17	36	3	31	39	11	4	42	35	
Rhode Island	1	0	0	0	1	0	0	1	0	1	0	
South Carolina	54	18	17	14	5	23	22	9	3	25	26	
South Dakota	176	16	87	67	6	83	91	2	0	91	85	
Tennessee	87	28	24	30	5	34	47	6	3	47	37	
Texas	1,081	286	295	464	36	432	562	87	31	664	386	
Utah	121	23	23	72	3	47	65	9	1	88	32	
Vermont	6	0	4	2	0	1	4	1	0	3	3	
Virginia	68	16	22	26	4	23	33	12	0	42	26	
Washington	178	47	50	75	6	70	79	29	2	102	74	
West Virginia	21	4	8	7	2	6	12	3	1	12	8	
Wisconsin	211	65	52	89	5	78	108	25	4	124	83	
Wyoming	119	33	28	54	4	56	58	5	0	88	31	
Total U.S.	6,972	1,926	1,956	2,864	226	2,648	3,632	692	143	4,091	2,738	
International	Alberta	372	80	126	148	18	165	187	20	4	214	154
	Australia	14	10	0	3	1	6	4	4	1	3	10
	Austria	53	10	21	20	2	24	28	1	2	24	27
	Brazil	1	0	1	0	0	1	0	0	0	0	1
	Belgium	93	32	30	26	5	45	48	0	0	45	48
	British Columbia	93	19	39	32	3	32	50	11	1	54	38
	Bulgaria	4	0	4	0	0	3	1	0	0	0	4
	China	1	0	0	1	0	1	0	0	0	0	1
	Colombia	2	1	1	0	0	1	1	0	0	2	0
	Croatia	3	1	0	2	0	1	2	0	0	2	1
	Czech Republic	162	24	92	32	14	82	76	4	0	75	87
	Canal Zone	1	0	1	0	0	0	1	0	0	0	1
	Denmark	17	5	4	8	0	4	10	3	1	8	8
	Dominican Republic	2	1	1	0	0	1	1	0	0	2	0
	Finland	7	2	0	5	0	2	5	0	0	5	2
	France	493	115	158	164	56	220	264	9	0	174	319
	Germany	523	95	201	190	37	235	273	15	8	276	239
	Hungary	9	1	5	3	0	6	3	0	0	6	3
	Israel	4	0	2	2	0	2	1	1	0	2	2
	Italy	469	130	158	155	26	221	246	2	0	243	226
	Japan	1	0	0	1	0	0	1	0	0	1	0
	Luxembourg	8	4	2	2	0	5	3	0	0	6	2
	Manitoba	108	29	35	36	8	44	61	3	0	67	41
	Mexico	86	26	17	40	3	44	42	0	0	66	20
	Namibia	1	0	1	0	0	0	1	0	0	0	1
	Netherlands	75	13	23	32	7	36	37	2	2	41	32
	New Brunswick	17	2	9	6	0	4	12	1	0	6	11
	New Caledonia	5	3	1	1	0	3	2	0	0	3	2
	Norway	7	0	3	1	3	0	5	2	0	4	3
	Nova Scotia	21	2	14	2	3	8	11	2	0	9	12
	Ontario	117	27	43	41	6	35	72	10	2	66	49
	Poland	13	3	5	5	0	6	7	0	0	7	6
	Panama	1	0	1	0	0	1	0	0	0	1	0
	Paraguay	3	1	1	1	0	2	1	0	0	3	0
	Quebec	122	30	42	47	3	56	60	6	1	76	45
	Russia	1	0	1	0	0	0	1	0	0	1	0
	Saskatchewan	175	46	39	79	11	84	80	11	1	109	65
	Slovak Republic	34	8	11	10	5	16	17	1	0	15	19
	Slovenia	4	0	1	2	1	2	2	0	0	3	1
	South Africa	9	1	5	1	2	7	2	0	1	3	5
	Spain	10	2	4	3	1	4	6	0	0	4	6
	Sweden	50	14	15	20	1	19	29	2	1	29	20
	Switzerland	36	9	11	15	1	13	21	2	0	24	12
	United Kingdom	19	1	13	3	2	12	6	1	0	7	12
	Venezuela	7	0	4	3	0	2	5	0	0	7	0
	Total International	3,253	747	1,145	1,142	219	1,455	1,685	113	25	1,693	1,535
Grand Total	10,225	2,673	3,101	4,006	445	4,103	5,317	805	168	5,784	4,273	

Program Participation

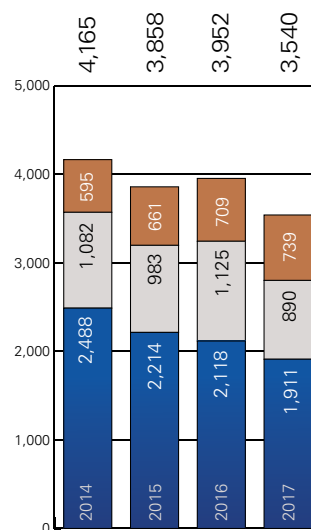
Paint Alternative Competition (PAC)

(In 2016, Ride America was included in PAC)



Amateur

- Amateur Walk Trot
- Amateur
- Novice Amateur



World Show Participation

CHAMPIONSHIP SHOW HISTORY

AjPHA Youth World Championship Show

Year	Date	Location	Entries	Judges	Horses	States represented
2017	Jun 26-Jul 9	Fort Worth, TX	6,480	5	420	37
2016	Jun 27-Jul 9	Fort Worth, TX	6,707	5	391	32
2015	Jun 26-Jul 4	Fort Worth, TX	5,745	5	290	33
2014	Jun 27-Jul 5	Fort Worth, TX	6,105	5	357	37
2013	Jun 28-Jul 6	Fort Worth, TX	5,900	5	286	42
2012	Jun 22-Jun 30	Fort Worth, TX	5,880	5	274	34

APHA Open & Amateur World Championship Show

Year	Date	Location	Entries	Judges	Horses	States represented
2017	Sept 20-Oct 1	Fort Worth, TX	15,438	5	1,107	47
2016	Nov 2-13	Fort Worth, TX	13,827	5	995	45
2015	Nov 4-14	Fort Worth, TX	12,930	5	993	46
2014	Nov 5-15	Fort Worth, TX	11,830	5	980	47
2013	Nov 6-16	Fort Worth, TX	11,060	5	935	42
2012	Nov 7-17	Fort Worth, TX	10,790	5	848	47

Approved Show Participation

Shows

Month	2016	2017
Jan	41	32
Feb	31	46
Mar	76	76
Apr	126	137
May	180	178
Jun	102	93
Jul	204	182
Aug	160	144
Sept	143	114
Oct	110	91
Nov	21	50
Dec	30	23
Total	1,224	1,166

Open

Month	2016	2017
Jan	1,909	1,804
Feb	2,398	2,607
Mar	4,612	3,941
Apr	9,817	10,391
May	15,351	15,731
Jun	5,115	4,390
Jul	12,913	11,471
Aug	12,457	13,663
Sept	11,056	7,541
Oct	6,570	4,855
Nov	306	3,285
Dec	1,719	2,142
Total	84,223	81,821

Youth

Month	2016	2017
Jan	1,625	1,514
Feb	1,545	1,506
Mar	3,701	3,211
Apr	6,442	7,019
May	10,012	9,660
Jun	2,150	1,916
Jul	7,076	5,478
Aug	6,064	7,532
Sept	5,832	3,425
Oct	4,434	3,465
Nov	92	1,631
Dec	814	1,116
Total	49,787	47,473

Novice Youth

Month	2016	2017
Jan	562	696
Feb	776	410
Mar	1,884	1,470
Apr	3,145	3,219
May	4,651	4,743
Jun	871	803
Jul	2,521	2,703
Aug	2,105	3,215
Sept	2,407	1,587
Oct	1,974	1,755
Nov	38	788
Dec	438	558
Total	21,372	21,947

Amateur

Month	2016	2017
Jan	1,656	1,659
Feb	1,610	1,993
Mar	4,326	3,713
Apr	8,113	8,674
May	14,370	12,658
Jun	3,689	3,396
Jul	10,501	8,320
Aug	9,148	10,310
Sept	8,184	5,256
Oct	6,171	3,990
Nov	166	2,061
Dec	1,233	1,490
Total	69,167	63,520

Novice Amateur

Month	2016	2017
Jan	580	718
Feb	616	583
Mar	1,416	1,554
Apr	2,707	3,666
May	5,018	5,498
Jun	1,701	1,844
Jul	4,564	3,658
Aug	3,887	4,578
Sept	3,201	2,176
Oct	2,196	1,835
Nov	56	811
Dec	464	560
Total	26,406	27,481

Open Solid Paint-Bred

Month	2016	2017
Jan	216	205
Feb	118	146
Mar	385	286
Apr	759	798
May	1,522	1,518
Jun	556	485
Jul	1,309	1,061
Aug	1,520	1,520
Sept	1,190	809
Oct	779	521
Nov	37	126
Dec	152	136
Total	8,543	7,611

Amateur Solid Paint-Bred

Month	2016	2017
Jan	70	20
Feb	51	20
Mar	227	110
Apr	599	607
May	1,293	1,333
Jun	309	398
Jul	973	986
Aug	968	1,063
Sept	1,108	690
Oct	527	570
Nov	2	44
Dec	17	83
Total	6,144	5,924

Youth Solid Paint-Bred

Month	2016	2017
Jan	-	4
Feb	2	46
Mar	42	27
Apr	164	171
May	434	576
Jun	135	130
Jul	442	397
Aug	387	361
Sept	310	160
Oct	329	332
Nov	-	36
Dec	28	-
Total	2,273	2,240

Amateur Walk-Trot

Month	2016	2017
Jan	444	678
Feb	466	614
Mar	1,576	1,347
Apr	2,335	2,927
May	3,800	4,575
Jun	1,031	1,165
Jul	2,712	3,467
Aug	3,003	3,202
Sept	2,797	2,248
Oct	2,109	1,846
Nov	112	1,134
Dec	508	508
Total	20,893	23,711

TOTAL ENTRIES

Month	2016	2017
Jan	7,062	7,298
Feb	7,582	7,925
Mar	18,169	15,659
Apr	34,081	37,472
May	56,451	56,292
Jun	15,557	14,527
Jul	43,011	37,541
Aug	39,539	45,444
Sept	36,085	23,892
Oct	25,089	19,169
Nov	809	9,916
Dec	5,373	6,593
Total	288,808	281,728

TOTAL HORSES

Month	2016	2017
Jan	423	536
Feb	340	354
Mar	632	603
Apr	1,009	1,088
May	897	849
Jun	538	423
Jul	513	497
Aug	369	379
Sept	303	286
Oct	193	184
Nov	97	104
Dec	37	57
Total	5,351	5,360

2017 Top 20 Shows (by entries per judge)

Rank	Show	Location	Date	Entries	Horses	2016 Rank	# of Judges	Adjoining Show
1	Zone 12 European Championships sponsored by Zone 12 Coordinating Committee	Kreuth, Germany	Aug 27-Sept 2	1425	256	1	5 Zone total	
2	Worldwide Paint Horse Congress sponsored by Kansas PHA	Tulsa, OK	Aug 2-6	1285	268	3	4 POR with adjoining 4 POR after	Worldwide Paint Horse Congress sponsored by Kansas PHA (1221 / 316)
3	Western Regional Zone 2 Show sponsored by Zone 2 Coordinating Committee	South Jordan, UT	May 25-26	1073	201	2	6 Zone with adjoining 4 POR after	UPHC POR sponsored by Utah Paint Horse Club (1010 / 202)
4	Zone 1 Show sponsored by Zone 1 Coordinating Committee	Nampa, ID	Aug 16-17	1007	189	8	6 Zone with adjoining 4 POR after	INPHC POR sponsored by Inland Northwest Paint Horse Club (787/166)
5	Texas Memorial Day Classic Zone 4 sponsored by Zone 4 Coordinating Committee	Waco, TX	May 26-29	893	224	10	6 Zone total	
6	Paint the Future POR sponsored by Texas PHC	Waco, TX	April 7-9	840	215	7	4 POR total	
7	Texas Wildflower POR sponsored by Gulf Coast PHC & Texas PHC	Waco, TX	March 17-19	800	205	11	4 POR total	
8	IPHA Freedom Classic sponsored by Illinois PHA	Gifford, IL	May 20-21	799	145	14	4 POR total	
9	Southwestern Exposition & Livestock Show (Fort Worth Stock Show) sponsored by Texas PHC	Fort Worth, TX	Jan 13- Feb 4	790	227	12	4 POR total	
10	IPHA Spring Fling POR sponsored by Illinois PHA	Gifford, IL	April 15-16	770	177	4	4 POR total	
11	Indiana/Illinois Paint Partners POR sponsored by Indiana PHC & Illinois PHA	Gifford, IL	Sept 2-3	765	154	5	4 POR total	
12	Arizona Copper Country POR sponsored by Arizona PHC	Scottsdale, AZ	Dec 29-31	708	140	19	4 POR with adjoining 4 POR after in 2018	Arizona Copper Country POR Jan. 2018 sponsored by Arizona PHC
13	Fall Color Classic sponsored by Northern Michigan & Michigan PHC	Lansing, MI	Oct 20-22	681	138	Unranked	4 POR with adjoining 4 Yth/ Am POR	Fall Color Classic Youth/ Amateur POR sponsored by Northern Michigan & Michigan PHC (482/111)
14	German Paint Horse Championships sponsored by Paint Horse Club Germany	Salzhausen, Germany	July 13-16	679	119	15	4 POR total	
15	Colorpalooza Spring Circuit sponsored by Southwest Washington PHC	Albany, OR	May 12-14	641	132	unranked	3 POR with adjoining 3 POR	Colorpalooza Spring Circuit POR sponsored by Southwest Washington PHC (580/129)
16	Zone 5 Show sponsored by Zone 5 Coordinating Committee	Cedar Rapids, IA	April 22-23	636	150	unranked	4 Zone total	
17	Margarita Classic POR sponsored by South Texas PHC	Waco, TX	Nov 17-19	625	122	unranked	4 POR total	
18	IPHA Fall Shootout sponsored by Illinois PHA	Gifford, IL	Sept 30-Oct 1	624	147	6	4 POR total	
19	Arizona Copper Country POR sponsored by Arizona PHC	Scottsdale, AZ	Jan 1-3	608	181	16	4 POR with adjoining 4 POR prior in 2016	Arizona Copper Country POR Dec 2016 sponsored by Arizona PHC (597/170)
20	Zone 9 Southern Classic Show sponsored by Florida PHC	Jacksonville, FL	Feb 18-19	584	170	unranked	6 Zone total	

Incentive Programs

BREEDERS' TRUST

Top 10 stallions by foal earnings

Stallion	Total Number Of Foals	Total Earnings	Average Earnings Per foal	Total Points	Average Points Per Foal
Zippos Sensation	101	\$54,570.61	\$540.30	6,787	67
All Time Fancy	125	\$31,034.18	\$248.27	3,858	30
Special Invitation	57	\$18,858.63	\$330.80	2,345	41
CR Good Machine	48	\$16,325.44	\$340.11	2,030	42
By Appointment Only	45	\$11,451.86	\$254.48	1,424	31
A Scenic Impulse	22	\$9,779.19	\$444.50	1,216	55
Gentlemen Send Roses	56	\$9,666.44	\$172.61	1,202	21
Alotta Charisma	10	\$9,449.52	\$944.95	1,175	117
HBF Iron Man	12	\$9,417.11	\$784.75	1,171	97
One Hot Krymsun	13	\$9,264.55	\$712.65	1,152	88

Top 10 earnings by foal

Nominated Foal/Sire	Earnings	Points Total/ Open/Amateur	Distribution	Owner/Nominator/Subscriber
Gametime Sensation/ Zippos Sensation	\$6,803.69	846	\$4,762.58	Ali Eidson
		113	680.36	Simons Show Horses LLC
		733	1,360.73	Simons Show Horses LLC
R Kid Rock/ CR Good Machine	\$6,779.56	843	\$4,745.69	Lana Markway
		175	677.95	Greg & Carlene Lowe
		668	1,355.91	Kimberly &/or Carlene Lowe
All Rights Reserved/ HBF Iron Man	\$5,211.33	648	3,647.93	Brandy Barniak
		171	521.13	Rondel Lepley
		477	1,042.26	Robin DeGraff
Krymsunized/ One Hot Krymsun	\$5,114.83	636	\$3,580.38	Kylee John
		93	511.48	Judy Brooks
		543	1,022.96	Craig & Rebecca Bailey
A World Class Storm/ An Intense Storm	\$4,921.81	612	\$3,445.26	Nathan J. Miller
		318	492.18	Roy J. Hall
		294	984.36	Mark or Patty Voegelé
Ill Be Sensational/ Zippos Sensation	\$4,165.85	518	\$2,916.09	Maggie Griffin
		45	416.58	Gene Furchfield
		473	833.17	Andrea Simons
Cool N Candid/ Cool Heir	\$3,916.54	487	\$2,741.57	Karly Furnas
		77	391.65	Gary and/or Sheron Neely
		410	783.30	Tim & Cindy Harris
RH CK Kid/ RH Stars And Stripes	\$3,860.25	480	\$2,702.17	Fred or Vanessa Cole
		184	386.02	Fred or Vanessa Cole
		296	772.05	Robert A Haas, Jr
Shes Alotta Splash/ Alotta Charisma	\$3,852.20	479	\$2,696.54	Robert or Patricia Ross
		117	385.22	Gregg Reisinger
		362	770.44	Gregg Reisinger
Blackmagics Blueprint/ Firstratesblkmagic	\$3,852.20	479	\$2,696.54	Janet L. Kennedy
		233	\$385.22	William E. or Janet M. Jones
		246	\$770.44	William E. or Janet M. Jones

Top 10 gross earnings

Payee	Earnings
Simons Show Horses LLC	\$8,615.11
Fred or Vanessa Cole	\$8,515.71
Yarnelle Farms	\$7,283.90
Susan & Philip Drawdy	\$5,640.62
Robert or Patricia Ross	\$5,339.18
Andrea Simons	\$5,153.23
Nathan J. Miller	\$4,935.47
Lana Markway	\$4,880.79
Ali Eidson	\$4,762.58
Peggy Knaus	\$4,150.09

APHA Breeders' Futurity

Platinum Division:

16 paid entries competed for \$73,129 in purse money

Leading Sire of Money Earning Foals:

Hes So That, owned by Susan & Philip Drawdy

Gold/Silver Bronze Division:

148 paid entries competed for \$101,672 in purse money

Leading Sire of Money Earning Foals:

AllTime Fancy, owned by Knaus Holloway Ventures

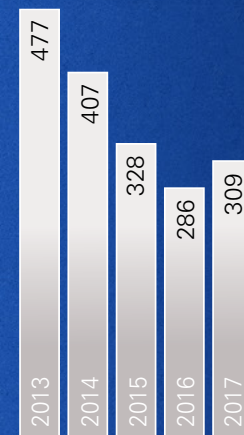
Total for all divisions:

164 entries competed for \$174,802 in purse money

Breeders' Trust Annual Payouts



Stallions Subscribed to Breeders' Trust



Ram Trucks Paint Barrel Racing Incentive Program

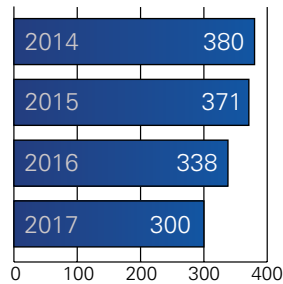
	2017	2016	2015	2014
PBRIP Events	144	124	73	65
PBRIP Enrollments	554	567	508	448
PBRIP Money Paid Out	\$54,000	\$62,000	\$52,807	\$44,772

PBRIP Participating States

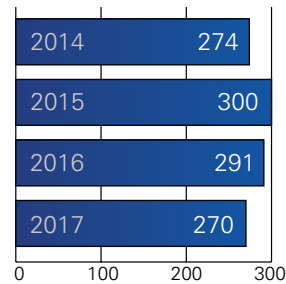
Arkansas	Indiana	Minnesota	New York	Pennsylvania
California	Iowa	Mississippi	Oklahoma	Texas
Colorado	Kansas	Missouri	Ohio	West Virginia
Idaho	Kentucky	Nebraska	Oregon	Wisconsin
Illinois	Louisiana			

Paint Racing

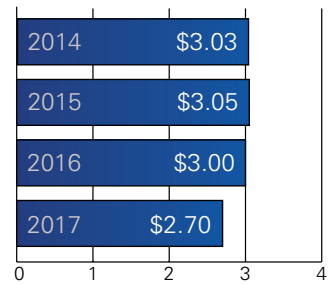
Number of Starters



Number of Races



Purse Money in Millions



Lifetime Leading Sires by Money Earned

	Horse Name	Money Earned		Horse Name	Money Earned
1.	Royal Quick Flash	\$6,498,829	6.	Easy Jet Too	\$1,591,503
2.	Judys Lineage	\$5,672,431	7.	Dos Poruno	\$1,419,735
3.	Country Quick Dash	\$3,884,410	8.	Treasured Too	\$1,399,379
4.	Texas Hero	\$3,375,442	9.	Treasured	\$1,214,593
5.	Awesome Chrome	\$1,926,163	10.	PYC Paint Your Wagon AQHA	\$1,137,104

2017 Top 10 Races by Purse Money

Race	Grade	Track	City, State	Purse
1. <i>Speedhorse</i> Graham Paint & Appaloosa Futurity	G1	Remington Park	Oklahoma City, OK	\$200,000
2. Oklahoma Paint Futurity	G1	Remington Park	Oklahoma City, OK	\$112,400
3. American Paint Classic Futurity	RG1	Remington Park	Oklahoma City, OK	\$104,720
4. <i>Speedhorse</i> Futurity	G1	Fair Meadows	Tulsa, OK	\$92,100
5. Pot O' Gold Futurity	RG1	Will Rogers Downs	Claremore, OK	\$81,800
6. Lone Star <i>Speedhorse</i> Futurity	G1	Lone Star Park	Grand Prairie, TX	\$52,000
7. <i>Speedhorse</i> Graham Paint & Appaloosa Derby	G1	Remington Park	Oklahoma City, OK	\$46,900
8. PSBA Derby	RG1	Remington Park	Oklahoma City, OK	\$34,100
9. National Cowboy & Western Heritage Stakes	G1	Remington Park	Oklahoma City, OK	\$35,000
10. Mr Lewie Memorial Handicap	G1	Remington Park	Oklahoma City, OK	\$31,746

Publications & Social Media



Chrome

- Apex Award of Excellence
- Design & Illustration
 - Illustration & Typography

- American Horse Publications Media Awards
- 7 total awards (including 4 first place)

- Livestock Publications Council Media Awards
- “Best Association Magazine” (3rd year)
 - Honorable Mention–Feature/Human Interest Article

Total Circulation: 33,435



Paint Horse Journal

- Apex Award of Excellence
- Magazines, Journals & Tabloids, Print +32 pages

- American Horse Publications Media Awards
- Reserve Overall
 - 8 total awards (including 2 first place)

- Livestock Publications Council Media Awards
- Reserve Champion - Technical Article, Association
 - Honorable Mention–Cover, Association

Total Circulation: 6,451

Social Media



- Nearly 300,000 Facebook fans
- APHA videos watched 567,903 times in 2017 via Facebook
- 2017 APHA World Show coverage on Facebook reached an average of 44,739 people per day
- 2017 AjPHA Youth World Show coverage on Facebook reached an average of more than 50,000 people per day



- More than 31,000 followers on Instagram



- More than 22,690 followers on Twitter



- 2,029 YouTube subscribers

Combined social media reach of more than 346,000

Independent Auditor's Report

To the Board of Directors American Paint Horse Association

We have audited the accompanying financial statements of American Paint Horse Association (a non-profit Texas corporation), which comprise the statements of assets, liabilities, and net assets-modified cash basis as of December 31, 2017 and 2016, and the related statements of revenues, expenses, and changes in net assets-modified cash basis and statements of cash flows-modified cash basis 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 the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 audits. We conducted our audits 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.

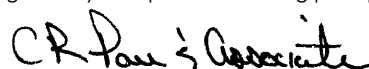
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the American Paint Horse Association as of December 31, 2017 and 2016, and its revenue, expenses and changes in net assets for the years then ended, on the modified cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. As described in Note 1, the Association prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Our opinion is not modified with respect to this matter.



C. R. Parr & Associates, P.C.

Hurst, Texas

May 11, 2018

Financial Statements

Statements of Assets, Liabilities, and Net Assets - Modified Cash Basis December 31, 2017 and 2016

Assets	2017	2016
Cash	\$ 522,607	\$ 359,491
Cash, restricted	517,937	537,007
Investments, at market value	10,752,674	10,124,786
Accounts receivable (less allowance for doubtful accounts of \$1,700 and \$1,900 respectively)	506,610	474,691
Accrued interest receivable, restricted	1,354	2,113
Inventory	84,144	90,950
Prepaid expenses	46,525	51,121
Total Current Assets	\$ 12,431,851	\$ 11,640,159
Fixed Assets		
Land and Building	\$ 6,285,908	\$ 6,285,908
Furniture and equipment	1,389,919	1,035,138
Collectibles	108,980	108,980
	\$ 7,784,807	\$ 7,430,026
Less: accumulated depreciation	(3,597,616)	(3,275,909)
Total Fixed Assets	\$ 4,187,191	\$ 4,154,117
Other Assets		
Investments, at market value, restricted	\$ 900,000	\$ 1,000,000
Total Other Assets	900,000	1,000,000
Total Assets	17,519,042	16,794,276
Liabilities and Net Assets		
Current Liabilities		
Accounts payable - trade	\$ 638,062	\$ 425,704
Accrued expenses	847,419	886,452
Total Current Liabilities	\$ 1,485,481	\$ 1,312,156
Long-term Liabilities		
Deferred Revenues	\$ 688,780	\$ 949,545
Total Long-term Liabilities	688,780	949,545
Total Liabilities	\$ 2,174,261	\$ 2,261,701
Net Assets		
Net Assets - with restrictions	\$ 892,191	\$ 975,715
Net Assets - without restrictions	14,452,590	13,556,860
Total Net Assets	\$15,344,781	\$14,532,575
Total Liabilities and Net Assets	\$17,519,042	\$16,794,276

	Without Restrictions	With Restrictions	Total 2017	Without Restrictions	With Restrictions	Total 2016
Revenues & Support						
Membership Services	\$ 1,790,201	\$ -	\$ 1,791,201	\$ 1,838,030	\$ -	\$ 1,838,030
Registration & Field Services	1,923,864	-	1,923,864	1,717,241	-	1,717,241
Performance Income	369,924	-	369,924	362,646	-	362,646
Shows	2,163,573	-	2,251,137	2,187,671	-	2,187,671
Journal	1,251,137	-	1,339,200	1,339,200	-	1,339,200
General Store Income	104,627	-	104,627	130,830	-	130,830
Other Program Income	429,022	-	429,022	513,241	-	513,241
Breeders' Trust Program Support	-	459,630	459,630	-	488,530	488,530
Total Revenues & Support	\$ 8,032,348	\$ 459,630	\$ 8,491,978	\$ 8,088,859	\$ 488,530	\$ 8,577,389
Program Services Expenses						
Membership Services	\$ 565,326	\$ -	\$ 565,326	\$ 555,400	\$ -	\$ 555,400
Registration & Field Services	641,762	-	641,762	560,712	-	560,712
Performance	452,268	-	452,268	420,472	-	420,472
Shows	1,965,988	-	1,965,988	2,070,647	-	2,070,647
Journal	924,032	-	924,032	1,014,537	-	1,014,537
General Store	113,762	-	113,762	191,128	-	191,128
Breeders' Trust Program	-	553,529	553,529	-	676,738	676,738
Other Programs	573,059	-	573,059	634,925	-	634,925
Supporting Services						
General & administrative expenses	\$ 2,834,609	\$ -	\$ 2,834,609	\$ 2,857,293	\$ -	\$ 2,857,293
Total Expenses	8,070,806	553,529	8,624,335	8,305,114	676,738	8,981,852
Program Changes in Net Assets	(38,458)	(93,899)	(132,357)	(216,255)	(188,208)	(404,463)

Financial Statements & Notes to Financial Statements

Statements of Revenues, Expenses, and Changes in Net Assets-Modified Cash Basis December 31, 2017 and 2016

Without	Without	With	Total	Without	With	Total
	Restrictions	Restrictions	2017	Restrictions	Restrictions	2016
Other Income & Expenses						
Marketing Initiative	\$ (247,000)	\$ -	\$ (247,000)	\$ (204,650)	\$ -	\$ (204,650)
Investment Return	1,174,788	10,375	1,185,163	342,306	27,285	369,591
Royalty Income	6,400	-	6,400	3,788	-	3,788
Total Other Income (Expenses)	934,188	10,375	944,563	141,444	27,285	168,729
Changes in Net Assets	895,730	(83,524)	812,206	(74,811)	(160,923)	(235,734)
Net Assets, Beginning of Year	\$13,556,860	\$ 975,715	\$14,532,575	\$13,631,671	\$ 1,136,638	\$14,768,309
Net Assets, End of Year	\$14,452,590	\$ 892,191	\$15,344,781	\$13,556,860	\$ 975,715	\$14,532,575

Statements of Cash Flows-Modified Cash Basis December 31, 2017 and 2016

	2017	2016
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 812,206	\$ (235,734)
Adjustments to reconcile the change in net assets to net cash provided by (used by) operating activities		
Depreciation	\$ 317,157	\$ 262,894
Unrealized (gain) loss on investments	(79,773)	(18,358)
Investment (income)/loss	(1,101,515)	(327,736)
Investment (Income), restricted Breeders' Trust Program	(10,375)	(27,285)
Receivables (increase) decrease	(31,160)	(48,304)
Inventory (increase) decrease	6,806	15,622
Prepaid expenses (increase) decrease	4,596	6,330
Accounts payable increase (decrease)	212,358	(71,648)
Accrued expenses increase (decrease)	(39,033)	(123,652)
Deferred revenues increase (decrease)	(260,765)	(378,739)
Net Cash (used) by Operating Activity	\$ (169,498)	\$ (946,610)
Cash Flows From Investing Activity		
Proceeds from unrestricted investment income	\$ 1,101,515	\$ 327,736
Proceeds from maturities, restricted investments	300,000	300,000
Purchases in investments, unrestricted investments	(333,190)	(25,702)
Investments increase (decrease), net	(100,000)	37,530
Purchases of investments, restricted investments	(300,000)	-
Purchase of property and equipment	(354,781)	(208,452)
Net Cash (used) by Investing Activities	313,544	431,112
Net Increase (Decrease) in Cash	144,046	(515,498)
Cash, Beginning of Year	\$ 896,498	\$ 1,411,996
Cash, End of Year	\$ 1,040,544	\$ 896,498

The accompanying notes are an integral part of these statements

Notes to Financial Statements

Notes to Financial Statements (For the Years Ended December 31, 2017 and 2016)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

Organization and Nature of Activities

The American Paint Horse Association, Inc. (The Association) is a not-for-profit membership organization incorporated under the laws of Texas and exempt from income tax under Section 501(c)(5) of the U.S. Internal Revenue Code. The Association was formed in 1962 to collect, record, and preserve the pedigree of Paint Horses. In addition, the Association is responsible for promoting and disseminating knowledge and information related to the Paint Horse breed.

Basis of Accounting

In 2014, the Association changed to the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. This basis differs from generally accepted accounting principles primarily because the Association has stopped recording deferred revenue for membership dues and subscription fees. In addition, the balance in these deferral accounts expires over time, as shown in Note 10. All other revenue is recognized in the period in which the services are provided.

Basis of Presentation and Revenue Recognition

The Association has early adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958: Presentation of Financial Statements of Not-for-Profits)*. The ASU, which is the first phase of a two-phase project, makes significant changes in Not-for-Profit financial reporting requirements. Financial position and activities are no longer divided according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets. These have been replaced with two classes of net assets—net assets with restrictions and net assets without restrictions. (See INVESTMENTS below for additional changes due to ASU No. 2016-14.

Cash and Cash Equivalents

For purposes of these financial statements, the Association considers cash to be all cash on hand and cash in banks in demand accounts. Cash, restricted, is cash deposited specifically for the Breeders' Trust Programs and is held in separate accounts.

Accounts Receivable

Accounts receivable are included in the accompanying statements of financial position at original invoice net of the allowance for doubtful accounts. The accounts receivable balance is comprised of amounts owed to the Association for magazine advertising and other miscellaneous receivables.

The Association determines its allowance based on specific uncollectible accounts. The Association writes off receivables when they become uncollectible. The Association has had minimal losses on accounts receivable in prior years. The allowance for doubtful accounts in 2017 and 2016 is \$1,700 and \$1,900, respectively.

Fair Value of Financial Instruments

The carrying value of the Association's financial instruments, not otherwise disclosed herein, is comparable to the fair value due to the short-term nature of these financial instruments.

Investments

The Association carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. The Association has investments in Structured Investments (See Note 4. INVESTMENTS, UNRESTRICTED) with embedded derivatives, which are financial instruments whose performance is linked to that of an underlying asset or assets. The Structured Investments are bonds with various embedded market indices used to hedge against interest rate fluctuations. The Association's investment policy allows for the use of derivatives for this purpose. Unrealized gains and losses of all investments are included in the change in net assets in the accompanying statement of activities.

Notes to Financial Statements *(continued)*

FASB ASU No. 2016-14 requires that investment expenses related to return investing be netted against investment return on the statement of activities and eliminated the requirement to disclose investment expenses so netted. In addition, the ASU eliminates the requirement to disclose investment income separately from net appreciation or depreciation; disclose the composition of investment return (unrealized and unrealized gains and losses of all investments) if investment return is reported in the statement of activities and separated into operating and nonoperating amounts.

General Store Inventory

The APHA General Store Collection held for resale and promotional inventory is carried at the lower of cost or market determined by first-in, first-out method. Annual merchandise write-downs to market of all items determined to be slow moving or obsolete are reflected on the statements of activities under program services, General store.

Property, Equipment, Depreciation and Collections

Property and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from 3-40 years. The Association capitalizes asset improvements and additions in excess of \$500.

The Association possesses various prints, original paintings and bronze sculptures purchased and carried at their cost or received as unrestricted gifts and carried at their estimated fair value. These works of art are on display and were not purchased or received for the purpose of re-sale. These items are not depreciated. (See Note 8, PROPERTY AND EQUIPMENT, Collectibles)

Income Taxes

The Association is exempt from federal income taxes under Section 501(c)(5) of the Internal Revenue Code. Income from certain activities not directly related to the Association's tax-exempt purpose is subject to taxation as unrelated business income. Advertising sales in the Association's magazines can become subject to tax on unrelated business income. There was no income tax expense for 2017 or 2016.

The accounting standards on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Association may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The Association believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Advertising

Advertising is recorded as an expense when incurred. For the years ended December 31, 2017 and 2016 advertising expense was \$ 22,236 and \$ 23,345 respectively.

Concentration of Credit Risk

The Association maintains its cash balances in reputable financial institutions located in Fort Worth, Texas. The Federal Deposit Insurance Corporation (FDIC) secures all depositor accounts up to \$250,000 per depositor. Cash exceeding federally insured limits at December 31, 2017 was \$ 509,514. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

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 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.

Other Income & Expenses-Marketing Initiative

These items are non-operating expenses and include a marketing initiative expense, which is an effort to stimulate show attendance by adding prize money.

Notes to Financial Statements *(continued)*

2. CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents are the following items:

	2017	2016
Cash and Cash Equivalents, unrestricted	\$ 522,607	\$ 359,491
Demand Deposits and Money Market Accounts	517,937	537,007
Total Cash and Cash Equivalents, unrestricted	1,040,544	896,498

3. RESTRICTED PROGRAMS

Breeders' Trust Programs

The Association provides added incentives for Paint Horse owners who exhibit their horses. The Breeders Trust, established in 1994, pays cash awards for points earned at Association approved events by nominated horses. The Breeders Trust paid out \$ 393,574 in 2017 and \$ 528,245 in 2016 to nominated members. Breeders Futurity, established in 2009, pays cash awards for placings earned at Association approved events by nominated horses. The Breeders Futurity paid out \$ 54,880 in 2017 and \$113,330 in 2016. The Breeders Trust and the Breeders Futurity (the "Breeders' Trust Programs") are accounted for as restricted programs and as such are reported in the Association's financial statements as net assets—with restrictions due to the nature of the programs. (See Note 5. INVESTMENTS, RESTRICTED Breeders' Trust Programs.)

4. INVESTMENTS, UNRESTRICTED

Investments, at market value, unrestricted

The Association has investments in common trust funds, alternative assets, corporate bonds and cash and money market funds. The investments held by the Association on December 31, 2017:

	Total Cost	Market Value
Cash & Money Market Accounts	\$ 420,950	\$ 420,950
Common Trust-Equities	5,245,802	5,529,251
Common Trust Bonds	2,534,351	2,515,259
Common Trust—Real Estate Investment Trust	422,390	408,877
Common Trust—Alternative Assets	1,790,706	1,867,337
Total	\$ 10,141,199	\$ 10,751,674

5. INVESTMENTS, RESTRICTED BREEDERS' TRUST PROGRAMS

Investments, at market value, restricted Breeders' Trust Programs

The Association has invested money received from the Breeders' Trust Programs in Certificates of Deposit. Investments held by the Association on behalf of these programs on December 31, 2017:

	Total Cost	Market Value
Certificates of Deposit	\$ 900,000	\$ 900,000

Notes to Financial Statements

6. FAIR VALUE MEASUREMENTS

The revised guidance for fair value measurements defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the assets or liability. The price in the principal (or most advantageous) market used to measure the fair value of the asset or liability shall not be adjusted for transaction costs.

An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets and liabilities; it is not a forced transaction. Market participants are buyers and sellers in the principal market that are (1) independent, (2) knowledgeable, (3) able to transact and (4) willing to transact.

The guidance for fair value measurements for financial assets and financial liabilities requires the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The income approach uses valuation techniques to convert future amounts, such as cash flows or earnings, to a single present amount on a discounted basis. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset (replacement cost). Valuation techniques should be consistently applied. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In that regard, the guidance establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1 Inputs – Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 Inputs – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (such as interest rates, volatilities, prepayment speeds, credit risks, etc.) or inputs that are derived principally from or corroborated by market data by correlation or other means.

Level 3 Inputs – Unobservable inputs for determining the fair values of assets or liabilities that reflect an entity's own assumptions about the assumptions that market participant would use in pricing the assets or liabilities.

A description of the valuation methodologies used for assets measured at fair value, as well as the general classification of these assets pursuant to the valuation hierarchy, is set forth below.

Fair Value Measurements at Reporting Date Using

	Assets Measured at Fair Value December 31	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
UNRESTRICTED				
<u>December 31, 2017</u>				
Cash and Money Market	\$ 420,950	\$ 420,950	\$ -	\$ -
Corporate Bonds	5,539,251	5,539,251	-	-
Common Trust Funds	2,515,259	2,515,259	-	-
Alternative Assets	2,276,214	2,276,214	-	-
	\$10,751,674	\$10,751,674	\$ -	\$ -

Notes to Financial Statements

6. FAIR VALUE MEASUREMENTS (Continued)

UNRESTRICTED

December 31, 2016

Cash and Money Market	\$ 1,003,656	\$ 1,003,656	\$ -	\$ -
Corporate Bonds	38,423	38,423	-	-
Common Trust Funds	6,652,477	6,652,477	-	-
Alternative Assets	2,430,229	2,430,229	-	-
	\$ 10,124,785	\$ 10,124,785	\$ -	\$ -

RESTRICTED

December 31, 2017

Certificates of Deposit	900,000	900,000	-	-
	\$ 900,000	\$ 900,000	\$ -	\$ -

December 31, 2016

Certificates of Deposit	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -
	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -

7. ACCOUNTS RECEIVABLE

	2017	2016
Trade	\$ 506,803	\$ 471,936
Employees	-	
Related Party-APH Foundation	1,467	4,655
Less: Allowance for Doubtful Accounts	1,700	1,900
Total Accounts Receivable	\$ 506,610	\$ 474,691

8. PROPERTY AND EQUIPMENT

	2017	2016
Land and Building	\$ 6,285,908	\$6,285,908
Furniture and Equipment	1,389,919	1,035,138
Collectibles	108,980	108,980
	\$ 7,784,807	\$7,430,026
Less Accumulated Depreciation	3,597,616	3,275,909
Property and Equipment, Net	\$ 4,187,191	\$ 4,154,117
Depreciation Expense	\$ 317,157	\$ 262,894

9. ACCRUED EXPENSES

	2017	2016
Breeders' Trust Programs Payouts	\$ 488,706	\$ 528,242
Accrued Taxes Payable	54,711	53,063
Payroll	81,722	77,171
Compensated Absences	208,740	205,970
Accrued Expenses - Foundation	13,540	22,006
Total Accrued Expenses	\$ 847,419	\$ 886,452

Notes to Financial Statements

10. DEFERRED REVENUE

In 2014, the Association stopped recording deferred revenue for membership fees and subscription dues. The amount remaining in these deferred revenue accounts is being recognized as revenue on a straight-line basis over time, as follows:

Subscriptions & Memberships	2017 Revenue Earned	2017 Cash Received	2017 Deferred Revenue Recognized	2017 Deferred Revenue Balance	Date Deferred Revenue Expires
3 Year	455,099	355,786	99,313	-	Expired
5 Year	202,899	146,550	56,349	84,523	6/30/2019
Lifetime	81,273	33,670	47,603	166,611	6/30/2020
3 Year AjPHA	12,215	8,725	3,490	-	Expired
J Term	26,304	15,344	10,960	38,358	6/30/2020
3 Year PHJ Sub	57,704	36,085	21,617	-	Expired
Totals	\$ 835,492	\$ 596,160	\$ 239,332	\$ 289,492	
			Work Order Unearned Income	400,641	
			Total Deferred Revenue	\$ 690,133	

Deferred revenue will be recognized as follows:

2018	114,912
2019	86,737
2020	58,563
2021	29,280
Total	\$ 289,492

11. EMPLOYEE BENEFIT PLANS

401(k) Plan

The Association participates in a defined contribution plan under section 401(k). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and qualifies for its deferral arrangement under U.S. Internal Revenue Code 401(k). The Plan covers all employees with one year of service over the age of 21 that work at least 1,000 hours within the previous year. The Plan has a noncontributory portion with a 5% contribution rate of eligible employees' wages. The Association may match any eligible participants' contributory deferral to a maximum of 5% of their pre-tax compensation. There were no matching contributions in either 2017 or 2016.

12. COMMITMENTS

Operating Leases

The Association leases certain pieces of office equipment and storage space under non-cancelable operating leases that expire at various dates through May 2023. For the year ended December 31, 2017, the leases required monthly payments of approximately \$ 9,496. Rental expense for those leases was approximately \$113,955 in 2017 and \$ 111,331 for 2016. Future minimum operating lease obligations are as follows:

2018	82,551
2019	40,420
2020	37,796
2021	24,295
2022 and after	34,576
Total Commitment	\$ 219,638

Notes to Financial Statements

13. RELATED PARTIES

American Paint Horse Foundation

The Foundation is a separate corporation (not-for-profit) organized for the purpose to reward and educate young horsemen and women and to preserve the history of the breed's accomplishments and artifacts associated with the outstanding bloodlines of the breed and individuals and institutions who contributed to these accomplishments. It is chartered as a non-profit corporation in the state of Texas and is exempt under U.S. Internal Revenue Service Revenue Code 501(c)(3) as a charitable publicly supported organization under 509(a)(1).

The Association contributes to the Foundation the accounting, managerial and administrative services necessary for the ordinary day-to-day operations. During 2017 and 2016, the amount of like-kind contributions to the Foundation in expenses and services rendered amounted to \$16,106 and \$21,634, respectively.

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 11, 2018, which is the date the financial statements were available to be issued. No material subsequent events occurred through May 11, 2018.

AMERICAN
PAINT HORSE
foundation



American Paint Horse Foundation

2017
ANNUAL
REPORT

2017 Scholarship Recipients

The APHF awarded \$1,000 academic scholarships to 53 students for the 2017-2018 academic year. Twelve of the recipients are new to the scholarship program, while the remaining 41 were scholarship renewals. Following are the scholarship recipients.

Receiving New Scholarships

Kieli Adkins	Arizona PHC #2	University of Advancing Technology
Heidi Borg	Zone Three #3	University of Nebraska Lincoln
Mackenzie Chapman	Jason Sheriff Memorial	Oklahoma State University
Brittany Disch	Lynn Simons #2	University of Wisconsin-Rock County
Alyssa Donelson	Roland & Joan Hoch Memorial	Embry-Riddle Aeronautical University
Sarah Eliason	Utah PHC #2	William Woods University
Megan McClain	Washington State PHC	Otterbein University
Halle Shoults	Nevada PHC	Purdue University
Falon Sonnen	Zone One #1	Oregon State University
Kara Stark	Central California PHC	Texas A&M University
Anna Lia Sullivan	Matt Diamond Memorial	University of Delaware
Anna Clair Tucker	Duane Pettibone Memorial	Mississippi State University
Lauren Zaddack	Illinois PHC #2	University of Wisconsin-River Falls

Receiving Scholarship Renewals

Chloe Benning	Cross Timber PHC #1	Texas A & M
Sydney Broussard	Floyd & Maryanne Moore #1	University of Florida
Kristen Chamberland	Doc & Butch Wonderlich	Kansas State University
Taylor Dixon	Shelia Plimpton Memorial	California State University, Fresno
Courtney Hall	Floyd & Maryanne Moore #2	Missouri State University
Hanna Himmelmann	Idaho PHC	University of Kentucky
Nicole Jennings	Dr. Bill Jackson	University of Findlay Ohio
Kelsey Kafesjian	Bill & Rachel Yoesel Memorial	Colorado State University
Crystal Mitchell	Zone One #3	Eastern Oregon University
Andrea Nelson	Arizona PHC # 4	Utah State University
Sarah Nelson	Lynn Simons Memorial #1	Kansas State University
Lindsey Valdiviez	Robert Haas	Baylor University
Morgan Vance	Robert & Mary Parrott	Oklahoma State University
Laurel Caldwell	SW Washington PHC	Oregon State University
Kimberlyn Crisp	Bud & Bev Shoemaker	Tarleton State University
Brinley Evans	Ashley Huntington	Fort Hays State University
Taylor Gibson	Zone Three #2	Colorado Northwestern College
Jennifer Hines	Jason Sheriff	Morrisville State College
Anna Hutlas	Ark La Tex PHC	University of Georgia
Catherine Lankford	Keith Lemoine Memorial	Georgia Northwestern Technical College
Madison Malsch	Zone Three #4	Texas A&M University
Meredith Milton	Cross Timbers #2	University of South Georgia
Charles Rufo	Nebraska PHC	Oklahoma State University
Amber Spinuzzi	Arizona PHC #2	University of Nevada-Reno
Taylor Tusso	Mikea Smith Honorarium	Texas A&M University
Callie Jo Ware	Paul White Memorial	University of Findlay Ohio
Jessica Wood	Garnier Memorial	University of Guelph
Madeline Alewine	Arizona PHC #1	Oklahoma State University
Andrea Althoff	Lee Newsome Memorial	Northeastern Oklahoma A&M

2017 Scholarship Recipients

Blayne Bell	Zone One #2	Delaware State University
Sydney Craig	Nevada PHC #1	Florida Gulf Coast University
Callie Foster	Utah PHC #1	University of Mississippi
Jacob Grinstead	Zone Three #1	Kansas State University
Hannah Hattendorf	Utah PHC #2	Austin Peay State University
Abigail Guin	Bill & Joye Bryan Memorial	Southern Arkansas University
Julie Hill	Dr. Bill Jackson #1	Texas A&M University
Curtis Howerton	Illinois PHC #2	Black Hawk College
Cassidy Jones	Bartholomew	University of Missouri-Columbia
Caitlin Reed	California Paint Racing	Texas Tech University
Allyssa Sappington	Joann Cook Memorial	Oklahoma City Community College
Kristen Venable	Williamson/Brashears Memorial	University of South Florida
Raegan Watson	Utah PHC #3	Lee College
Lauren Zaddack	Illinois PHC #2	University of Wisconsin-River Falls

Youth World Show Scholarships Redeemed for 2017-2018

The APHF awarded \$126,900 in Youth World Show Scholarships in 2017. Exhibitors redeemed \$43,775 for the 2017-2018 academic year.

Alexis Cole	\$2,750	Parkland College
Zach Powers	\$1,225	Cisco Junior College
Rialey Cone	\$606	Blinn College
Rialey Cone	\$44	Baylor University
Belle Rotan	\$7,150	University of California Davis
Chandler Ritchey	\$500	Northeastern Junior College
Emily Drew	\$1,150	Texas A&M University
Lynley Underwood	\$500	Tarleton State University
Mallory McCulley	\$1,000	Texas A&M University
Ryan Carey	\$750	Howard Payne University
Mackenzie Chapman	\$2,950	Oklahoma State University
Alysia Nielson	\$2,300	Wake Forest University
Audrey Lester	\$550	Iowa State University
Hannah Murusky	\$1,200	Front Range Community College
Marissa Harrell	\$1,000	Texas A&M University
Quinn McCulley	\$1,750	Blinn College
Rylan Burns	\$3,750	Kansas State University
Kerah Pendergraft	\$150	Midwestern State University
Mary Camp	\$3,850	Texas Christian University
Veronica John	\$3,850	Lebanon Valley College
Hannah Murusky	\$500	Front Ranch Community College
Cassidy Watters	\$650	Oklahoma State University
Raegan Watson	\$3,000	Lee College
Aubree Scobie	\$1,000	Cuesta College
Katelyn Armstrong	\$350	University of Cincinnati
Hannah Hammock	\$1,250	Black River Technical College

Scholarship Endowment Funds

Endowment funds may be established in the form of an honorarium or a memorial in any name. Donations to these funds are totaled together until the current minimum of \$25,000 is reached. When the endowment fund total at the time of its establishment is reached, the fund becomes permanent and the American Paint Horse Foundation issues a \$1,000 academic scholarship, annually, in that individual's memory or honor. Any amount of money may be donated to an established honorarium or memorial endowment, but a minimum of \$1,000 must be donated to begin one. All scholarships go directly to the college, university or trade school.

Permanent Endowment Benefactor

This endowment perpetuates scholarships at each Youth World Show

Rebecca Baker Memorial Endowment Scholarship, established 2014

Perpetuates a \$1,000 scholarship annually in their name:

Sheriff Memorial Endowment Scholarship, established 2014

Bob & Theda Bartholomew Endowment Scholarship, established 2014

Bud & Beverly Shoemaker Endowment Scholarship, established 2014

Williamson/Brashears Endowment Scholarship, established 2014

Ashley Huntington Memorial Endowment, established 2013

Dr. Bill Jackson Memorial Endowment #2, established 1999

Jason Sheriff Memorial Endowment Scholarship, established 2014

Bob & Theda Bartholomew Endowment Scholarship, established 2014

Bud & Beverly Shoemaker Endowment Scholarship, established 2014

Williamson/Brashears Endowment Scholarship, established 2014

Ashley Huntington Memorial Endowment, established 2013

Sheila Plimpton Memorial Endowment Scholarship, established 2013

Bill and Rachael Yoesel Memorial Endowment, established 2013

Cross Timbers Paint Horse Club Endowment Scholarship #2, established 2013

Zone Three Endowment #4, established 2010

Floyd & Maryann Moore Honorarium Fund #2, established 2008

Cross Timbers Paint Horse Club Endowment Scholarship #1, established 2008

Mickea Smith Endowment Scholarship, established 2008

Lynn Simons Memorial Endowment Scholarship #2, established 2007

Bill & Joye Bryan Endowment Scholarship, established 2007

Floyd and Maryanne Moore Endowment Scholarship #1, established 2007

Arizona Paint Horse Club Endowment Scholarship #6, established 2006

Washington State Paint Horse Club Endowment Scholarship, established 2005

Lynn Simons Memorial Endowment Scholarship #1, established 2005

Robert and Mary Parrott Endowment Scholarship, established 2005

Ark La Tex Paint Horse Club Endowment Scholarship, established 2005

Arizona Paint Horse Club Endowment Scholarship #5, established 2004

Paul White Memorial Endowment Scholarship, established 2004

Arizona Paint Horse Club Endowment Scholarship #4, established 2003

Illinois Paint Horse Club Endowment Scholarship #2, established 2003

Zone Three Endowment Scholarship #3, established 2003

Arizona Paint Horse Club Endowment Scholarship #3, established 2002

Utah Paint Horse Club Endowment Scholarship #3, established 2001

Zone One Endowment Scholarship #3, established 2001

Zone Three Endowment Scholarship #2, established 2000

Zone Two Endowment Scholarship, established 2000

Utah Paint Horse Club Endowment Scholarship #2, established 2000

Zone II/Duane Pettibone Memorial Scholarship, established 2000

Nevada Paint Horse Club Endowment Scholarship #1, established 2000

Illinois Paint Horse Club Endowment Scholarship #1, established 1999

Scholarship Endowment Funds

Robert Haas Endowment Scholarship, established 1998
Utah Paint Horse Club Endowment Scholarship #1, established 1998
Zone Three Endowment Scholarship #1, established 1997
Arizona Paint Horse Club Endowment Scholarship #1, established 1997
Arizona Paint Horse Club Endowment Scholarship #2, established 1997
Joann Cook Memorial Endowment Scholarship, established 1996
Dr. Bill Jackson #1 Endowment Scholarship, established 1996
Zone One Endowment Scholarship #2, established 1996
California Paint Racing Association Endowment Scholarship, established 1995
Matt Diamond Memorial Endowment Scholarship, established 1995
Zone One Endowment Scholarship #1, established 1995
Idaho Paint Horse Club Endowment Scholarship, established 1994
Keith LaMoine Memorial Endowment Scholarship, established 1994
Roland & Joan Hoch Endowment Scholarship, established 1994
Nebraska Paint Horse Club Endowment Scholarship, established 1991
Central California Paint Horse Club Endowment Scholarship, established 1991
Southwest Washington Paint Horse Club Endowment Scholarship, established 1989
Dr. & Mrs. W.V. Garnier Family Endowment Scholarship, established 1987
Dr. & Mrs. Lyle Wonderlich Endowment Scholarship, established 1985
Lee Newsom Endowment Scholarship, established 1983
Idaho Paint Horse Club Endowment Scholarship, established 1994
Keith LaMoine Memorial Endowment Scholarship, established 1994
Roland & Joan Hoch Endowment Scholarship, established 1994
Nebraska Paint Horse Club Endowment Scholarship, established 1991
Central California Paint Horse Club Endowment Scholarship, established 1991
Southwest Washington Paint Horse Club Endowment Scholarship, established 1989
Dr. & Mrs. W.V. Garnier Family Endowment Scholarship, established 1987
Dr. & Mrs. Lyle Wonderlich Endowment Scholarship, established 1985
Lee Newsom Endowment Scholarship, established 1983
Sheila Plimpton Memorial Endowment Scholarship, established 2007
Robyn Hanna Sportsmanship Award Memorial Fund, c/o Meredith Milton, Fort Worth, Texas
Lynn Titlow Memorial Fund, established 2017
Rocky Mountain PHA YDF, c/o Jean Fell, Franktown, Colorado, established 2017

Incomplete Honorarium Endowment Funds

These honorariums require a minimum of \$25,000 to issue a scholarship:

Banks Ready Youth World Show
Courage Honorarium, c/o George Ready, Hernando, Mississippi
AjPHA Youth World Show Honorarium, c/o APHF
Jan Anderson Honorarium Fund, c/o APHF
AjPHA Honorarium Fund, c/o APHF

These honorariums require a minimum of \$15,000 to issue a scholarship:

Zone Three Honorarium Fund #4 c/o Jean Fell, Franktown, Colorado
Nevada Paint Horse Club Honorarium Fund #2, c/o Sharon Avery

These honorariums require a minimum of \$12,000 to issue a scholarship:

Mississippi Paint Horse Club Honorarium Fund, c/o Betty Sikes, Brandon, Mississippi
New Mexico Paint Horse Club Honorarium Fund, c/o Bill Golliet, Hagerman, New Mexico
Utah Paint Horse Club Honorarium Fund #4, c/o Brad Jones, Ogden, Utah

These honorariums require a minimum of \$10,000 to issue a scholarship:

Mr. & Mrs. Joe Bachmuth Honorarium Fund, Cullman, Alabama

Scholarship Endowment Funds

Incomplete Memorial Endowment Funds

These memorial funds require a minimum of \$25,000 to issue a scholarship:

Suzette Busby Memorial Fund
Michael Ochetto, Jr Memorial Fund
Marti Cibrowski McLain Memorial Fund
Zippos Sensation Memorial Fund
Suzanna Smiles Memorial Fund
Brett Scott Fredericks Memorial Fund
Nevada PHC #3 / Ken Winder Memorial Fund

These memorial funds require a minimum of \$15,000 to issue a scholarship:

Dean Jones Memorial Fund
Jim Pacelli Memorial Fund

This memorial funds requires a minimum of \$12,000 to issue a scholarship:

A J "Jack" Campbell Memorial Fund

These memorial funds require a minimum of \$10,000 to issue a scholarship:

Shirley Bilton Memorial Fund
Rachel Ryan Burns Memorial Fund
Tad Dahms Memorial Fund
Avis Schnurr Memorial Fund
Robert Ward Memorial Fund
Sue Williamson Memorial Fund

Will or Planned Giving Vehicle

These members have provided for the future benefit of the American Paint Horse Foundation by including us in their will or other planned giving vehicle.

Wendall and Peggy Cummings, Sedalia, Colorado
Chuck and Sherry Marx, Prescott, AZ
Robert and June Reimers, Hurst, Texas
Renna Royse, El Reno, Oklahoma
Yvette and Lester Spear, Jr., Concord, New Hampshire
Dr. Maurice Wilkinson, Shiner, Texas

Legacy of Color Donors

Foundation Partners \$50,001 to \$150,000

American Paint Horse Association

Foundation Supporters \$10,001 to \$25,000

Rebecca Baker Endowment

Marylyn & Paul Caliendo

Foundation Friends \$3,001 to \$10,000

Joellen, Jeffrey & James Wilson

Foundation Followers \$1,000 to \$3,000

RMPHA YDF	Rick McClain
Randy Ritchie	Bob & Joyce Cassata
Travis Titlow	Ramona Caldwell
Double C Acres	Rocking Bar S Paints & Quarters
Exxon Mobile/Jackie Mellon	Fred Cole Family
Nevada PHC	Billy & Suzonne Franks
Bob Wagg	Jeffery & Calista Wesley
Mary Yount/Gerald Butler	Laurence & Trisha Armstrong
Fossil Gate Farms, LLC	Melissa Stock
Dr. Travis Titlow	Gregg Reisinger
Arizona PHC	Kit & Coleen Bull
Florida PHC	Billy & Mindy Smith
Burns Skyview Ranch, Inc.	Brad Perkins
Tom Crowley	



Independent Auditor's Report

To the Board of Directors of American Paint Horse Association

We have audited the accompanying financial statements of the American Paint Horse Foundation (a non-profit Texas corporation), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities 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

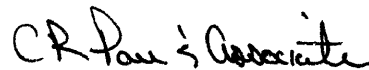
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 statement of financial position of the American Paint Horse Foundation as of December 31, 2017 and 2016 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.



C. R. Parr & Associates, P.C.

Hurst, Texas

June 5, 2018

Financial Statements

Statements of Financial Position December 31, 2017 and 2016

ASSETS

Current Assets	2017	2016
Cash	\$ 68,118	\$ 77,775
Cash, restricted	353,830	274,176
Investments, at market value, restricted	1,918,593	1,638,447
Accounts receivable, APHA	13,540	22,006
Prepaid expenses	-	-
Inventory, at cost, restricted	11,550	12,550
Total Current Assets	\$ 2,365,631	\$ 2,024,954
Collections & Artwork	\$ 366,950	\$ 366,950
Total Assets	\$2,732,581	\$ 2,391,904

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable - APHA	\$ 1,467	\$ 4,655
Total Current Liabilities	\$ 1,467	\$ 4,655
Total Liabilities	\$ 1,467	\$ 4,655

Net Assets

Net assets without donor restrictions	\$ 89,644	\$ 88,336
Net assets with donor restrictions	2,641,470	2,298,913
Total Net Assets	\$2,731,114	\$ 2,387,249
Total Liabilities and Net Assets	\$2,732,571	\$2,391,904

	2017			2016		
	Without Restrictions	With Restrictions	Total	Without Restrictions	With Restrictions	Total
Support Revenue						
Contributions and Fundraising	\$ 16,985	\$ 275,164	\$ 292,149	\$ 23,825	\$ 251,990	\$ 275,815
Expenses						
Scholarships & Grants	\$ -	\$ 95,073	\$ 95,073	\$ -	\$ 88,550	\$ 88,550
Fundraising	2,022	23	2,045	4,750	684	5,434
Management and General	26,641	4,712	31,353	35,052	7,300	42,352
Total Expenses	28,663	99,808	128,471	39,802	96,534	136,336
Income (Loss from Operations)	(11,678)	175,356	163,678	(15,977)	155,456	139,479
Other Income (Expenses)						
Investment Return	13,027	167,160	180,187	6,185	68,177	74,362
Total Income (Loss) After Other						
Income (Expense)	1,349	342,516	343,865	(9,792)	223,633	213,841
Net Assets—Beginning of Year	88,336	2,298,913	2,387,249	98,128	2,075,280	2,173,408
Net Assets—End of Year	\$ 89,685	\$ 2,641,429	\$ 2,731,114	\$ 88,336	\$ 2,298,913	\$ 2,387,249

The accompanying notes are an integral part of these statements

Financial Statements

Statements of Cash Flows (For the Years Ended December 31, 2017 and 2016)

Cash Flows from Operating Activities	2017	2016
Increase in net assets	\$ 343,865	\$ 213,841
Adjustments to reconcile the increase in net assets to net cash provided by operating activities		
Investment return-realized and unrealized (gains) losses	(180,146)	(74,427)
Receivables (increase) decrease	8,466	18
Prepaid Expenses (increase) decrease	-	683
Inventory (increase) decrease	1,000	-
Payables increase (decrease)	(3,188)	468
Net Cash Provided by Operating Activity	169,997	140,583
Cash Flows from Investing Activity		
Investment return-realized income	-	41,675
Investments (purchased)	(100,000)	(348,590)
Investments sold	-	-
Net Cash Provided by Investing Activity	(100,000)	(306,915)
Net Increase (Decrease) in Cash	69,997	(166,332)
Cash, Beginning of Year	351,951	518,283
Cash, End of Year	\$ 421,948	\$ 351,951

Statements of Functional Expenses (For the Years Ended December 31, 2017 and 2016)

	2017			2016		
	Without Restrictions	With Restrictions	Total	Without Restrictions	With Restrictions	Total
Scholarships & Grants To Individuals	\$ -	\$ 95,073	\$ 95,073	\$ -	\$ 88,550	\$88,550
Expenses						
Advertising	4,271	2,300	6,571	10,236	24	10,236
Awards	-	-	-	266	-	266
Bank Charges	-	-	-	-	-	-
Catering/Conferences	1,705	-	1,705	1,096	2,315	3,411
Communications	212	-	212	412	-	412
Cost of Bronze Sold	-	1,000	1,000	-	-	-
Fundraising	2,022	23	2,045	4,750	684	5,434
Information Technology	1,116	-	1,116	1,116	-	1,116
Maintenance	-	-	-	-	2,705	2,705
Office Supplies/Forms	84	-	84	154	-	154
Payroll	12,000	-	12,000	12,000	-	12,000
Postage	610	-	610	677	83	760
Printing	343	1,412	1,755	171	2,143	2,314
Professional Fees	6,300	-	6,300	8,910	-	8,910
Travel & Meals	-	-	-	14	30	44
Total Expenses	\$ 28,663	\$ 99,808	\$ 128,471	\$ 39,802	\$ 96,534	\$ 136,336

Notes to Financial Statements

(For the Years Ended December 31, 2017 and 2016)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

The American Paint Horse Foundation (Foundation) is organized for the purpose to reward and educate young horsemen and women and to preserve the history of the breed's accomplishments and artifacts associated with the outstanding bloodlines of the breed and individuals and institutions who contributed to these accomplishments. The Foundation resulted from a merger in 2005 between the American Paint Horse Heritage Foundation and the American Paint Horse Association Youth Development Foundation. It is chartered as a non-profit corporation in the state of Texas and is exempt under U.S. Internal Revenue Service Revenue Code 501(c)(3) as a charitable publicly supported organization under 509(a)(1).

Basis of Accounting

The accounts are maintained and the financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, the Foundation's financial statements reflect significant receivables, payables, and other liabilities.

Basis of Presentation

The Foundation has early adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profits*. The ASU, which is the first phase of a two-phase project, makes significant changes in Not-for-Profit financial reporting requirements. Financial position and activities are no longer divided according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets. These have been replaced with two classes of net assets—net assets with donor restrictions and net assets without donor restrictions. (See Note 2, RESTRICTED NET ASSETS).

Cash and Cash Equivalents

For purposes of these financial statements, the Foundation considers cash to be amounts in demand accounts and money market accounts. Cash, restricted, is cash deposited specifically determined by the donor's intent and is held in separate accounts.

Accounts Receivable

Accounts receivable are included in the accompanying statements of financial position at the original invoice amount. The accounts receivable balance is comprised of amounts owed to the Foundation by the American Paint Horse Association (Association). Because the Foundation and Association are related parties no allowance for doubtful accounts are recognized as management believes that all of its receivables are fully collectible. (See Note 5, RELATED PARTY)

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.

Fair Value of Financial Instruments

The carrying value of the Foundation's financial instruments, not otherwise disclosed herein, is comparable to the fair value due to the short-term nature of these financial statements.

Investments

The Foundation carries its investments in debt securities and common stock equities at their fair values in the statement of financial position. FASB ASU No. 2016-14 requires that investment expenses related to return investing be netted against investment return on the statement of activities and eliminated the requirement to disclose investment expenses so netted. In addition, the ASU eliminates the requirement to disclose investment income separately from net appreciation or depreciation; disclose the composition of investment return (unrealized and realized gains and losses of all investments) if investment return is reported in the statement of activities and separated into operating and nonoperating amounts.

Notes to Financial Statements

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Inventory

The bronze collection inventory held for resale is carried at the lower of cost or market determined by the first-in, first-out method.

Property, Equipment-Collections

The Foundation possesses various prints, original paintings and bronze sculptures purchased and carried at their cost or received as unrestricted gifts and carried at their estimated fair value. These works of art are on display and were not purchased or received for the purpose of re-sale. These items are not depreciated. (See Note 5, PROPERTY, EQUIPMENT AND COLLECTIONS.)

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Foundation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. An example of a tax position is the tax-exempt status of the Foundation. There was no income tax expense for 2017 or 2016.

The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for 2017 or 2016.

Advertising

Advertising is recorded as an expense when incurred. For the years ended December 31, 2017 and 2016, advertising expense was approximately \$ 6,260 and \$ 10,260, respectively.

Concentration of Credit Risk

The Foundation maintains its cash and investment balances at reputable financial institutions located in the southwest United States. The Federal Deposit Insurance Corporation (FDIC) secures all depositor accounts up to \$250,000 per depositor. Cash exceeding federally insured limits at December 31, 2017 and 2016 was approximately \$ 124,555 and \$ 65,068, respectively. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

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 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.

Functional Expenses

FASB ASU No. 2016-14 expands to all not-for-profit organizations the requirement to present an analysis of expenses by functional and natural classifications. These expenses are detailed in the Statement of Functional Expenses.

Notes to Financial Statements

2. RESTRICTED NET ASSETS

Net assets with donor restrictions are restricted for the following purposes or periods:

	2017	2017
Net Assets with Donor Restrictions		
Subject to expenditure for specified purpose:		
Scholarship and Heritage Programs	\$ 711,629	\$ 649,237
Not subject to appropriation or expenditure:		
Investment in perpetuity-endowment	1,929,841	1,649,676
Total Net Assets with donor restrictions	\$ 2,641,470	\$ 2,298,913

3. INVESTMENTS, RESTRICTED

In 2017 the Foundation has restricted investments that consist of marketable securities (certificates of deposit, common stock, fixed income, and equity and fixed income mutual funds), partnership interests, shares of investment holding company, interest in hedge funds, other investments, and investments in real estate. These investments are held in pooled investment accounts and professionally managed through *Community Foundation of North Texas (Community)*. Community is a Texas nonprofit corporation formed in 1989 to receive and manage donations of cash and property for nonprofit organizations throughout north Texas.

Fair Value Measurements

Community follows FASB guidance for fair value measurements which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A fair value measurement assumes that the transaction to sell the assets or transfer the liability occurs in the principal market for the assets or liability. The price in the principal (or most advantageous) market used to measure the fair value of the asset or liability shall not be adjusted for transaction costs. An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets and liabilities; it is not a force transaction. Market participants are buyers and sellers in the principal market that are (1) independent, (2) knowledgeable, (3) able to transact and (4) willing to transact.

The guidance for fair value measurements for financial assets and financial liabilities requires the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The income approach uses valuation techniques to convert future amounts, such as cash flows or earnings, to a single present amount on a discounted basis. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset (replacement cost). Valuation techniques should be consistently applied.

Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In that regard, the guidance establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Notes to Financial Statements

Fair Value Measurements - continued

Level 1 Inputs—Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 Inputs—Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (such as interest rates, volatilities, prepayment speeds, credit risks, etc.) or inputs that are derived principally from or corroborated by market data by correlation or other means.

Level 3 Inputs—Unobservable inputs for determining the fair values of assets or liabilities that reflect an entity's own assumptions about the assumption that a market participant would use in pricing the assets or liabilities.

Per the December 31, 2017, audited financial statements of Community dated March 30, 2018, a description of the valuation methodologies used for assets measured at fair value, as well as the general classification of these assets pursuant to the valuation hierarchy, is set forth below. Fair values of assets measured on a recurring basis at December 31, 2017 are as follows:

	Assets Measured at Fair Value December 31	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2017				
Assets				
Marketable securities:				
Certificates of Deposit	\$ 3,491,145	\$ 3,491,145	-	-
Stocks				
Domestic large cap	68,128,993	68,128,993		
Domestic mid cap	27,635,631	27,635,631		
Domestic small cap	6,358,285	6,358,285		
Foreign	1,928,227	1,928,227		
Mutual funds equity				
Domestic large cap	32,318,101	32,318,101		
Domestic mid cap	1,719,827	1,719,827		
Domestic small cap	25,836,619	25,836,619		
Foreign	31,222,689	31,222,689		
Tax Aware	110,824	110,824		
Moderate allocation	362,891	362,891		
Long-short equity	46,845	46,845		
Energy	6,858,629	6,858,629		
Commodity	6,688,642	6,688,642		
Real Estate	11,655,156	11,655,156		
Mutual funds fixed income				
Duration bonds	21,069,548	21,069,548		
Global bond fund	9,116,087	9,116,087		
Inflation protected	7,142,939	7,142,939		
Nontraditional bonds	17,615	17,615		

Notes to Financial Statements

Fair Value Measurements - continued

	Assets Measured at Fair Value December 31	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Multisector bonds	7,142,939	7,142,939		
Inflation protected	99,339	99,339		
High yield bond	133,605	133,605		
Bonds				
Corporate bonds	7,336,631	-	7,336,631	-
Government bonds	2,485,594	-	2,485,594	-
Total marketable securities	271,763,862	261,941,637	9,822,225	
Non-marketable securities				
Hedge fund measured at NAV*	297,002			-
Partnerships	2,334,092			2,334,092
Investment holding co.	3,897,960	-	-	3,897,960
Total non-marketable securities	6,529,054			6,232,052
Beneficial interest in trust	1,358,096	-	1,358,096	-

The investments of the Foundation measured at market value:

	2017	2016
Investments held by North Texas Community Foundation, pooled investments at market	\$ 1,891,262	\$ 1,611,551
Investment amount held by Morgan Stanley		
Cash	17,290	17,181
Corporate fixed income, at market value	10,041	9,715
	\$ 1,918,593	\$ 1,638,447

4. PROPERTY, EQUIPMENT AND COLLECTION

	2017	2016
Collections and artwork	\$ 366,950	\$ 366,950

5. RELATED PARTY

A portion of the Foundation's day-to-day functions are conducted by employees of the American Paint Horse Association (Association). The Association is a separate corporation (not-for-profit) organized for the purpose of collecting, recording and preserving the pedigree of the Paint Horse. The Foundation is managed by a board of directors which consists of members of the Association. These services and expenses are listed as an unrestricted support contribution and then as corresponding expenses per the criteria for recognition under generally accepted accounting principles. At December 31, 2017 and 2016, the amount of like-kind contributions was \$ 16,106 and \$ 21,634, respectively. In addition, the Association made unrestricted contributions in 2017 and 2016 of \$ 0 and \$ 2,705, respectively.

6. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 5, 2018, which is the date the financial statements were available to be issued. No material subsequent events occurred through June 5, 2018.