

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Delaware Standardbred Owners Association,)	CG Docket No. 06-181
Request for Exemption from the Closed)	
Captioning Rules)	File No. CGB-CC-1346

**REPLY TO CONSOLIDATED OPPOSITION TO PETITIONS FOR EXEMPTION
FROM THE COMMISSION’S CLOSED CAPTIONING RULES**

The Delaware Standardbred Owners Association (“DSOA”)¹ hereby responds to the Consolidated Opposition to Petitions for Exemption from the Commission’s Closed Captioning Rules (the “Opposition”) filed by Telecommunications for the Deaf and Hard of Hearing, Inc.; California Coalition of Agencies Serving the Deaf and Hard of Hearing; Association of Late Deafened Adults; Deaf Seniors of America; and Cerebral Palsy and Deaf Organization (collectively, “Consumer Groups”) in the above-captioned proceeding.²

DSOA produces and provides the primary funding for “Post Time,” a weekly half-hour program airing on WBOC-TV in Salisbury, Maryland that provides insight into harness racing on the Delmarva Peninsula. Because captioning “Post Time” would be economically burdensome, DSOA petitioned in August 2014³ for a waiver of the Commission’s closed captioning requirements.⁴ Consumer Groups oppose this petition, arguing that DSOA “could

¹ DSOA is a non-profit trade association representing approximately 650 Standardbred horsemen and horsewomen who compete at Dover Downs and Harrington Raceway in Delaware.

² 47 C.F.R. §§ 76.7, 76.61.

³ *Delaware Standardbred Owners Association Petition for Exemption from the Commission’s Closed Captioning Rules*, Dkt. 06-181 (Aug. 28, 2014) (the “Petition”).

⁴ 47 C.F.R. §79.1.

easily afford to pay for accessible programming and still have ample net revenues and net current assets left over.”⁵ Nothing could be further from the truth.

As explained in greater detail in the Petition, DSOA is unable to provide closed captioning for “Post Time” because doing so would be economically burdensome. The economic challenges faced by DSOA in 2014 when it filed the Petition are unchanged. DSOA’s net revenues have remained largely static since the Petition was filed.⁶ Similarly unchanged is the inability of WBOC-TV or other potential sponsors (such as Dover Downs and Harrington Raceway) to provide captioning or financial assistance for captioning “Post Time.”

In its Opposition, Consumer Groups point-out that DSOA reported total net revenues of \$509,583 in 2012 and \$980,270 in 2013 and cash or cash equivalents of \$329,699 and \$1,045,426 in 2012 and 2013, respectively.⁷ These funds (along with those reported in 2014) were not and are not available to cover the expense of captioning “Post Time.” First, regarding revenues, Consumer Groups cite DSOA’s *total* net revenue in the Opposition, which includes “temporarily restricted” revenue that can only be used for the pension plan and life insurance trust that DSOA administers.⁸ DSOA’s *unrestricted* revenues were considerably smaller in 2012 and 2013 – \$156,872 and \$677,269, respectively. DSOA allocates the unrestricted revenue it brings in to a myriad of expenses, including salaries, administrative overhead, rent, insurance, utilities, etc. Put differently, the money appearing as net revenue on DSOA’s financial statements is already fully allocated to operating expenses. Any diminution in revenues would

⁵ Opposition at 11.

⁶ See Exh. A. In 2014, DSOA reported total net revenues of \$689,757, unrestricted net revenues of \$412,203, and cash or cash equivalents of \$1,481,567. *Id.*

⁷ Opposition at 10. See also Petition at Exh. H.

⁸ See Exh. A, Delaware Standardbred Owners’ Association, Inc., Notes to Financial Statements, September 30, 2014 and 2013, n. 13.

severely impact DSOA's ability to pay these expenses, thus compromising its ability to exist at all.

Second, regarding DSOA's cash and cash equivalents, DSOA administers a horseman's pension fund, which has been accumulating since 2001 and represents funds belonging to hundreds of participating horsemen, most of whom are vested in the plan. In addition, DSOA self-funds its health insurance plan for more than 300 of its participating members. As explained in the Petition,⁹ these cash balances are used strictly as a hedge against potential increases in the cost of insurance and market fluctuation in pension fund investments and are not available for production expenses.

Consumer Groups ask the Commission to endorse a Hobson's choice – either programming is captioned for the benefit of a theoretical few, or programming is taken off the air to the detriment of an identifiable many. DSOA is sympathetic to Consumer Groups' goal of making video programming accessible to the hearing impaired. That goal must be tempered, however, by the economic realities faced by entities like DSOA. The cost of captioning "Post Time" exceeds DSOA's ability to pay. Without an exemption from the Commission's captioning rules, "Post Time" will be taken off the air. DSOA respectfully requests the Commission to dismiss or deny Consumer Groups' Opposition and grant DSOA's Petition.

/s/

Salvatore DiMario
Executive Director
Delaware Standardbred Owners Association
803 Walker Square
Dover, DE 19904

August 3, 2015

⁹ See Petition at Exh. J (CPA Statement).

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AFFIDAVIT OF SALVATORE DIMARIO

1. My name is Salvatore DiMario. I have the capacity to provide this Affidavit and am over the age of 21 and under no disability. I am a citizen and resident of Dover, Delaware.

2. I am Executive Director of the Delaware Standardbred Owners Association.

3. I have read the accompanying Reply to Consolidated Opposition to Petitions for Exemption from the Commission's Closed Captioning Rules ("Reply").

I declare that the accompanying Reply is true, correct and complete to the best of my personal knowledge, information, and belief.

By:


Salvatore DiMario

August 3, 2015

EXHIBIT A

DELAWARE STANDARD BRED OWNERS'
ASSOCIATION, INC.

FINANCIAL STATEMENTS

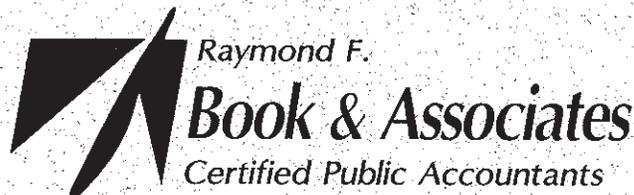
SEPTEMBER 30, 2014 AND 2013

DELAWARE STANDARD BRED OWNERS' ASSOCIATION

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Delaware Standardbred Owners'
Association, Inc.

We have reviewed the accompanying statements of financial position of Delaware Standardbred Owners' Association, Inc., (a non-profit organization) as of September 30, 2014 and 2013, and the related statements of activities and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

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

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Raymond F. Book & Associates, P.A.
Raymond F. Book & Associates, P.A.
Certified Public Accountants

Dover, Delaware
January 13, 2015

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DELAWARE STANDARD BRED OWNERS' ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 1,481,567	\$ 1,045,426
Accounts Receivable, net of Allowance for Uncollectibles	30,622	26,369
Prepaid Expenses	21,774	6,517
<u>Total Current Assets</u>	<u>1,533,963</u>	<u>1,078,312</u>
<u>Property, Plant and Equipment</u>		
Building and Land	137,900	137,900
Office Equipment	70,519	68,237
Subtotal	208,419	206,137
Less: Accumulated Depreciation	168,366	163,460
<u>Net Property, Plant and Equipment</u>	<u>40,053</u>	<u>42,677</u>
<u>Other Assets</u>		
Life Insurance Trust - Transamerica (Temporarily Restricted)	87,973	88,098
Pension Plan - Morgan Stanley, BIG Investments & M&T (Temporarily Restricted)	3,925,234	3,416,288
Investment - Harrington Raceway, Inc.	4,000	4,000
<u>Total Other Assets</u>	<u>4,017,207</u>	<u>3,508,386</u>
<u>Total Assets</u>	<u>\$ 5,591,223</u>	<u>\$ 4,629,375</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Payroll Tax Withholding Liability	\$ 202	\$ 219
Members' Prepaid Insurance	33,331	36,611
Management Fee & Insurance Received in Advance- Dover Downs	35,000	35,000
Quarterly Pension Income Received in Advance- Harrington	40,500	-
Workers Compensation Received in Advance	31,536	28,233
Income Taxes Payable	93	142
<u>Total Current Liabilities</u>	<u>140,662</u>	<u>100,205</u>
<u>Total Liabilities</u>	<u>140,662</u>	<u>100,205</u>
<u>Net Assets</u>		
Unrestricted Assets	1,437,354	1,024,784
Temporarily Restricted Assets	4,013,207	3,504,386
<u>Total Net Assets</u>	<u>5,450,561</u>	<u>4,529,170</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 5,591,223</u>	<u>\$ 4,629,375</u>

DELAWARE STANDARD BRED OWNERS' ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	<u>2014</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Revenues, Gains and Other Support</u>			
Track Contributions	\$ 515,820	\$ -	\$ 515,820
Track and Member Insurance Contributions	3,183,717		3,183,717
DSOA Pension Income		288,000	288,000
Membership Dues	20,820		20,820
Other Income	-	2,075	2,075
<u>Total Revenues, Gains and Other Support</u>	<u>3,720,357</u>	<u>290,075</u>	<u>4,010,432</u>
<u>Expenses</u>			
Condominium Fees	2,997		2,997
Depreciation	4,906		4,906
Dues and Subscriptions	9,255		9,255
Equipment Damage Expense	485		485
Flowers and Donations	3,324		3,324
Members Insurance	2,731,874		2,731,874
Office Insurance	7,931		7,931
Member Benefit Programs	105,156		105,156
Office Supplies and Bank Fees	8,434	12,521	20,955
Payroll Taxes	21,049		21,049
Postage	3,614		3,614
Professional Services	70,569		70,569
Salaries	295,614		295,614
Retirement Plan Contributions - Simple Plan	8,585		8,585
Taxes and Licenses	2,786		2,786
Income Tax Expense	93		93
Telephone	4,997		4,997
Travel, Lodging and Meeting Expenses	24,228		24,228
Utilities	2,257		2,257
<u>Total Expenses</u>	<u>3,308,154</u>	<u>12,521</u>	<u>3,320,675</u>
<u>Excess Revenue over Expenses</u>	412,203	277,554	689,757
<u>Other Income and Expenses</u>			
Investment Income	367		367
Increase (Decrease) in Life Ins Cash Value		(125)	(125)
DSOA Pension Plan:			
Investment Income		88,047	88,047
Distributions to members		(153,374)	(153,374)
Realized and Unrealized Gain (Loss) on Investments		296,719	296,719
<u>Net Other Income and Expenses</u>	<u>367</u>	<u>231,267</u>	<u>231,634</u>
<u>Changes in Net Assets</u>	412,570	508,821	921,391
<u>Net Assets Beginning of Year</u>	<u>1,024,784</u>	<u>3,504,386</u>	<u>4,529,170</u>
<u>Net Assets End of Year</u>	<u>\$ 1,437,354</u>	<u>\$ 4,013,207</u>	<u>\$ 5,450,561</u>

	<u>2013</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Revenues, Gains and Other Support</u>			
Track Contributions	\$ 514,454	\$ -	\$ 514,454
Track and Member Insurance Contributions	3,235,911		3,235,911
DSOA Pension Income		312,000	312,000
Membership Dues	22,740		22,740
<u>Total Revenues, Gains and Other Support</u>	<u>3,773,105</u>	<u>312,000</u>	<u>4,085,105</u>
<u>Expenses</u>			
Condominium Fees	2,997		2,997
Depreciation	7,332		7,332
Dues and Subscriptions	9,929		9,929
Equipment Damage Expense	1,455		1,455
Flowers and Donations	3,624		3,624
Members Insurance	2,549,728		2,549,728
Office Insurance	7,310		7,310
Member Benefit Programs	100,555		100,555
Office Supplies and Bank Fees	12,271	8,999	21,270
Payroll Taxes	20,212		20,212
Postage	3,454		3,454
Professional Services	48,150		48,150
Salaries	287,523		287,523
Retirement Plan Contributions - Simple Plan	8,337		8,337
Taxes and Licenses	2,043		2,043
Income Tax Expense	142		142
Telephone	4,655		4,655
Travel, Lodging and Meeting Expenses	23,488		23,488
Utilities	2,631		2,631
<u>Total Expenses</u>	<u>3,095,836</u>	<u>8,999</u>	<u>3,104,835</u>
<u>Excess Revenue over Expenses</u>	<u>677,269</u>	<u>303,001</u>	<u>980,270</u>
<u>Other Income and Expenses</u>			
Investment Income	506		506
Increase (Decrease) in Life Ins Cash Value		34,051	34,051
DSOA Pension Plan:			
Investment Income		32,371	32,371
Distributions to Members		(133,961)	(133,961)
Realized and Unrealized Gain (Loss) on Investments		175,558	175,558
<u>Net Other Income and Expenses</u>	<u>506</u>	<u>108,019</u>	<u>108,525</u>
<u>Changes in Net Assets</u>	<u>677,775</u>	<u>411,020</u>	<u>1,088,795</u>
<u>Net Assets Beginning of Year</u>	<u>347,009</u>	<u>3,093,366</u>	<u>3,440,375</u>
<u>Net Assets End of Year</u>	<u>\$ 1,024,784</u>	<u>\$ 3,504,386</u>	<u>\$ 4,529,170</u>

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT

DELAWARE STANDARD BRED OWNERS' ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>Cash Flows from Operating Activities</u>		
Increase in Net Assets	\$ 921,391	\$1,088,795
Adjustments To Reconcile Net Assets to Net Cash		
Provided By (Used By) Operating Activities:		
Depreciation	4,906	7,332
Decrease (Increase) in Accounts Receivables	(4,253)	(71)
Decrease (Increase) in Prepaid Expenses	(15,257)	(68)
Decrease (Increase) in Life Insurance Trust	125	(34,051)
Decrease (Increase) in Pension Plan	(508,946)	(376,969)
Increase (Decrease) in Payroll Tax Withholding Liability	(17)	(42)
Increase (Decrease) in Members' Prepaid Insurance	(3,280)	1,683
Increase (Decrease) in Workers Compensation in Advance	3,303	1,129
Increase (Decrease) in Pension Income Received in Advance	40,500	-
Increase (Decrease) in Management Fee & Ins Received in Advance	-	35,000
Increase (Decrease) in Income Taxes Payable	(49)	(61)
<u>Cash Provided (Used) by Operating Activities</u>	<u>438,423</u>	<u>722,677</u>
<u>Cash Flows from Investing Activities</u>		
Additions to Property and Equipment	(2,282)	(6,950)
<u>Net Cash Used by Investing Activities</u>	<u>(2,282)</u>	<u>(6,950)</u>
<u>Cash Flows from Financing Activities</u>		
<u>Net Cash Used by Financing Activities</u>	-	-
<u>Net Increase in Cash and Cash Equivalents</u>	436,141	715,727
Cash and Cash Equivalents - October 1	1,045,426	329,699
<u>Cash and Cash Equivalents - September 30</u>	<u>\$ 1,481,567</u>	<u>\$1,045,426</u>
<u>Supplemental Information</u>		
Interest Paid	\$ -	\$ -
Income Taxes Paid	\$ 142	\$ 203

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT

DELAWARE STANDARD BRED OWNERS' ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013

NOTE 1 - Summary of Significant Accounting Practices and Policies

Nature of Activities

The association is a non stock corporation organized to promote and protect the welfare of horsemen in Delaware. The association is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code. The association negotiates purse structure, insurance and welfare programs and councils and informs the horsemen on matters pertaining to harness racing. Operating funds are derived principally from Harrington Raceway and Dover Downs.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis in accordance with U. S. generally accepted accounting principles, therefore revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

The association reports contributions as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions. Assets are reported as unrestricted unless they are received with donor stipulations. Assets are reported as temporarily restricted if they are received with donor stipulations that limit the use of the donated assets. When donor restrictions expire, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted assets are reclassified as unrestricted assets and reported in the statement of activities as net assets released from restrictions. For the years ended September 30, 2014 and 2013 the Organization had no permanently restricted net assets.

Depreciation

A portion of the cost of buildings and equipment is charged against earnings each year as depreciation. Depreciation is computed using the straight line and accelerated cost recovery and declining balance methods.

Subsequent Events

Management has evaluated subsequent events through January 13, 2015 which was the date that the financial statements were available to be issued.

NOTE 2 - Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

DELAWARE STANDARDBRED OWNERS' ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013

NOTE 3 - Concentration of Credit Risk

Delaware Standardbred Owner's Association, Inc. maintains cash balances in banks, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At September 30, 2014 and 2013, the organization's total uninsured cash balances totaled \$1,257,446 and \$866,107, respectively.

NOTE 4 - Accounts Receivable

Accounts receivable represent amounts billed for advertising on the association-sponsored television show, Post Time, amounts billed to racetracks, and amounts billed for members' insurance co-payments that have not yet been collected. Accounts considered uncollectible are charged against allowance for uncollectible accounts.

	<u>2014</u>	<u>2013</u>
Accounts Receivable	\$ 30,622	\$ 26,369
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Net Accounts Receivable	<u>\$ 30,622</u>	<u>\$26,369</u>

NOTE 5 - Use of Estimates

The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 6 - Investment

The organization purchased 10 shares of Harrington Raceway, Inc. This is a non-publicly traded stock with a fair market value that is not readily determinable. This investment is, therefore, reported in this financial statement at the organization's cost of \$4,000.

NOTE 7 - Income Tax Expense

The organization contributes money to various local political campaigns. Pursuant to Section 527 of the Internal Revenue Service Code, organizations described in Section 501(c) that give contributions to political campaigns are subject to income tax on these amounts. The total contribution given to such campaigns was \$14,250 and \$8,534 for the years ended September 30, 2014 and 2013, which resulted in income tax in the amount of \$93 and \$142, respectively. With few exceptions, the Organization is no longer subject to U.S. federal or state income tax examinations by tax authorities for fiscal years ending before September 30, 2011.

DELAWARE STANDARD BRED OWNERS' ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013

NOTE 8 - Retirement Savings Plan – Drivers and Trainers

On January 1, 2001, the organization implemented an unfunded, nonqualified retirement savings plan for drivers and trainers who compete at Harrington Raceway and Dover Downs. The assets of this retirement savings plan are general assets of Delaware Standardbred Owners' Association. The assets are held by Morgan Stanley Smith Barney, BIG Investments & M&T Bank. The values were determined using quoted prices in active markets for identical assets (Level 1) and are as follows:

	Fair Market Value	
	<u>2014</u>	<u>2013</u>
Morgan Stanley		
Cash Account	\$ 25,134	\$ 385
Investments	2,168,394	1,863,858
BIG Investments		
Cash Account	148,684	276,756
Investments	1,581,625	1,273,832
M&T Bank		
Cash Account	1,397	1,457
	<u>\$ 3,925,234</u>	<u>\$ 3,416,288</u>

	Cost	
	<u>2014</u>	<u>2013</u>
Morgan Stanley		
Cash Account	\$ 25,134	\$ 385
Investments	1,795,069	1,702,380
BIG Investments		
Cash Account	148,684	276,756
Investments	1,524,114	1,256,242
M&T Bank		
Cash Account	1,397	1,457
	<u>\$ 3,494,398</u>	<u>\$ 3,237,220</u>

DELAWARE STANDARDBRED OWNERS' ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014 AND 2013

NOTE 8 - Retirement Savings Plan – Drivers and Trainers (continued)

Under this plan, contributions are derived from the purse account created by each race run at Harrington Raceway and Dover Downs. Participants earn points based on their qualified starts completed at these racetracks during the plan year and receive an allocation of contributions based upon the points earned. Participants acquire a vested interest upon accumulation of seven points. Benefit payments under the plan are made upon the occurrence of the following events: (a) retirement on or after age 62 (b) death (c) total disability or (d) attaining age 70.

NOTE 9 - Retirement Plan - Employees

On April 15, 2001, the organization implemented a SIMPLE retirement plan for its employees. Under this plan, eligible employees can elect to defer a portion of their earnings into a SIMPLE retirement account set up by the organization. The organization matches these deferrals up to 3% of the employees' gross annual wage. For the years ended September 30, 2014 and 2013 the organization contributed \$8,585 and \$8,337 in matching contributions to employee SIMPLE accounts.

NOTE 10 - Concentration of Risk

Delaware Standardbred Owners' Association is dependent upon the continued support of both the general public and state legislature of Dover Downs and Harrington Raceway; as well as the organization's members. These funding sources are dependent upon the general economic conditions within the State of Delaware.

NOTE 11 - Life Insurance Trust Account

In 2011, the organization began offering a nonqualified life insurance program for its members who wanted to participate. Upon death of a participating member, the insured's beneficiary will receive a death benefit in the amount of \$5,000 and the organization will receive a payment for the remaining amount of the policy. If, however, the member is not current with their membership, the Association keeps the entire benefit amount. The assets of this life insurance trust are general assets of Delaware Standardbred Owners' Association. The assets are held by TransAmerica. The values were determined using quoted prices in active markets for identical assets (Level 1). The cash value of the trust for the years ending September 30, 2014 and 2013 were \$87,973 and \$88,098, respectively.

DELAWARE STANDARD BRED OWNERS' ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013

NOTE 12 - Self-Insurance

The Association offers a self-funded, medical care benefits program. For the year ended September 30, 2014, there were 184 participants enrolled in the program. Participants pay monthly rates of between \$165-\$596 for single coverage, \$315-\$1,184 for twin coverage, and \$485-\$1,693 for family coverage. The Association has contracted with Coventry, a third-party administrator, to provide administrative services for this health care benefits program. The third-party administrator charges a flat fee per person, which includes the brokers' commission. The Association has also contracted with Coventry a stop-loss policy, to mitigate risk. Annual insurance claims greater than \$80,000 per participant and \$2.4 million in the aggregate, are covered by the policy. Although there is no specific reserve requirement, as of September 30, 2014 and 2013, cash held in the health insurance account was \$1,200,729 and \$864,955, respectively. Because claims are paid weekly upon approval by Coventry, no liability for claims is deemed necessary. The amount paid to Coventry for TPA fees and the reinsurance stop loss policy totaled \$619,482 and \$576,060 for the years ended September 30, 2014 and 2013.

NOTE 13 - Temporarily Restricted Assets

Temporarily restricted assets are available for the following purpose:

	<u>2014</u>	<u>2013</u>
Pension Plan	\$ 3,925,234	\$ 3,416,288
Life Insurance Trust	<u>87,973</u>	<u>88,098</u>
Total	<u>\$ 4,013,207</u>	<u>\$ 3,504,386</u>

NOTE 14 - Advertising

Advertising for the years ended September 30, 2014 and 2013 in the amounts of \$925 and \$510, respectively were expensed as incurred.

