

Exhibit G

DELAWARE STANDARD BRED OWNERS'
ASSOCIATION, INC.

FINANCIAL STATEMENTS

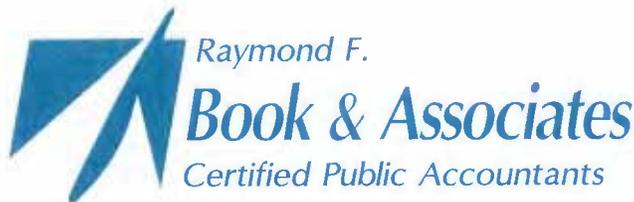
SEPTEMBER 30, 2012 AND 2011

DELAWARE STANDARD BRED OWNERS' ASSOCIATION

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

**Board of Directors
Delaware Standardbred Owners'
Association, Inc.
Dover, Delaware 19904**

We have reviewed the accompanying statements of financial position of Delaware Standardbred Owners' Association, Inc., (a non-profit organization) as of September 30, 2012 and 2011, 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 11, 2013**

DELAWARE STANDARD BRED OWNERS' ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 329,699	\$ 190,697
Accounts Receivable, net of Allowance for Uncollectibles	26,298	27,646
Prepaid Expenses	6,449	5,202
<u>Total Current Assets</u>	<u>362,446</u>	<u>223,545</u>
<u>Property, Plant and Equipment</u>		
Building and Land	131,950	126,120
Office Equipment	72,271	72,271
Subtotal	<u>204,221</u>	<u>198,391</u>
Less: Accumulated Depreciation	161,162	157,020
<u>Net Property, Plant and Equipment</u>	<u>43,059</u>	<u>41,371</u>
<u>Other Assets</u>		
Life Insurance Trust - Transamerica (Temporarily Restricted)	54,047	-
Pension Plan - Morgan Stanley, Nationwide, Kohn & M&T (Temporarily Restricted)	3,039,319	2,363,187
Investment - Harrington Raceway, Inc.	4,000	4,000
<u>Total Other Assets</u>	<u>3,097,366</u>	<u>2,367,187</u>
<u>Total Assets</u>	<u>\$ 3,502,871</u>	<u>\$ 2,632,103</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Payroll Tax Withholding Liability	\$ 261	\$ 413
Members' Prepaid Insurance	34,928	31,661
Health Insurance Received in Advance	-	22,132
Workers Compensation Received in Advance	27,104	24,757
Retirement Plan Contribution Liability - Simple Plan	-	310
Income Taxes Payable	203	187
<u>Total Current Liabilities</u>	<u>62,496</u>	<u>79,460</u>
<u>Total Liabilities</u>	<u>62,496</u>	<u>79,460</u>
<u>Net Assets</u>		
Unrestricted Assets	347,009	189,456
Temporarily Restricted Assets	<u>3,093,366</u>	<u>2,363,187</u>
<u>Total Net Assets</u>	<u>3,440,375</u>	<u>2,552,643</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 3,502,871</u>	<u>\$ 2,632,103</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

DELAWARE STANDARD BRED OWNERS' ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

	<u>2012</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Revenues, Gains and Other Support</u>			
Track Contributions	\$ 514,316	\$ -	\$ 514,316
Track and Member Insurance Contributions	3,168,765		3,168,765
DSOA Pension Income		348,000	348,000
Membership Dues	24,597		24,597
Other Income	1,312	5,916	7,228
Total Revenues, Gains and Other Support	3,708,990	353,916	4,062,906
<u>Expenses</u>			
<u>Management and General</u>			
Condominium Fees	2,997		2,997
Depreciation	4,142		4,142
Dues and Subscriptions	10,137		10,137
Equipment Damage Expense	525		525
Flowers and Donations	3,224		3,224
Members Insurance	3,008,932		3,008,932
Office Insurance	6,839		6,839
Member Benefit Programs	106,887		106,887
Office Supplies	14,817	1,205	16,022
Payroll Taxes	20,309		20,309
Postage	3,345		3,345
Professional Services	46,185		46,185
Salaries	285,198		285,198
Retirement Plan Contributions - Simple Plan	8,104		8,104
Taxes and Licenses	2,055		2,055
Income Tax Expense	203		203
Telephone	4,816		4,816
Travel, Lodging and Meeting Expenses	20,018		20,018
Utilities	2,933		2,933
Other Expenses	452		452
Total Expenses	3,552,118	1,205	3,553,323
Excess Revenue over Expenses	156,872	352,711	509,583
<u>Other Income and Expenses</u>			
Investment Income	681		681
Realized Gain (Loss)- Merrill Lynch	-		-
Increase (Decrease) in Life Ins Cash Value		54,047	
DSOA Pension Plan:			
Investment Income		37,036	37,036
Distributions to members		(68,670)	(68,670)
Realized and Unrealized Gain (Loss) on Investments		355,055	355,055
Net Other Income and Expenses	681	377,468	324,102
Changes in Net Assets	157,553	730,179	887,732
Net Assets Beginning of Year	189,456	2,363,187	2,552,643
Net Assets End of Year	\$ 347,009	\$ 3,093,366	\$ 3,440,375

	<u>2011</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Revenues, Gains and Other Support</u>			
Track Contributions	\$ 482,741	\$ -	\$ 482,741
Track and Member Insurance Contributions	2,824,352		2,824,352
DSOA Pension Income		358,500	358,500
Membership Dues	28,372		28,372
Other Income	-		-
Total Revenues, Gains and Other Support	<u>3,335,465</u>	<u>358,500</u>	<u>3,693,965</u>
<u>Expenses</u>			
<u>Management and General</u>			
Condominium Fees	2,997		2,997
Depreciation	4,408		4,408
Dues and Subscriptions	11,299		11,299
Equipment Damage Expense	3,475		3,475
Flowers and Donations	3,751		3,751
Members Insurance	3,431,693		3,431,693
Office Insurance	7,338		7,338
Member Benefit Programs	105,712		105,712
Office Supplies	13,240		13,240
Payroll Taxes	21,705		21,705
Postage	3,227		3,227
Professional Services	44,425		44,425
Salaries	292,478		292,478
Retirement Plan Contributions - Simple Plan	8,175		8,175
Taxes and Licenses	2,024		2,024
Income Tax Expense	187		187
Telephone	4,573		4,573
Travel, Lodging and Meeting Expenses	12,291		12,291
Utilities	3,675		3,675
Other Expenses	-		-
Total Expenses	<u>3,976,673</u>	<u>-</u>	<u>3,976,673</u>
<u>Excess Revenue over Expenses</u>	(641,208)	358,500	(282,708)
<u>Other Income and Expenses</u>			
Investment Income	633		633
Realized Gain (Loss)- Merrill Lynch	(9)		(9)
Increase (Decrease) in Life Ins Cash Value			
DSOA Pension Plan:			
Investment Income		49,592	49,592
Distributions to Members		(39,017)	(75,848)
Realized and Unrealized Gain (Loss) on Investments		(167,713)	(167,713)
Net Other Income and Expenses	<u>624</u>	<u>(157,138)</u>	<u>(193,345)</u>
<u>Changes in Net Assets</u>	(640,584)	201,362	(439,222)
<u>Net Assets Beginning of Year</u>	<u>830,040</u>	<u>2,161,825</u>	<u>2,991,865</u>
<u>Net Assets End of Year</u>	<u>\$ 189,456</u>	<u>\$ 2,363,187</u>	<u>\$ 2,552,643</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

DELAWARE STANDARD BRED OWNERS' ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>Cash Flows from Operating Activities</u>		
Increase in Net Assets	\$ 887,732	\$ (439,222)
Adjustments To Reconcile Net Assets to Net Cash Provided By (Used By) Operating Activities:		
Depreciation	4,142	4,408
Decrease (Increase) in Accounts Receivables	1,348	135,804
Decrease (Increase) in Prepaid Expenses	(1,247)	10,764
Decrease (Increase) in Life Insurance Trust	(54,047)	-
Decrease (Increase) in Pension Plan	(676,132)	(201,362)
Increase (Decrease) in Payroll Tax Withholding Liability	(150)	(462)
Increase (Decrease) in Members' Prepaid Insurance	3,267	(3,758)
Increase (Decrease) in Workers Compensation in Advance	2,347	6,126
Increase (Decrease) in Health Insurance Received in Advance	(22,132)	-
Increase (Decrease) in Retirement Plan Contribution Liability	(310)	78
Increase (Decrease) in Income Taxes Payable	16	(114)
Rounding	(1)	(2)
<u>Cash Provided (Used) by Operating Activities</u>	<u>144,833</u>	<u>(487,740)</u>
<u>Cash Flows from Investing Activities</u>		
Additions to Property and Equipment	(5,830)	(1,438)
<u>Net Cash Used by Investing Activities</u>	<u>(5,830)</u>	<u>(1,438)</u>
<u>Cash Flows from Financing Activities</u>		
Principal Payments of Long Term Debt	-	-
<u>Net Cash Used by Financing Activities</u>	<u>-</u>	<u>-</u>
<u>Net Increase in Cash and Cash Equivalents</u>	139,003	(489,178)
<u>Cash and Cash Equivalents - October 1</u>	<u>190,697</u>	<u>679,875</u>
<u>Cash and Cash Equivalents - September 30</u>	<u>\$ 329,699</u>	<u>\$ 190,697</u>
<u>Supplemental Information</u>		
Interest Paid	\$ 218	\$ -
Income Taxes Paid	\$ 187	\$ 304

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

DELAWARE STANDARD BRED OWNERS' ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012 AND 2011

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.

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, 2012 and 2011 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 December 18, 2012 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, 2012 AND 2011

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, and provided unlimited insurance for non-interest bearing checking accounts. At September 30, 2012 and 2011, the organization's total uninsured cash balances totaled \$0 and \$0, 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>2012</u>	<u>2011</u>
Accounts Receivable	\$ 26,298	\$ 27,646
Less: Allowance for Uncollectibles	-	-
Net Accounts Receivable	<u>\$ 26,298</u>	<u>\$ 27,646</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 \$10,100 and \$7,425 for the years ended September 30, 2012 and 2011, which resulted in income tax in the amount of \$203 and \$187, 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, 2009.

DELAWARE STANDARDBRED OWNERS' ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012 AND 2011

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, L.M. Kohn & Company & M&T Bank (formerly Wilmington Trust). The values were determined using quoted prices in active markets for identical assets (Level 1) and are as follows:

	Fair Market Value	
	<u>2012</u>	<u>2011</u>
Morgan Stanley		
Cash Account	\$ 1,356	\$ 3,919
Investments	1,631,996	1,238,256
Nationwide		
Mutual Funds	-	375,716
L.M. Kohn & Company		
Cash Account	706,573	107,743
Investments	697,994	636,083
M&T Bank		
Cash Account	1,400	1,470
	<u>\$ 3,039,319</u>	<u>\$ 2,363,187</u>

	Cost	
	<u>2012</u>	<u>2011</u>
Morgan Stanley		
Cash Account	\$ 1,356	\$ 3,919
Investments	1,476,511	1,249,766
Nationwide		
Mutual Funds	-	273,830
L.M. Kohn & Company		
Cash Account	706,573	107,743
Investments	526,144	537,493
M&T Bank		
Cash Account	1,400	1,470
	<u>\$ 2,711,984</u>	<u>\$ 2,174,221</u>

DELAWARE STANDARDBRED OWNERS' ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012 AND 2011

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, 2012 and 2011 the organization contributed \$8,413 and \$8,097 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. 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, 2012 and 2011 were \$54,047 and \$0, respectively.

DELAWARE STANDARD BRED OWNERS' ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012 AND 2011

NOTE 12 - Temporarily Restricted Assets

Temporarily restricted assets are available for the following purpose:

	<u>2012</u>	<u>2011</u>
Pension Plan	\$ 3,039,319	\$ 2,363,187
Life Insurance Trust	<u>54,047</u>	<u>-0-</u>
Total	<u>\$ 3,093,366</u>	<u>\$ 2,363,187</u>

NOTE 13 - Advertising

Advertising for the years ended September 30, 2012 and 2011 in the amounts of \$413 and \$770, respectively were expensed as incurred.