

# EQUINE INDUSTRY SURVEY



**2007**



**DEAN, DORTON & FORD**<sub>PSC</sub>  
CPAs | Consultants | Financial Advisors

Dean, Dorton & Ford, PSC, is pleased to provide you with the results of our 2007 Equine Industry Survey. This year, 445 surveys were mailed and we received 110 responses. (Last year, we mailed 539 surveys and received 83 responses.) We hope that these compiled results will be a helpful tool for you to use in conducting your business throughout the year.

In comparing the results of this survey with surveys we have conducted in previous years, these significant changes were noted:

- 75% provided holiday pay to full-time salaried employees in 2007 vs. 83% in 2006, and 61% provided holiday pay to full-time hourly employees in 2007 vs. 79% in 2006.
- The number of farms sponsoring employee health coverage dropped to 61% in 2007 vs. 74% in 2006 and 83% in 2004.
- 3% of farms reported sales tax audits in 2007 vs. 7% in 2006, and 8% of farms reported income tax audits in 2007 vs. 10% in 2006.
- 33% of farms reported providing some type of retirement plan in 2007 vs. 39% in 2006.
- 77% of farms reported employing foreign workers in 2007 vs. 71% in 2006.

Your feedback regarding any aspect of the survey is welcome as we continually try to improve it. If you've received our surveys in the past, you may note that we added several items based on the suggestions of prior survey participants.

We would also like to congratulate the winners of our drawing for \$100 Malone's gift certificates, given to express our gratitude for completing this year's survey. The 2007 winners are: W. Bruce Isaacs of Indian Creek Farm, Penny Greathouse of Glencrest Farm, Patrick DeLuca of Shawnee Farm, Nicholas Lotz of Briarbrooke Farm, and Caroline Frazier of Domino Stud.

We thank all those who responded for their participation, as it is your responses that continue to make this survey useful.

## **Dean, Dorton & Ford, PSC Equine Industry Team**

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Located in Kentucky, a state known for its world-class horse farms, racing, and sales, Dean, Dorton & Ford has provided accounting, tax, and business consulting services to the horse industry for nearly thirty years.

Our clients cover a broad spectrum of organizations involved in the horse business. From small boarding farms to large multi-departmental organizations, stables to racetracks, and bloodstock agents to equine veterinary firms and equine insurance agencies, our firm has both the capacity and the knowledge to assist with whatever your needs may be. Not all of our clients are based in Kentucky; industry clients from around the country and outside the U.S. also gain comfort by having our industry specialists work with them.

We perform a variety of services for our clients involved in the equine industry and welcome inquiries from both new participants in the industry and longtime industry participants seeking to improve the performance and administration of their equine operations. Please feel free to call us; members of our Equine Industry Group will be pleased to answer any questions you may have.

Members of the Equine Industry Group include:

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Please see the following page for an equine industry-specific list of services we provide.

# Dean, Dorton & Ford, PSC

## Equine Industry Services

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### Accounting

- For many enterprises, directly perform a variety of controllership, accounting, payroll, and clerical functions.
- Design and implement farm accounting and management information systems.
- Provide financial statement audits, reviews, and compilation services requested by both owners and lenders.

### Business Consulting

- Develop strategies to use the optimal forms of organization in which to conduct horse and farm business.
- Develop financial and business plans for farms, breeding operations, and racing stables.
- Financial analysis of stallion prospects.
- Design and implement retirement plans and other employee benefit programs.

### Tax Services

- Develop strategies to make maximum use of potential tax losses.
- Reduce exposure to the hobby loss rules.
- Structure transactions to avoid or minimize sales and use taxes.
- Avoid or manage the potential impact of the passive activity loss rules.
- Use current and deferred trades of horses and farms to avoid or postpone income taxes.
- Estate planning designed to use special use valuation and family farm conservation incentives, family-limited partnership strategies, and deferred tax payments.
- Handle multistate tax allocations.
- Help foreign owners and breeders to minimize exposure to U.S. taxes and comply with filing requirements.
- Develop tax accounting systems to comply, where required, with rules requiring capitalization of preproductive period costs.
- Represent clients with federal and state tax audits.

### Other

- Manage and troubleshoot desktop personal computers, servers, and networks.
- Enable remote access to email, applications, and files located on the network.
- Implement Blackberry, Treos, and other smart phones for access to work email.
- Implement spam filtering solutions that substantially reduce junk mail.

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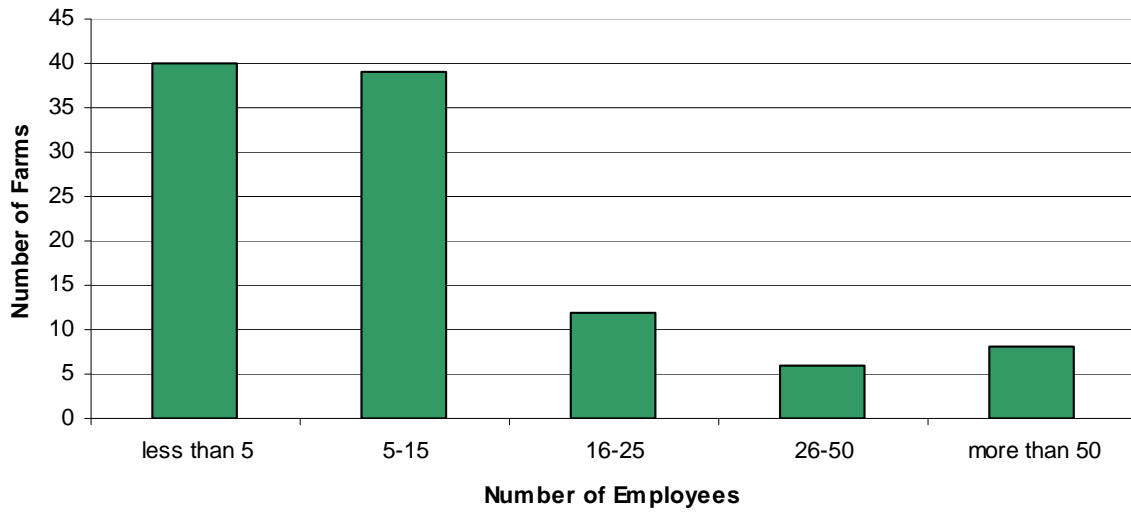
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Louisville, KY 40223  
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**DEAN, DORTON & FORD, PSC**  
**2007 EQUINE INDUSTRY SURVEY**

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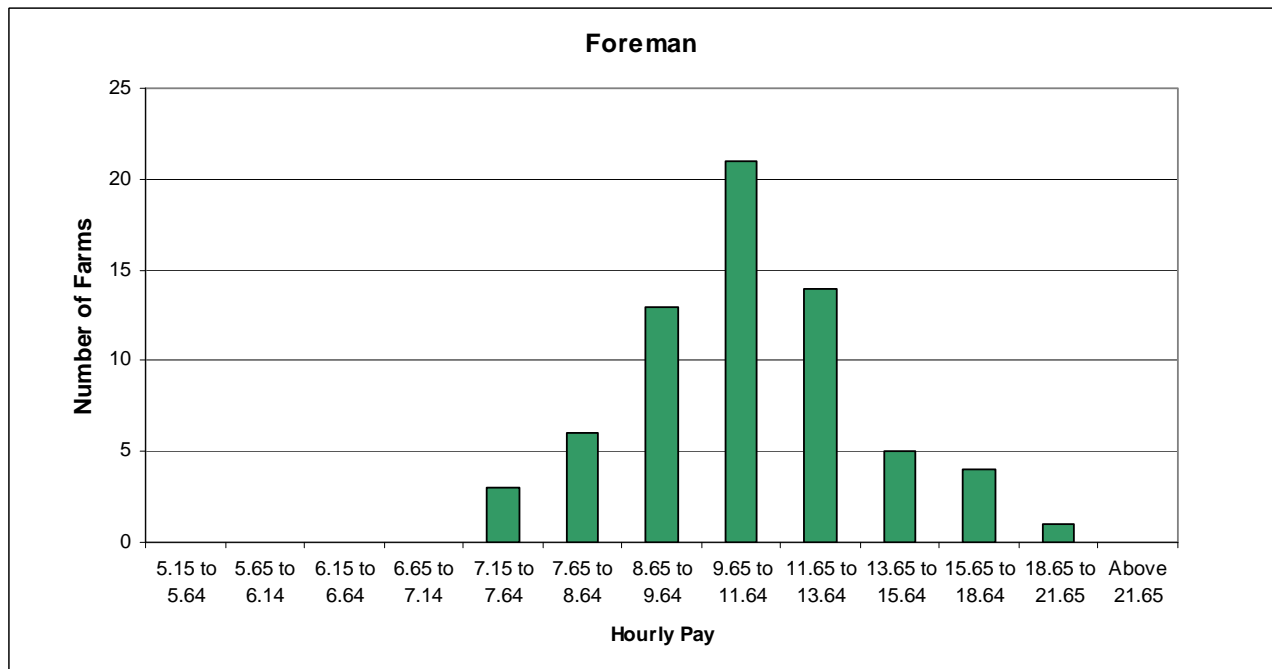
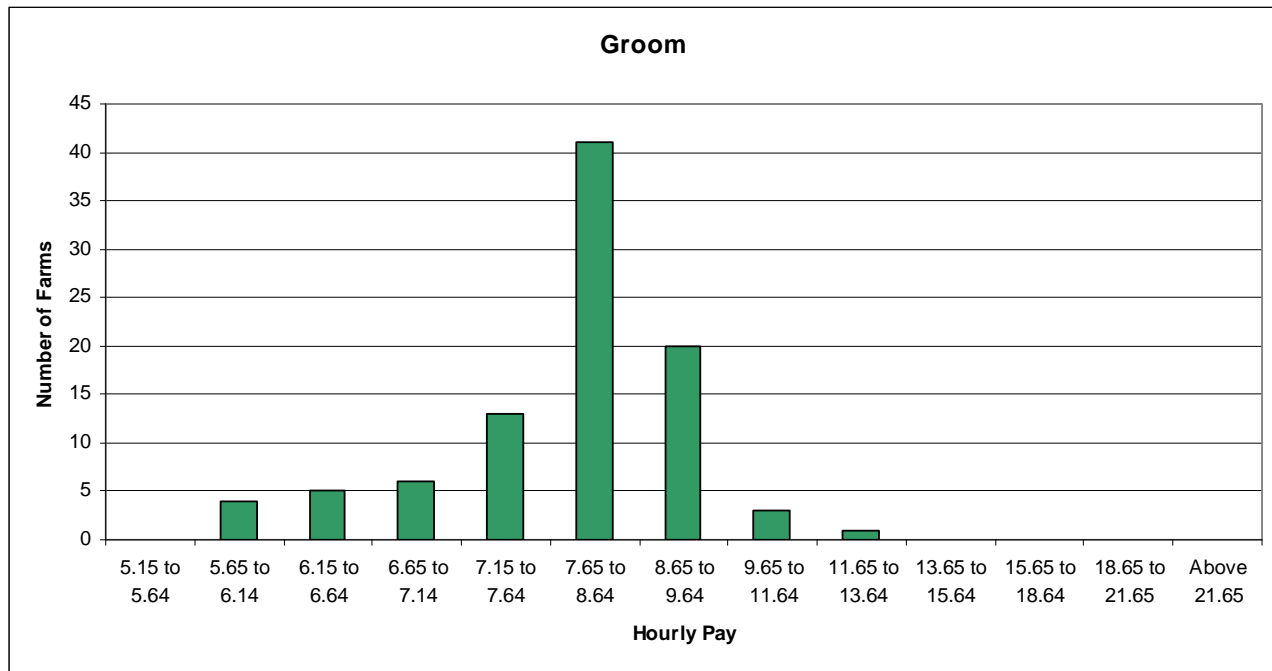
**Average Number of Full-Time (Year-Round) Employees**

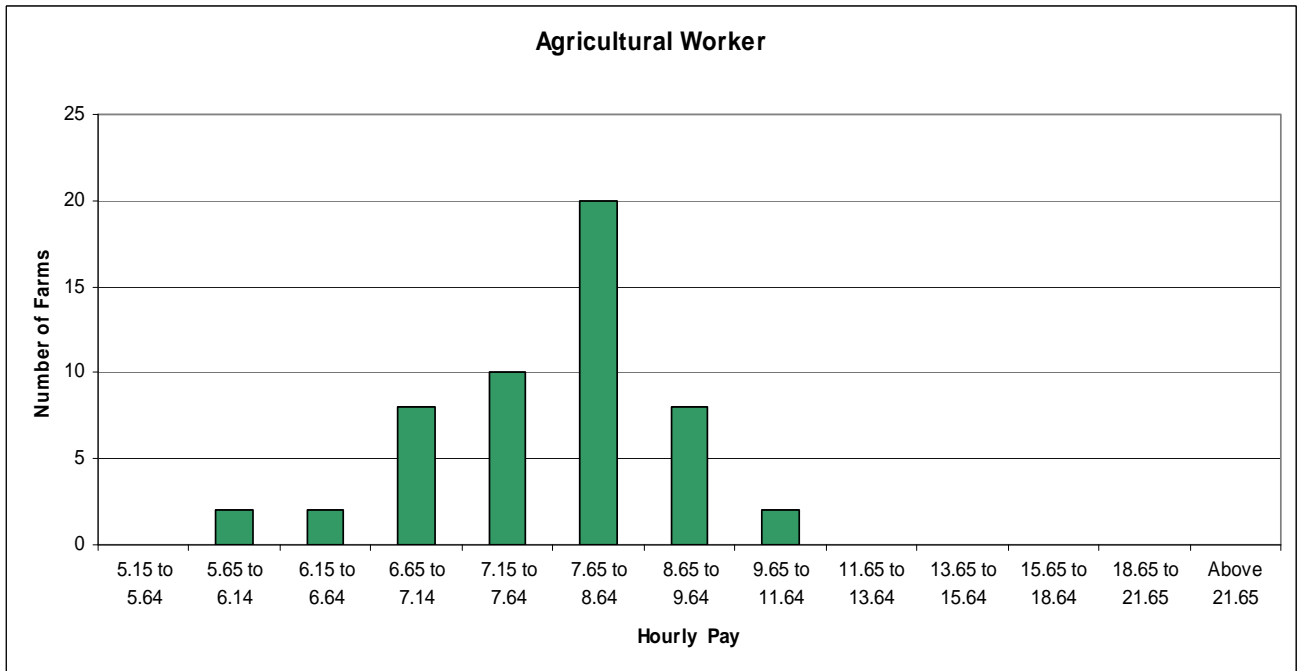
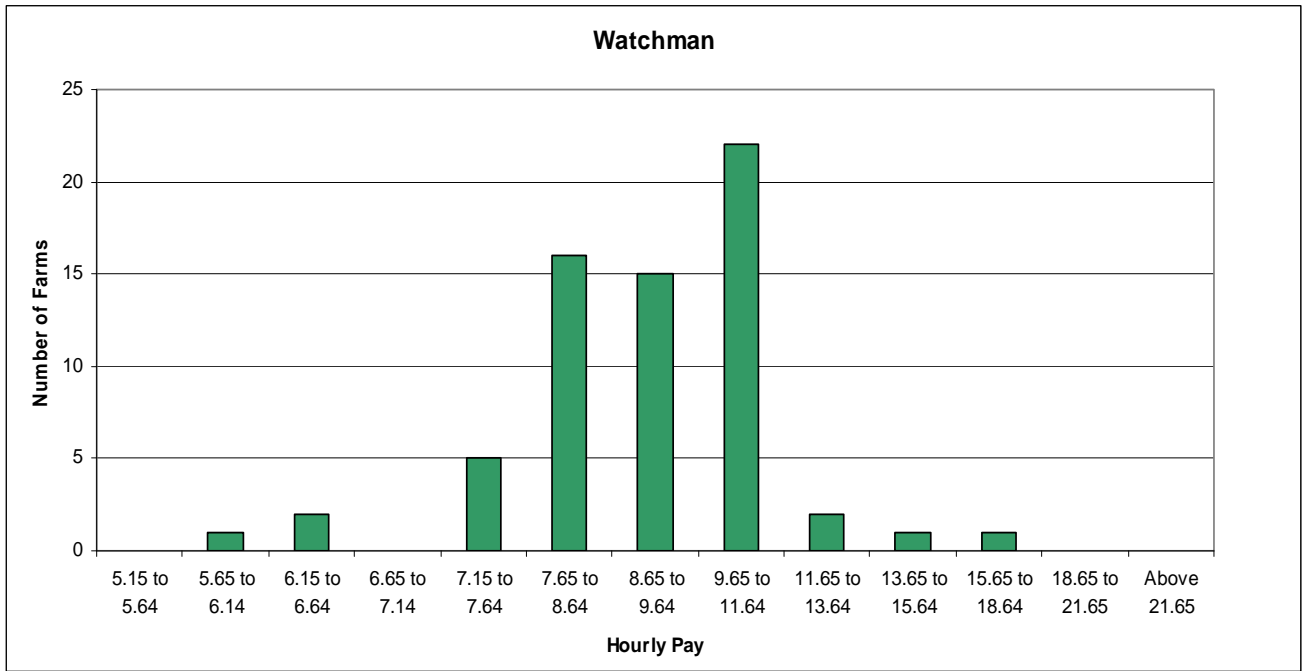


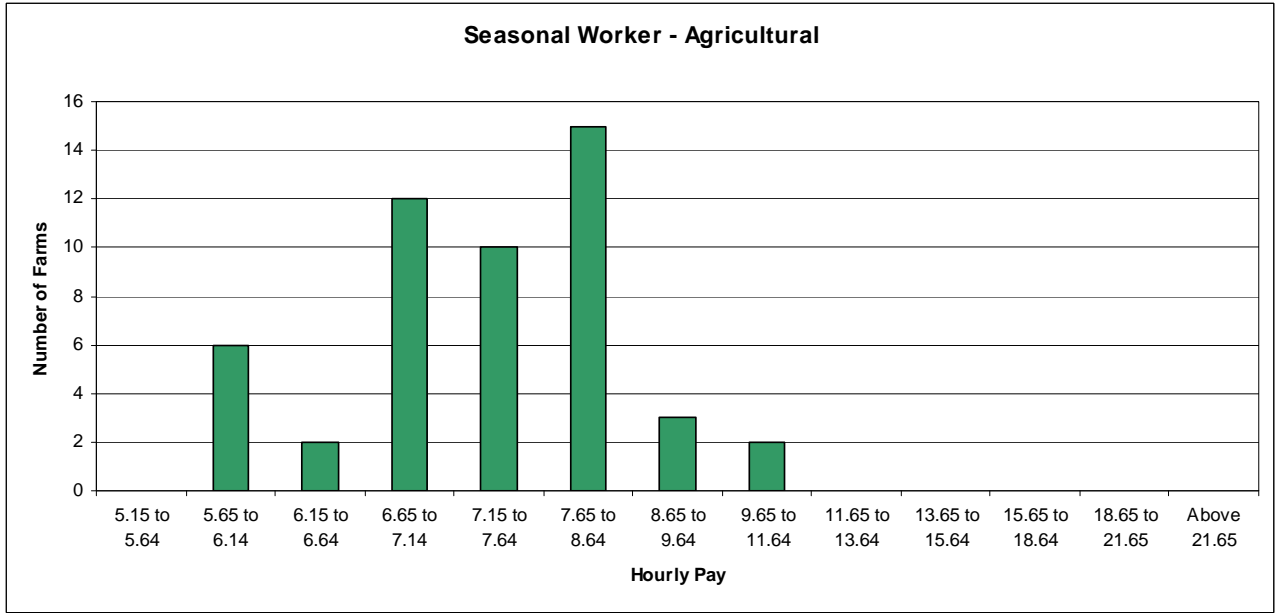
**Average Number of Horses Maintained Per Farm Employee**

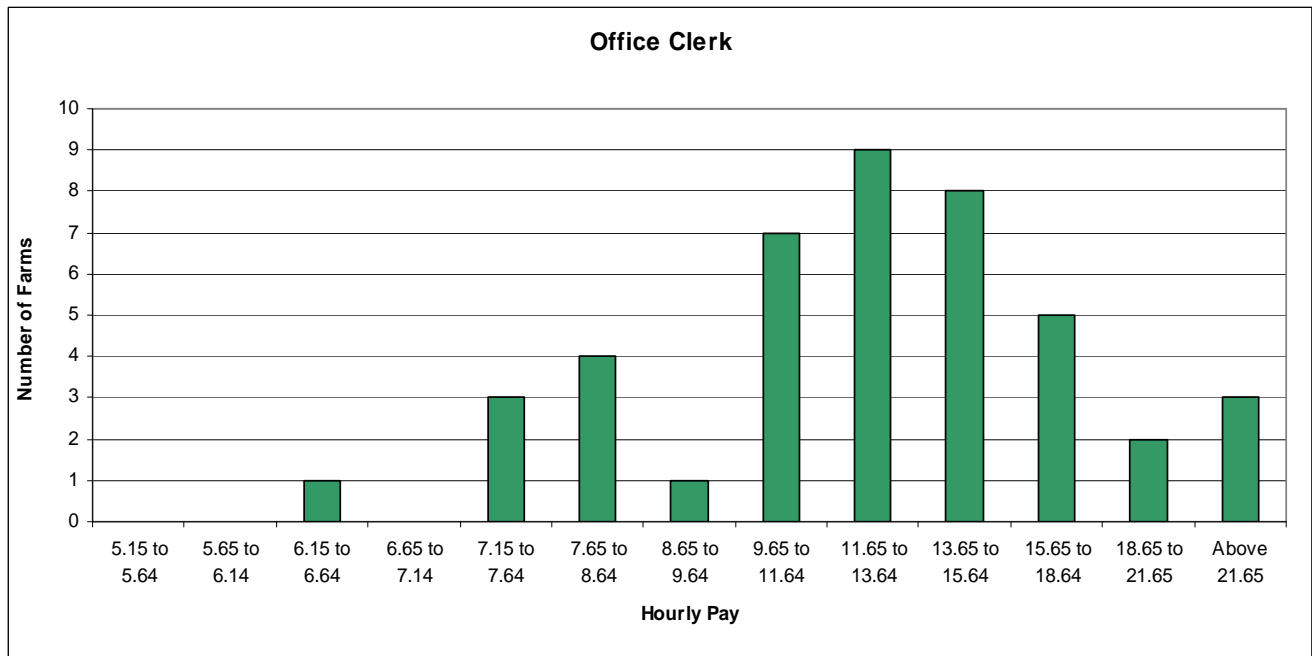
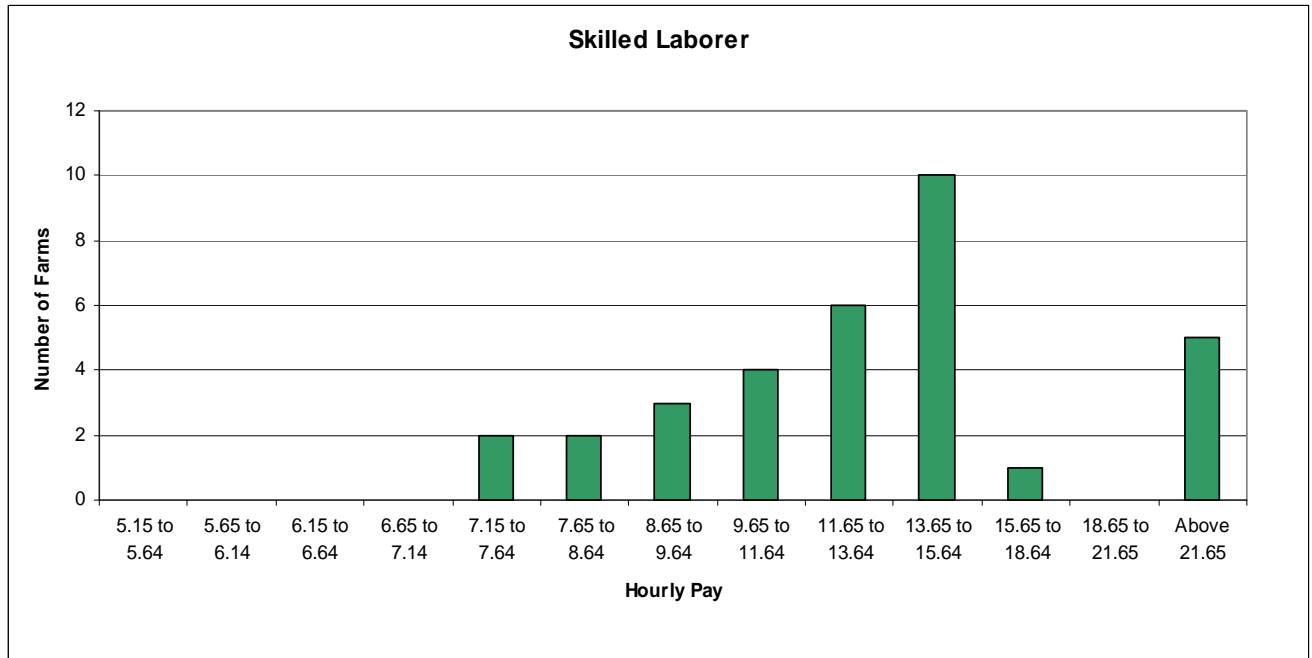


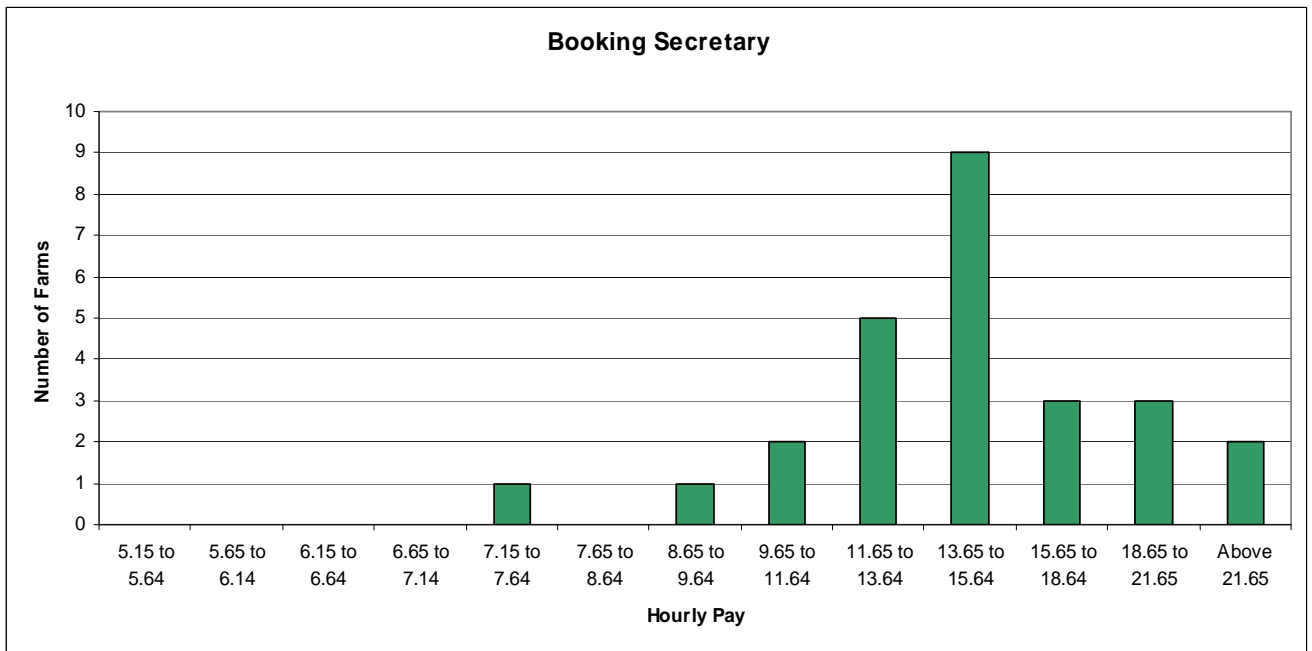
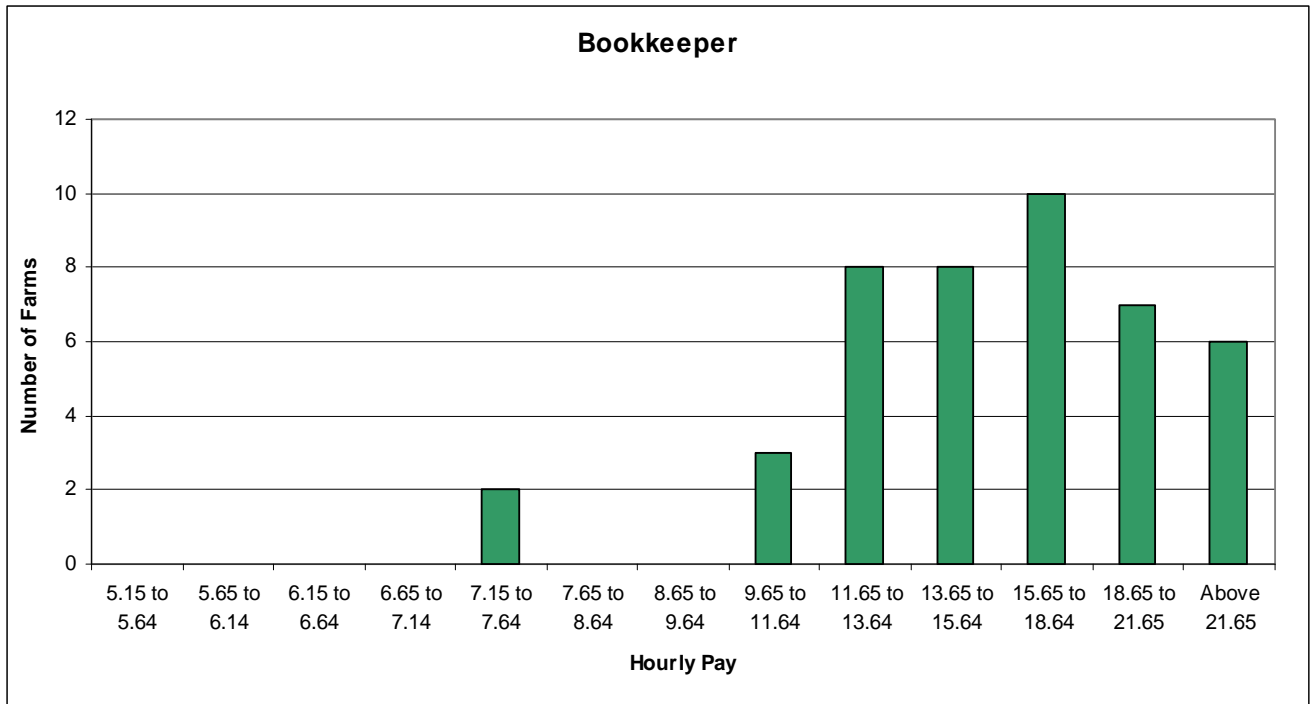
## Average Starting Pay Rate Range for Farm Employees – Hourly



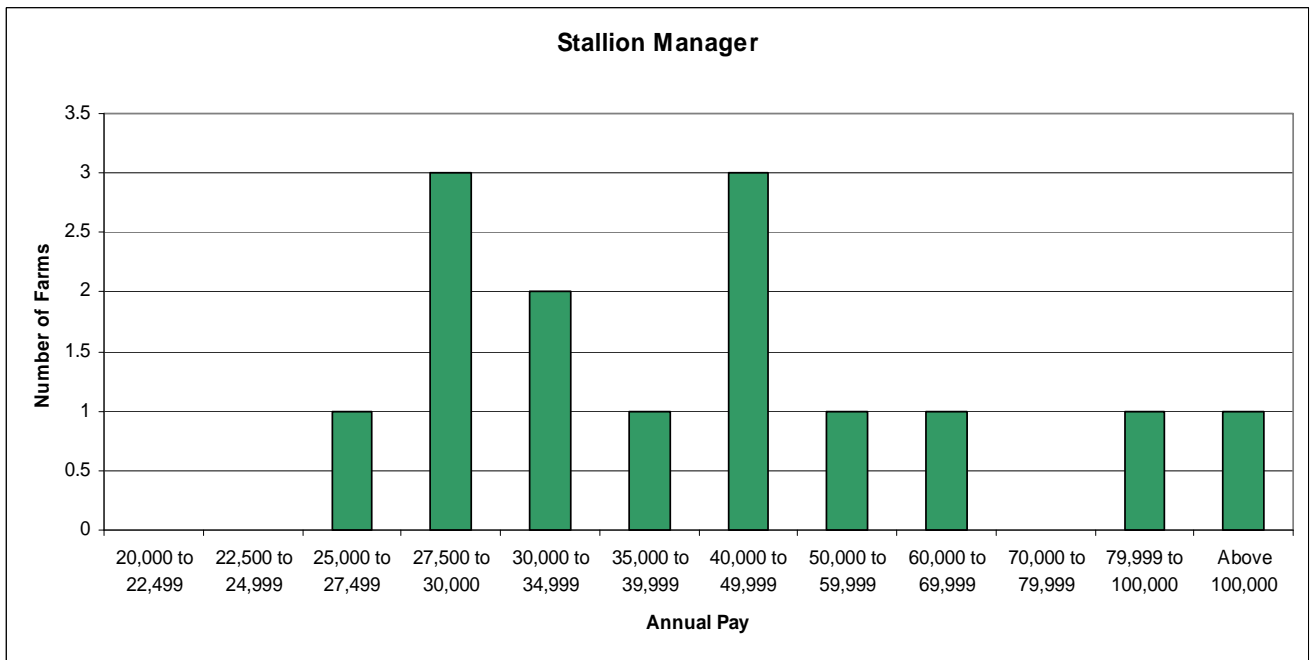
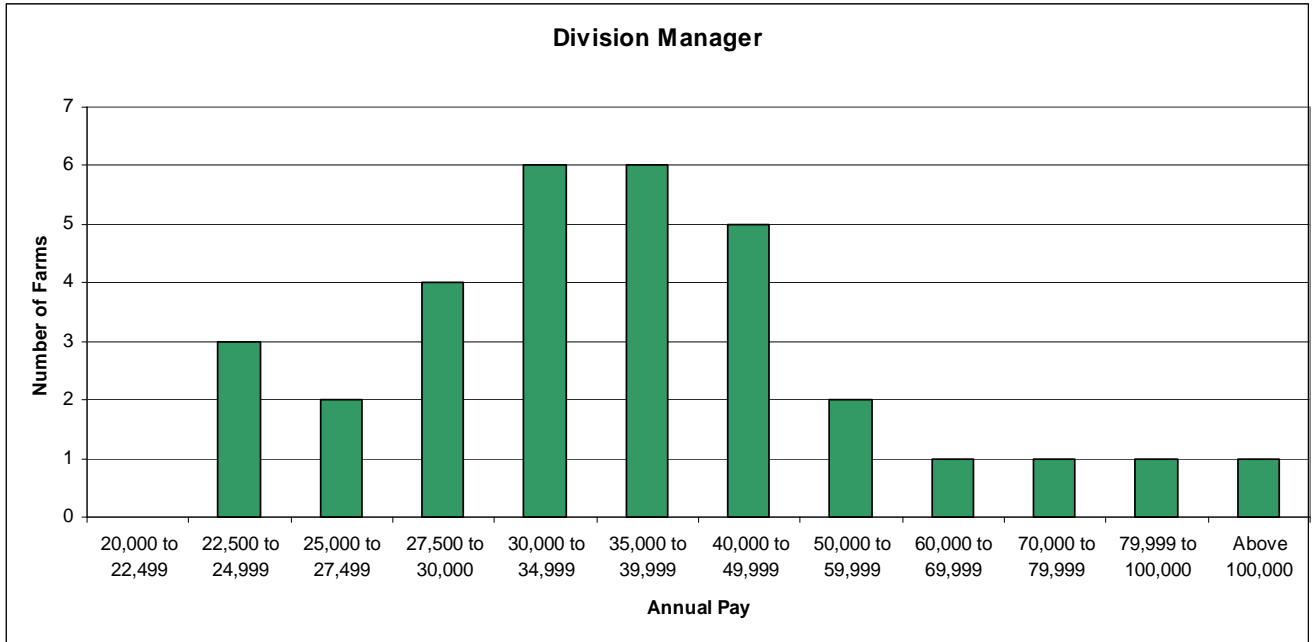


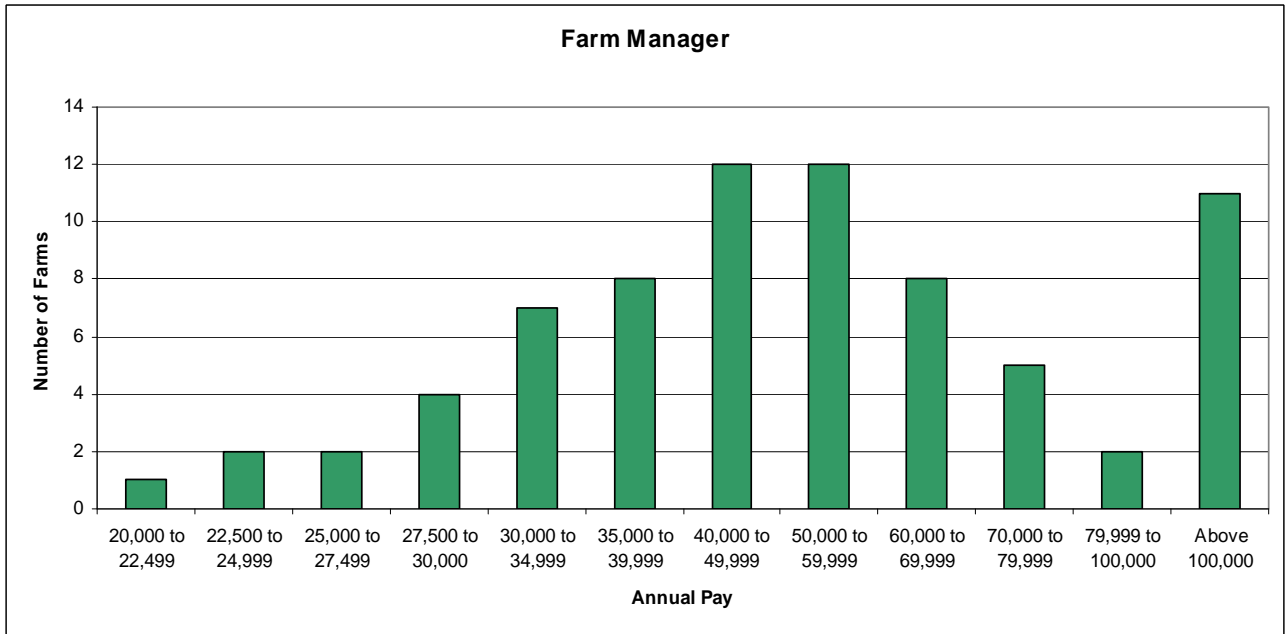
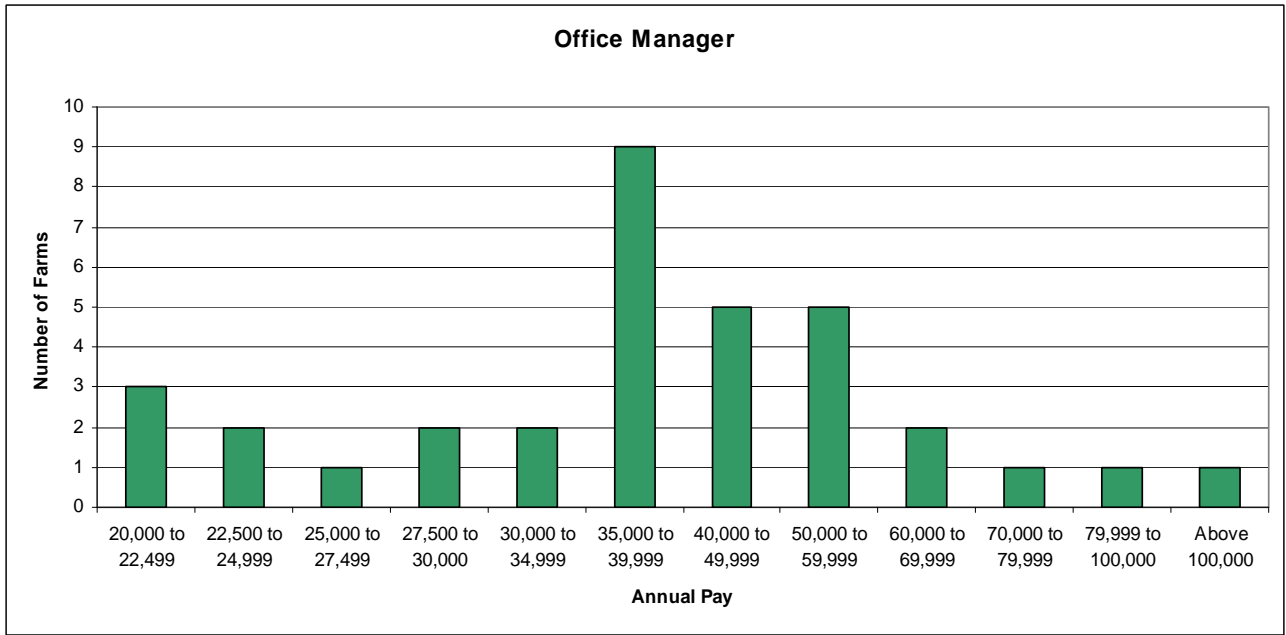


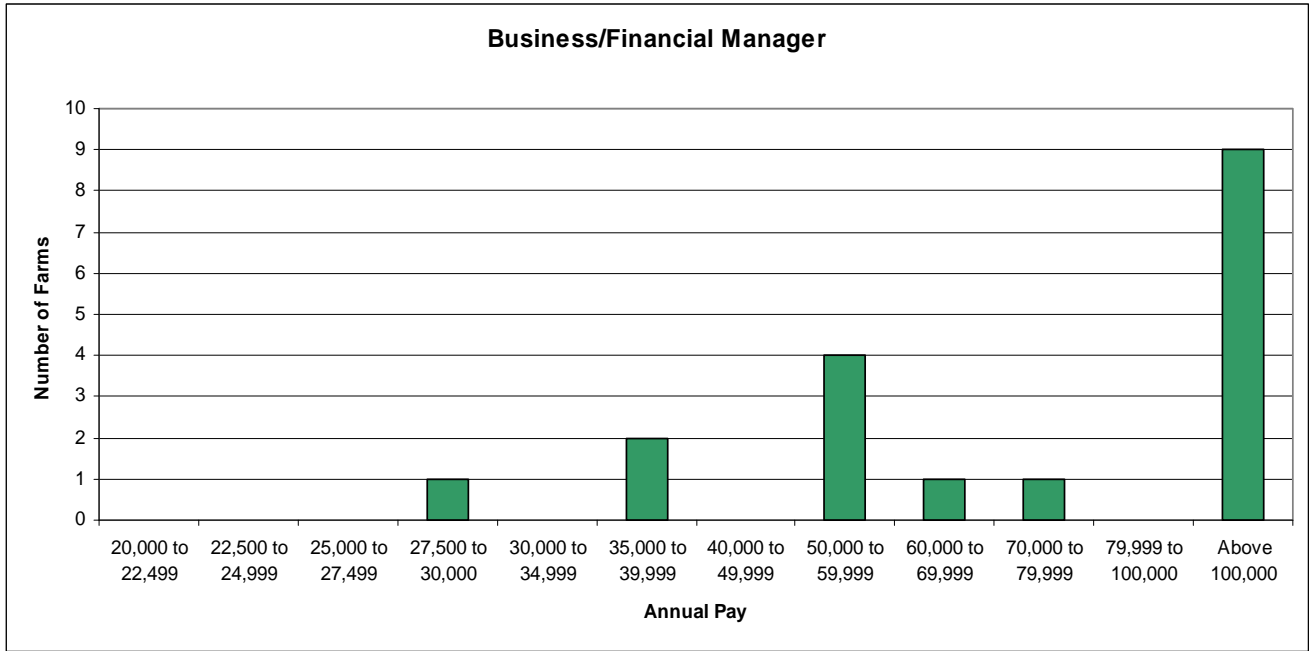


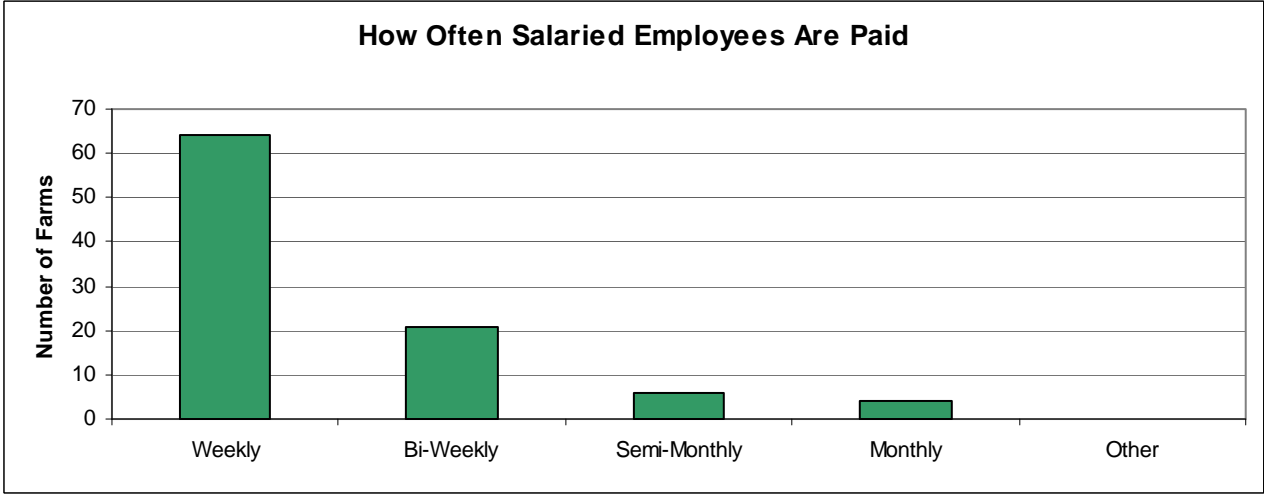
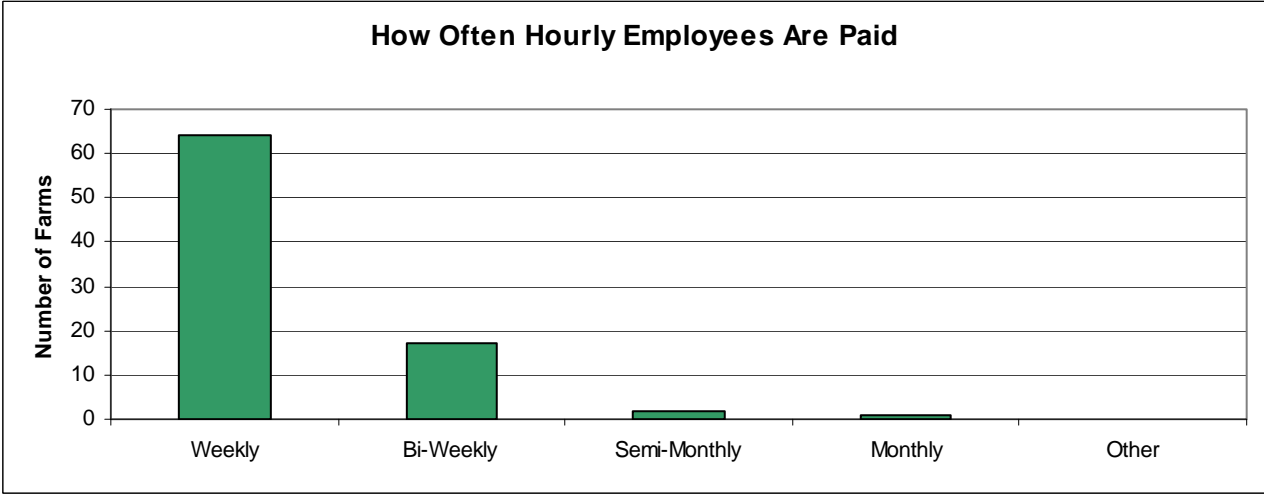
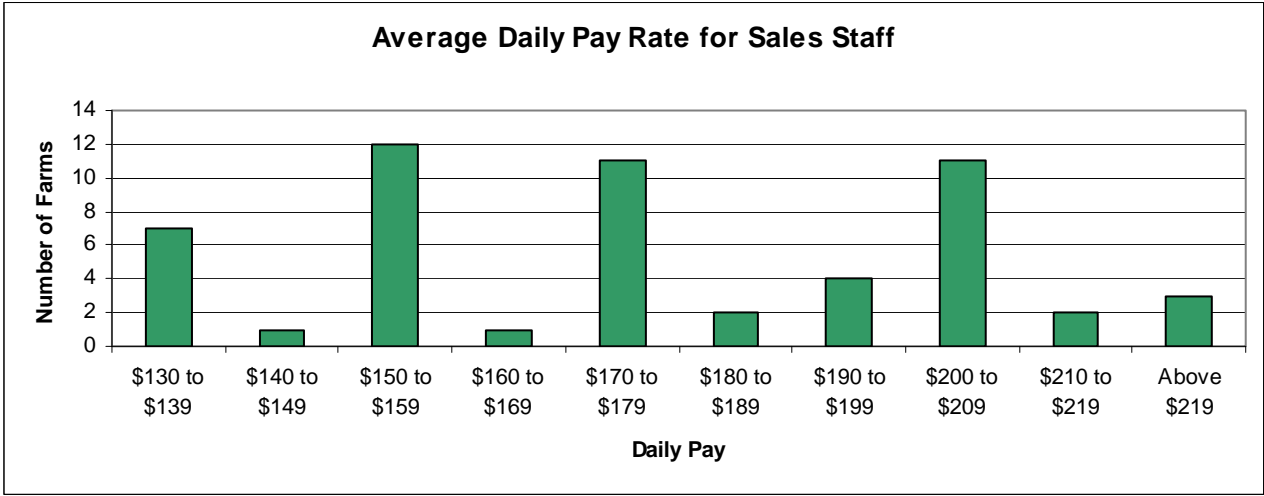


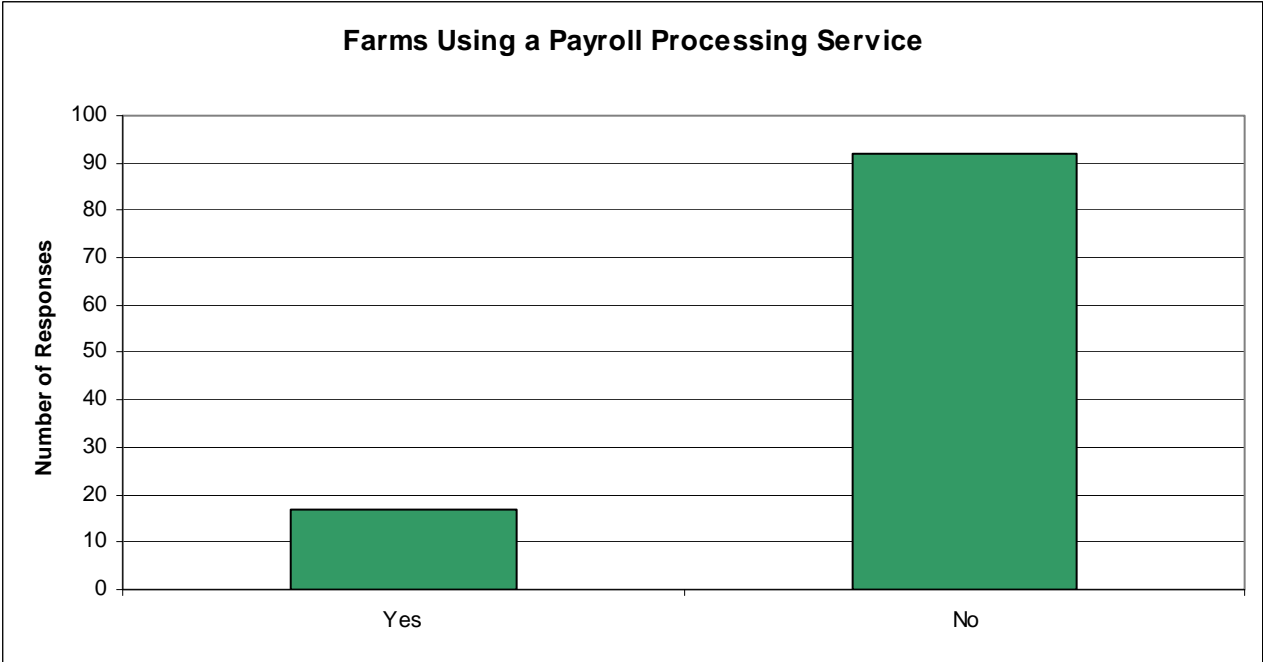
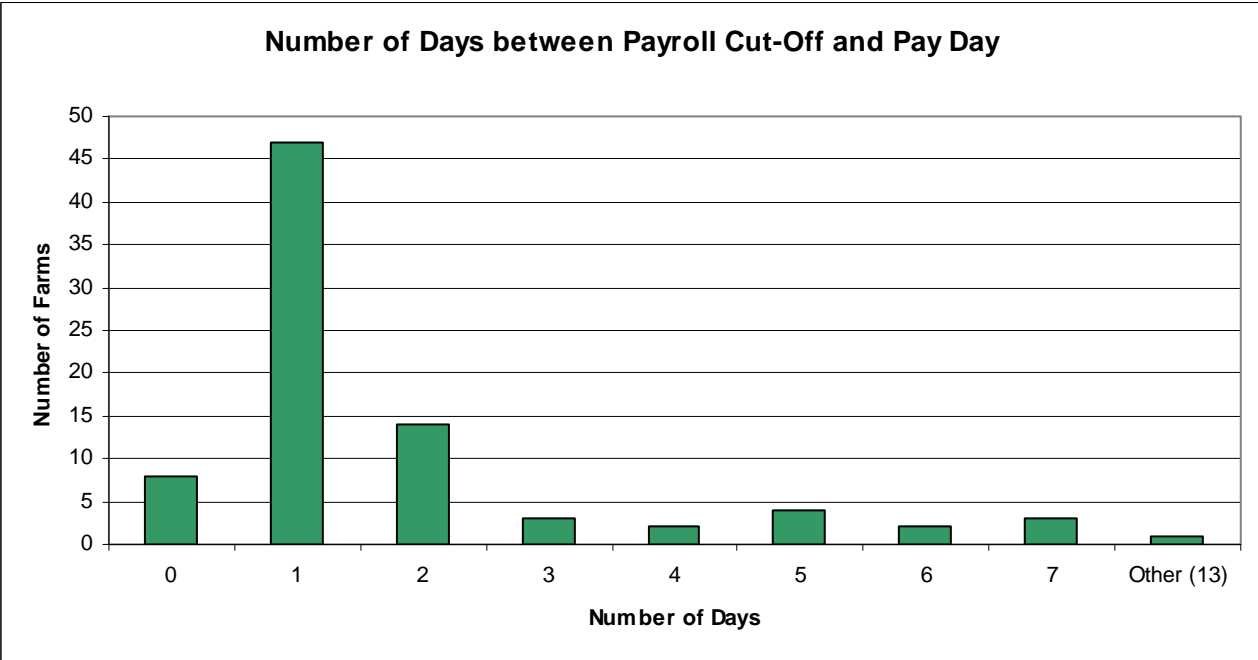
## Average Starting Pay Rate Range for Farm Employees – Salary







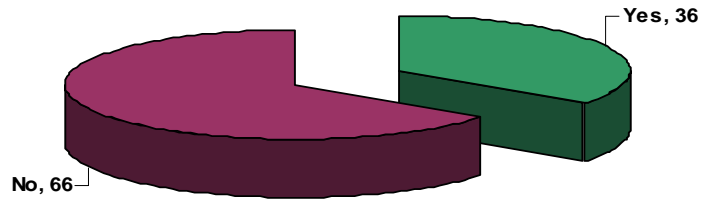




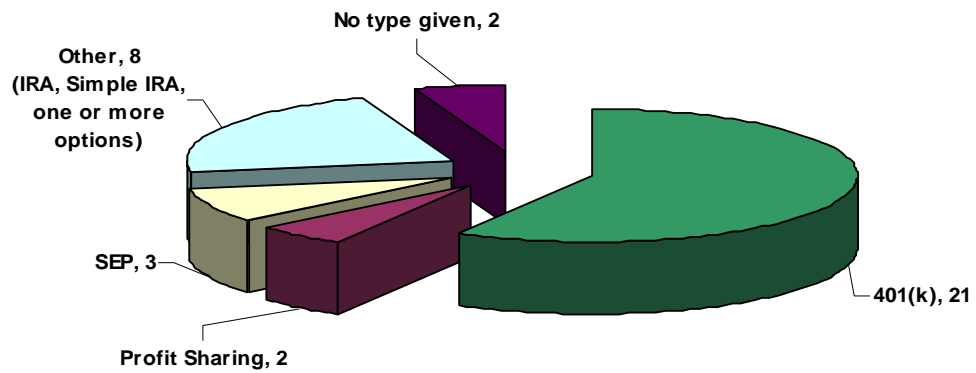
\*Top processing services used were ADP and Payroll Solutions.

# Retirement Plans

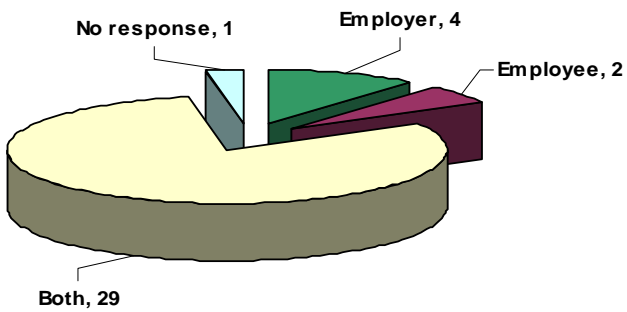
## Farms Providing Retirement Plans



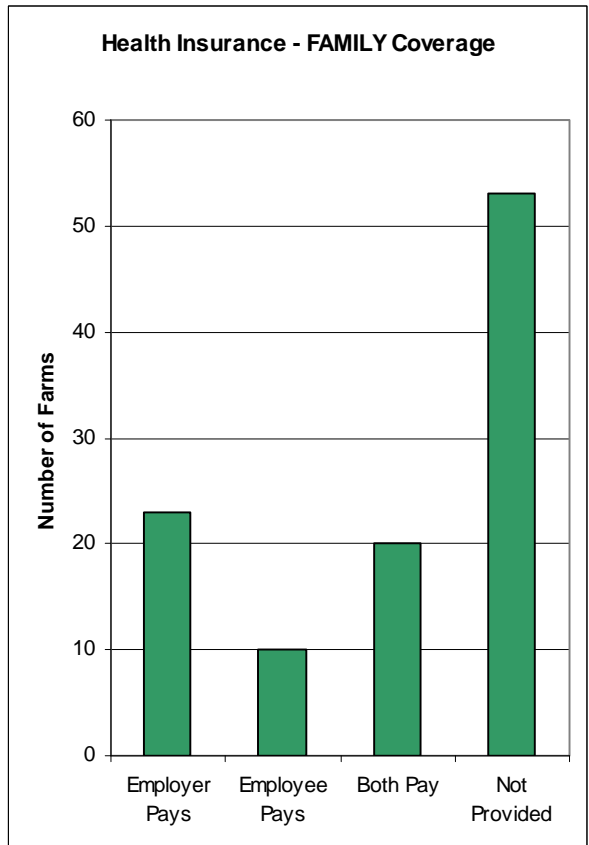
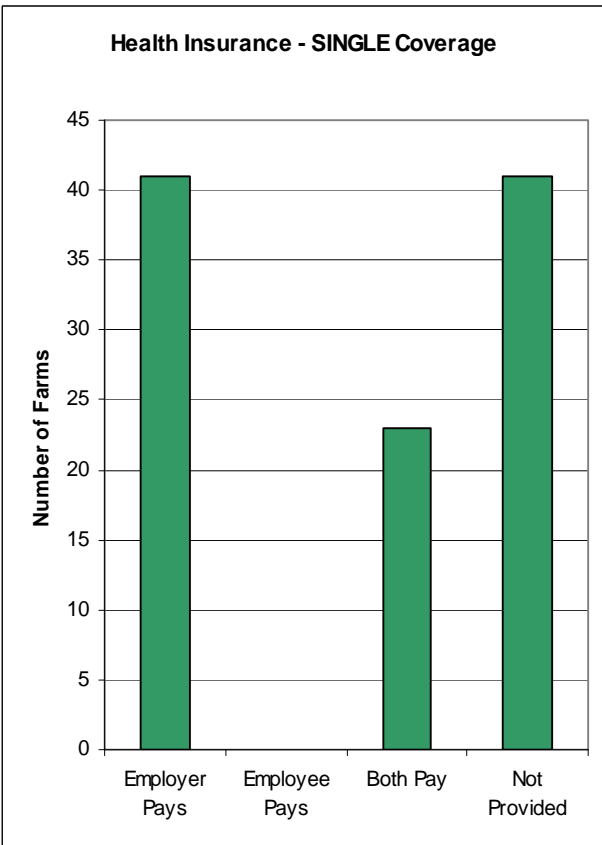
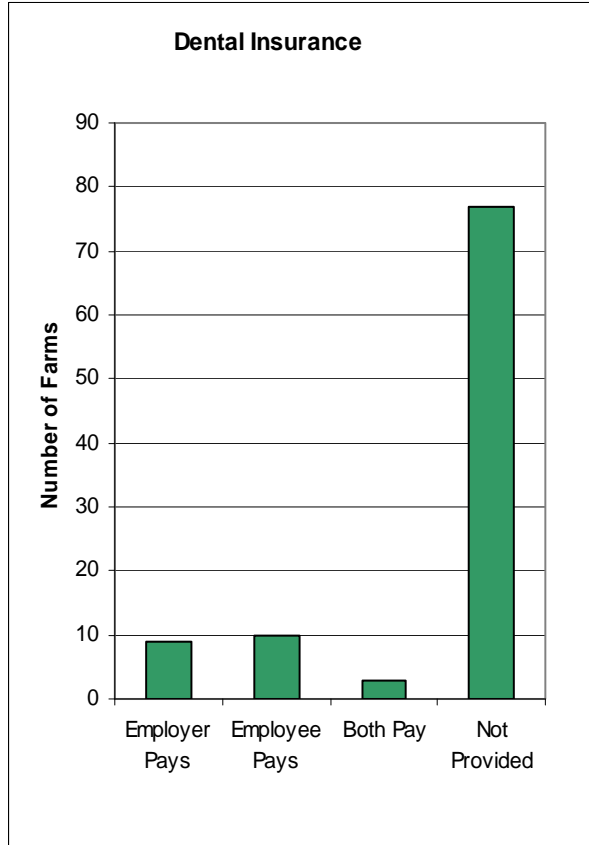
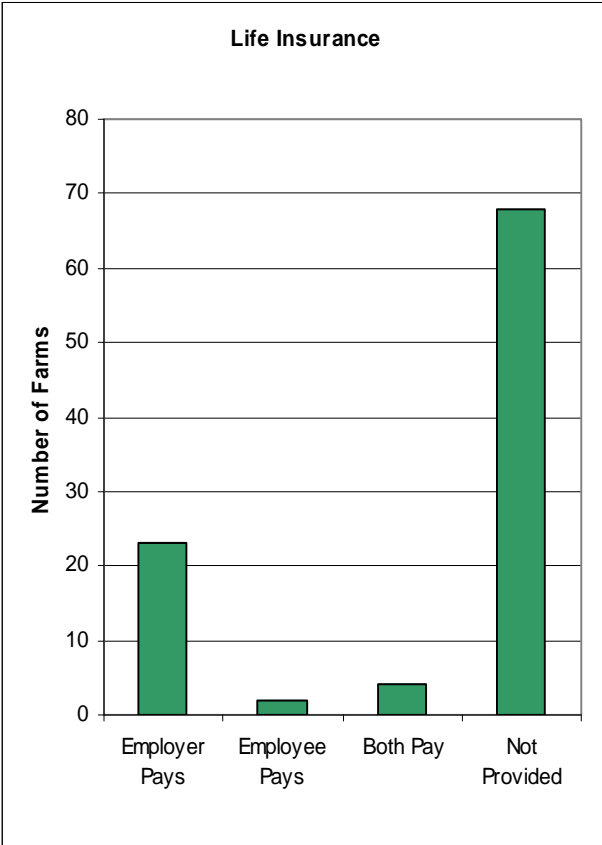
## If yes, type of plan provided



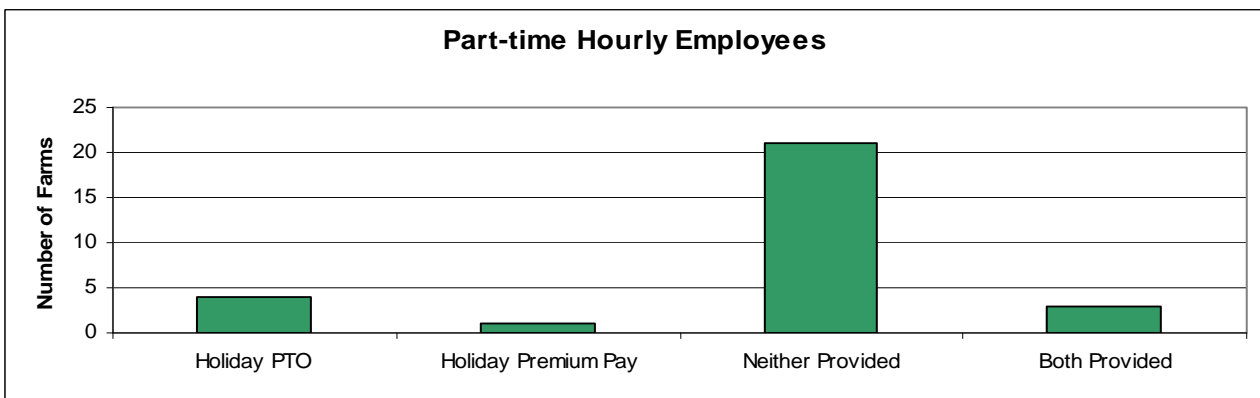
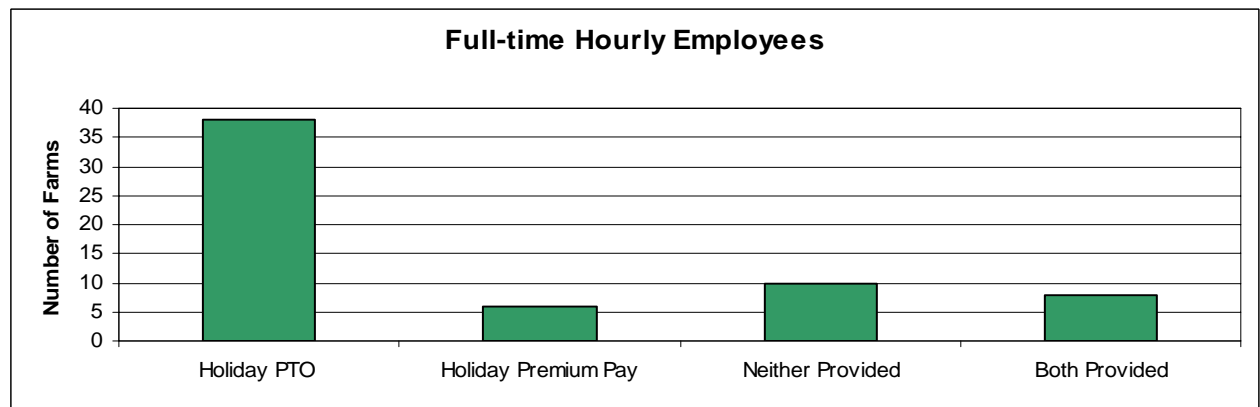
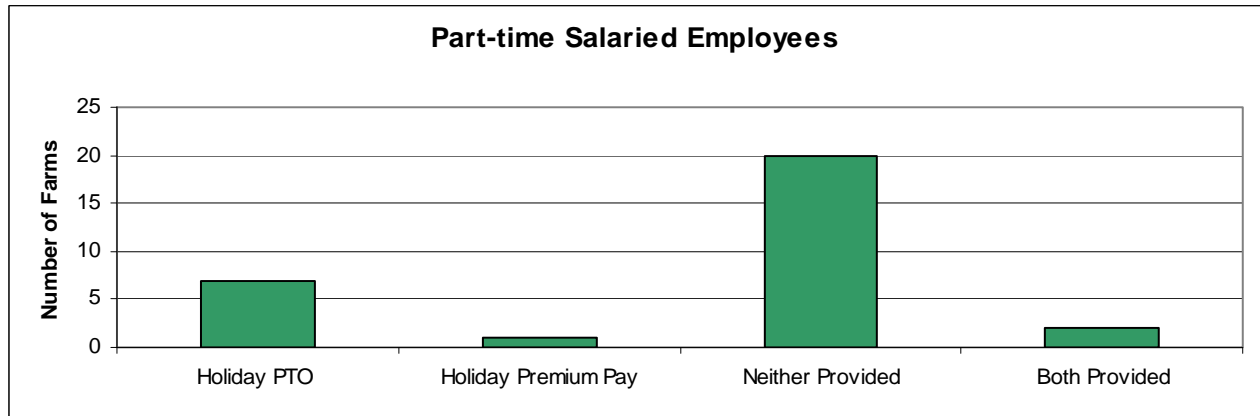
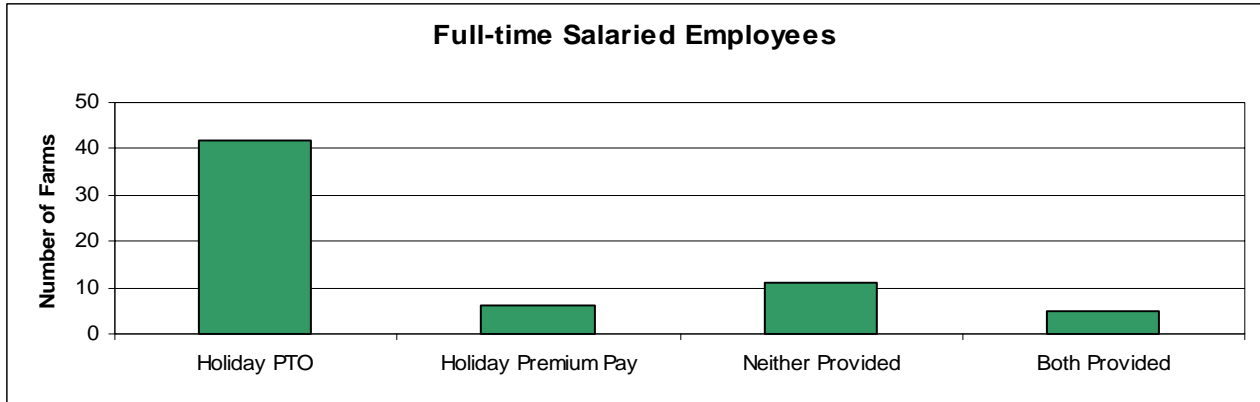
## If yes, funding provided by:



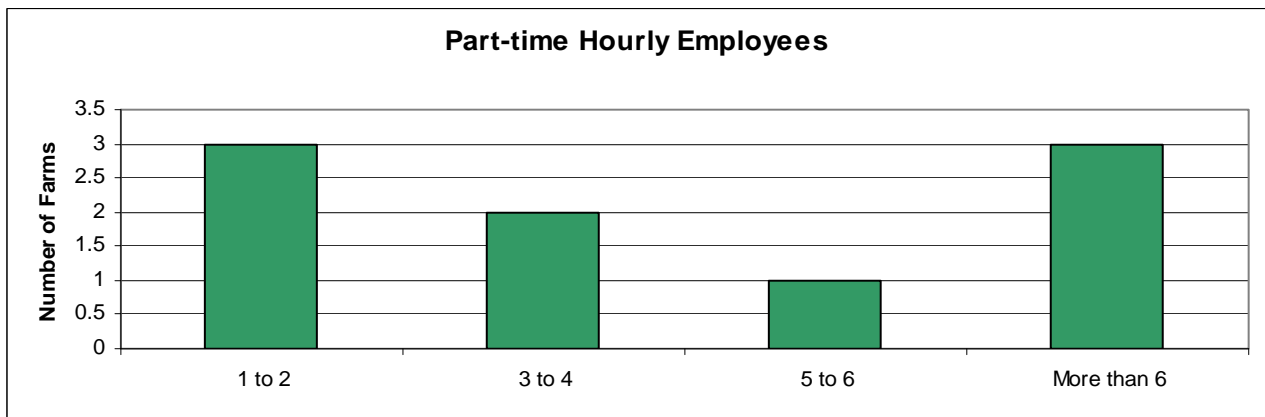
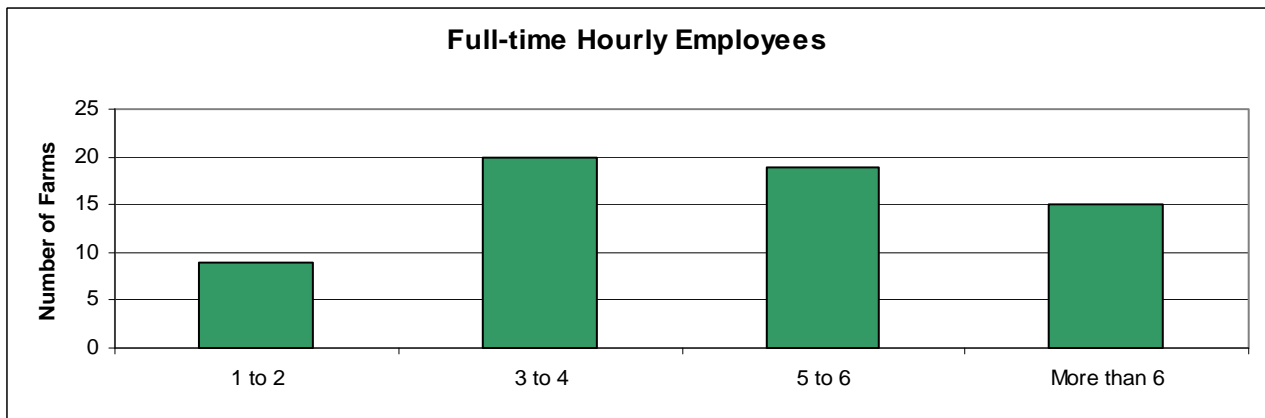
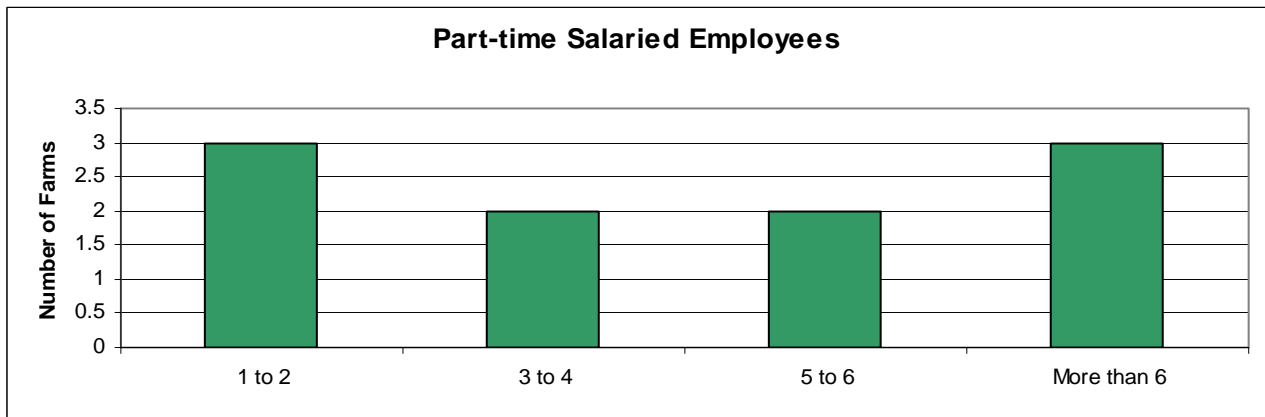
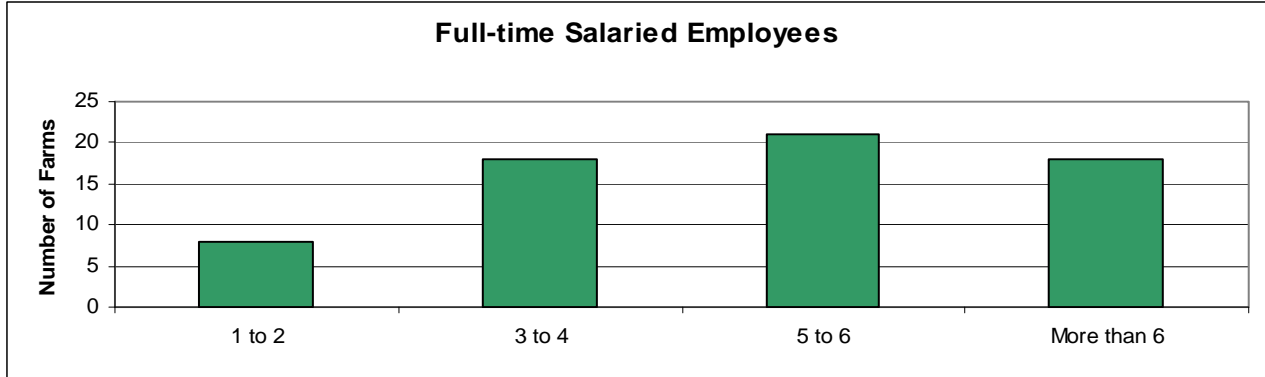
## Farms Providing Insurance Coverage



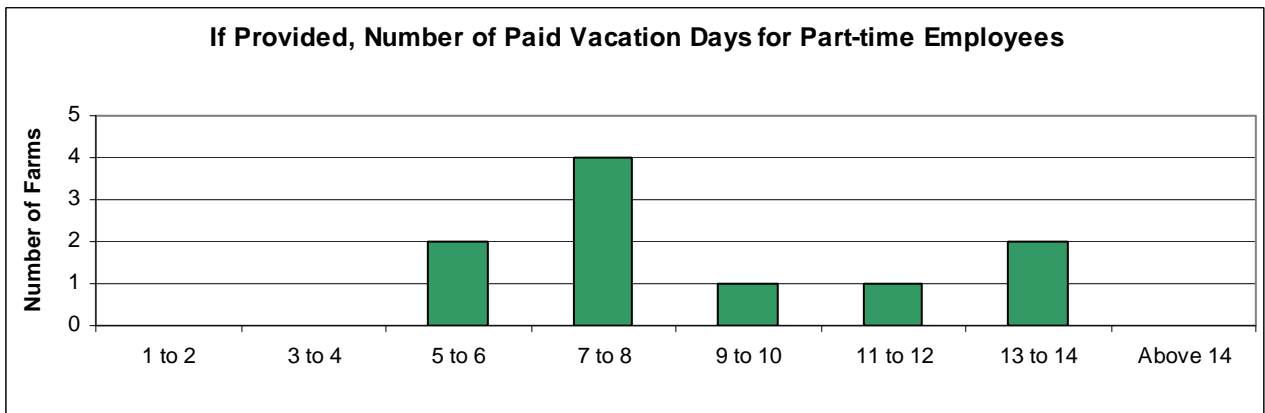
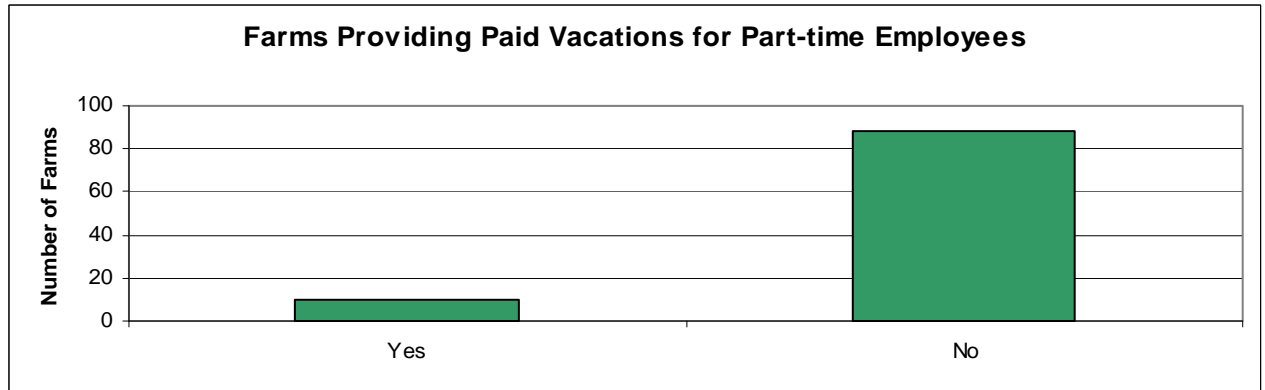
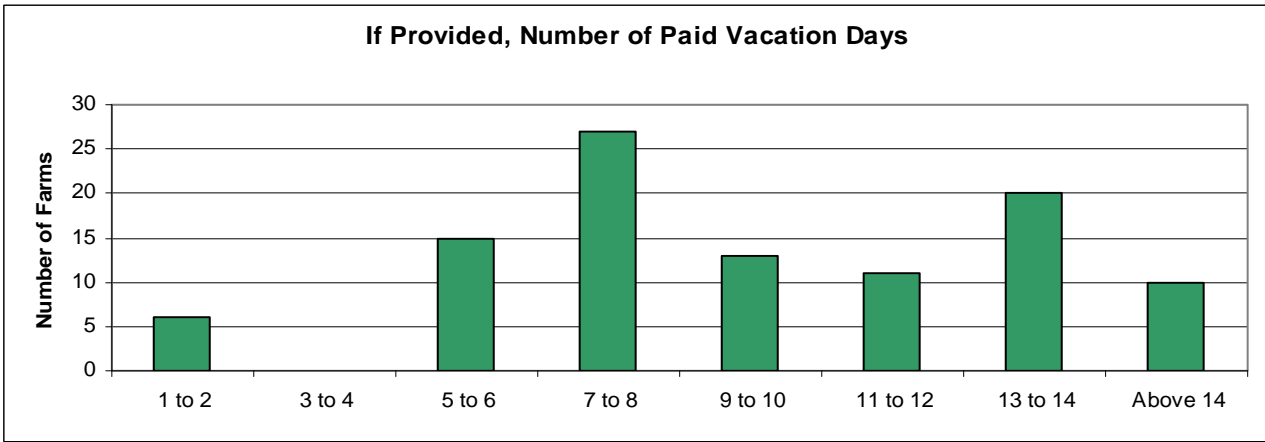
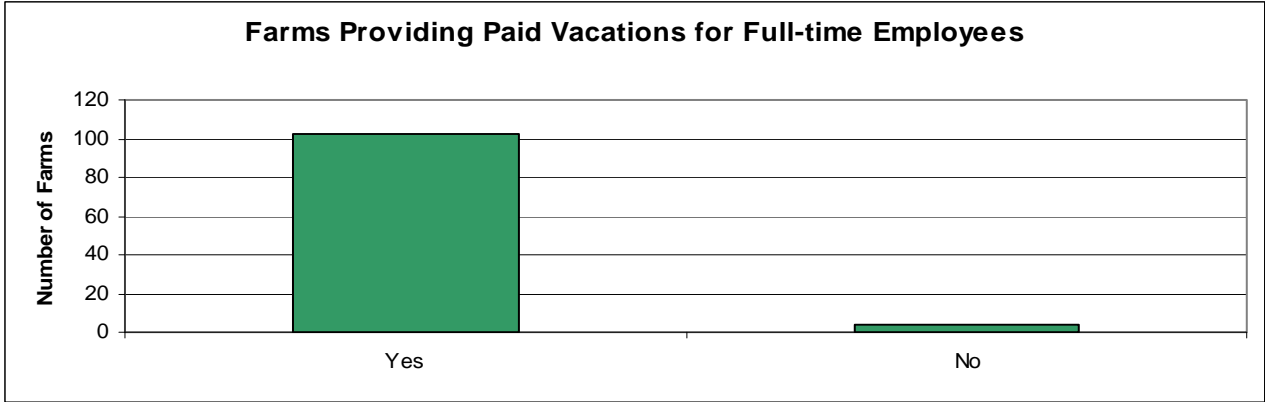
## Premium Pay for Holiday Actually Worked OR Paid Time Off for Holiday



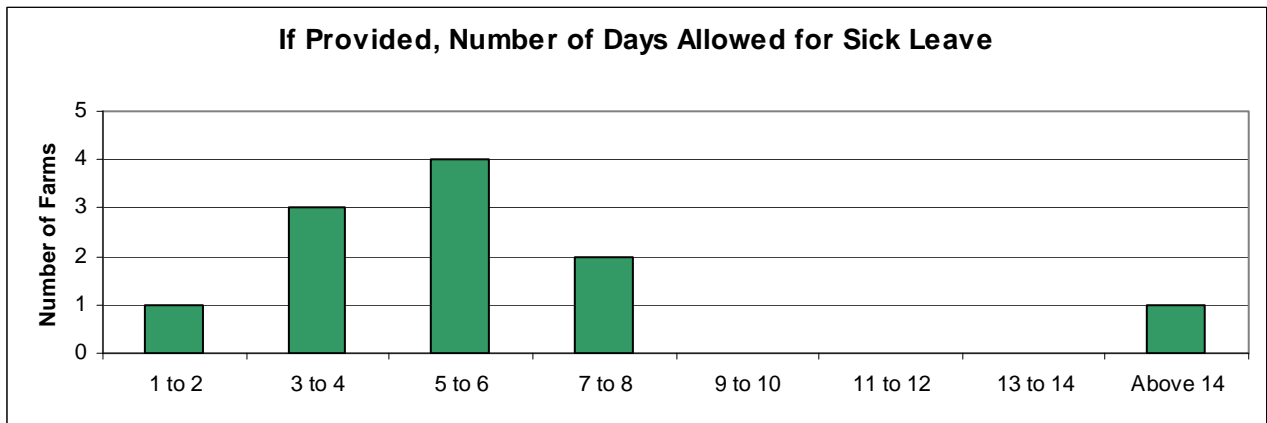
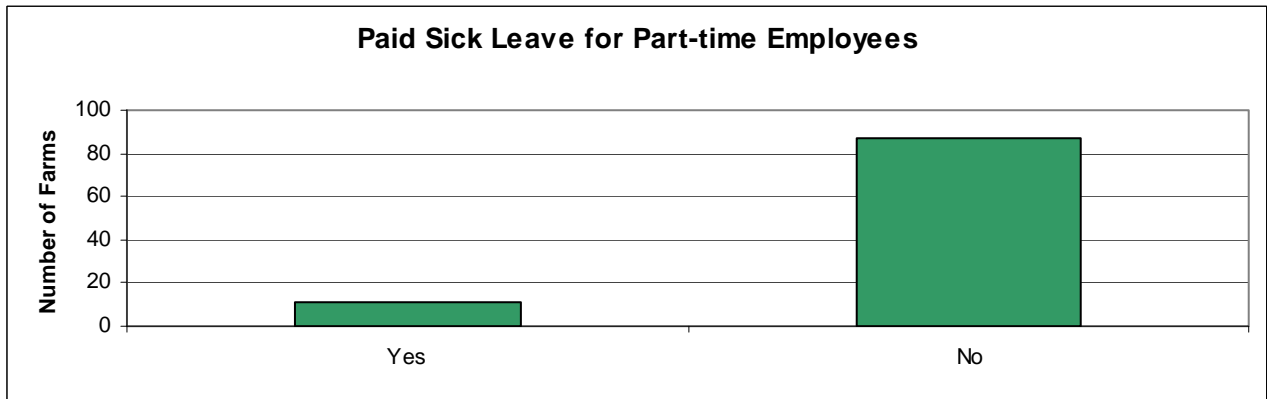
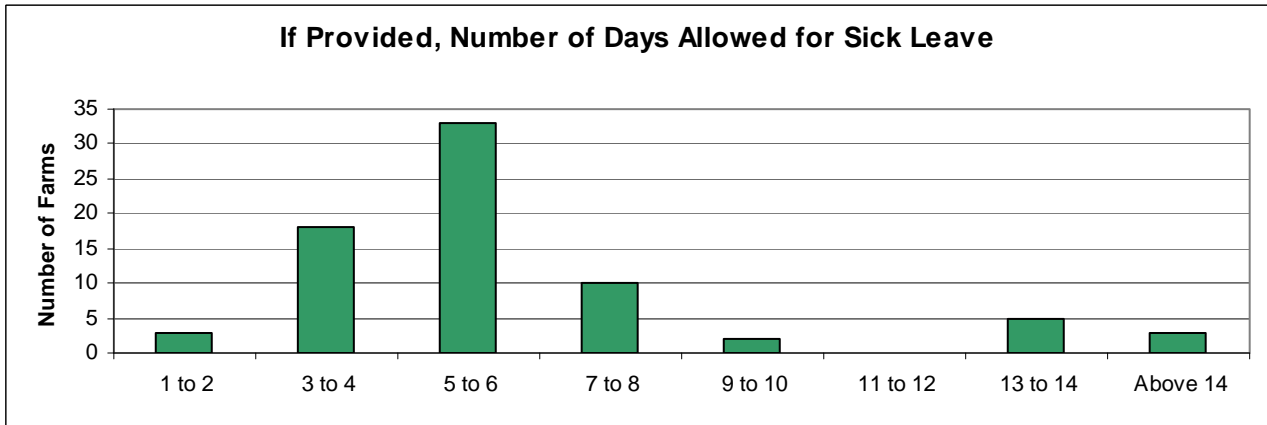
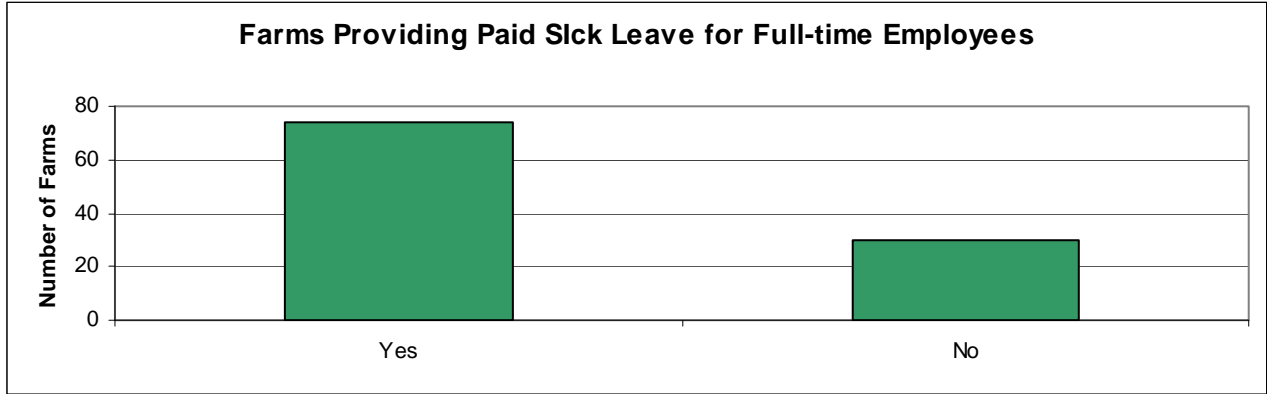
## Number of Premium Pay OR Paid Time Off Holidays Allowed



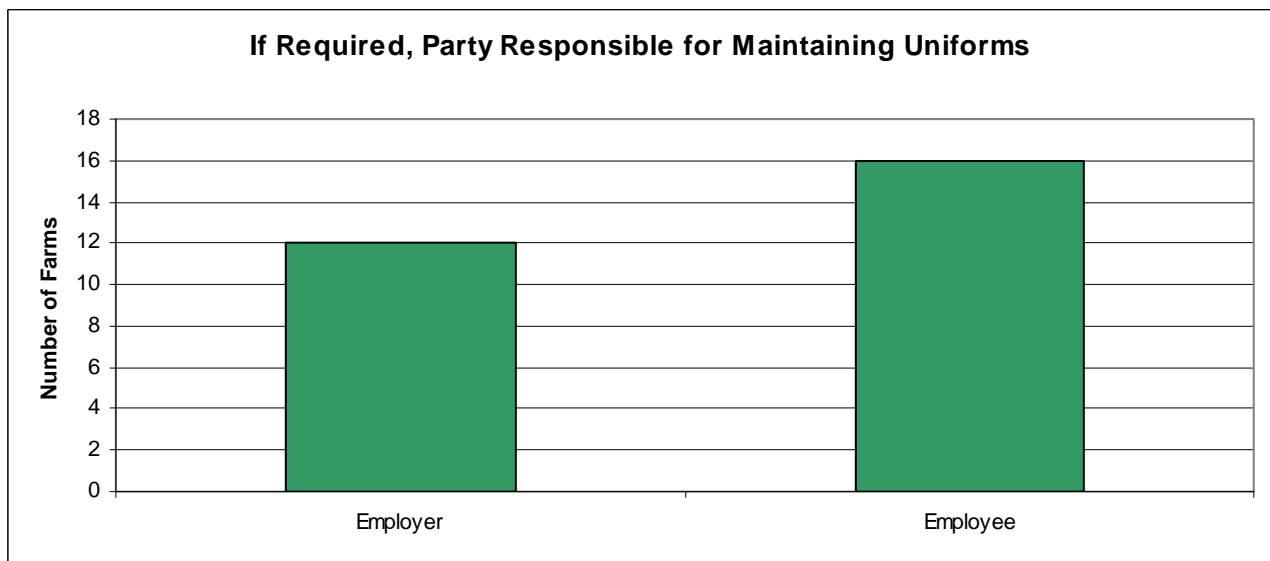
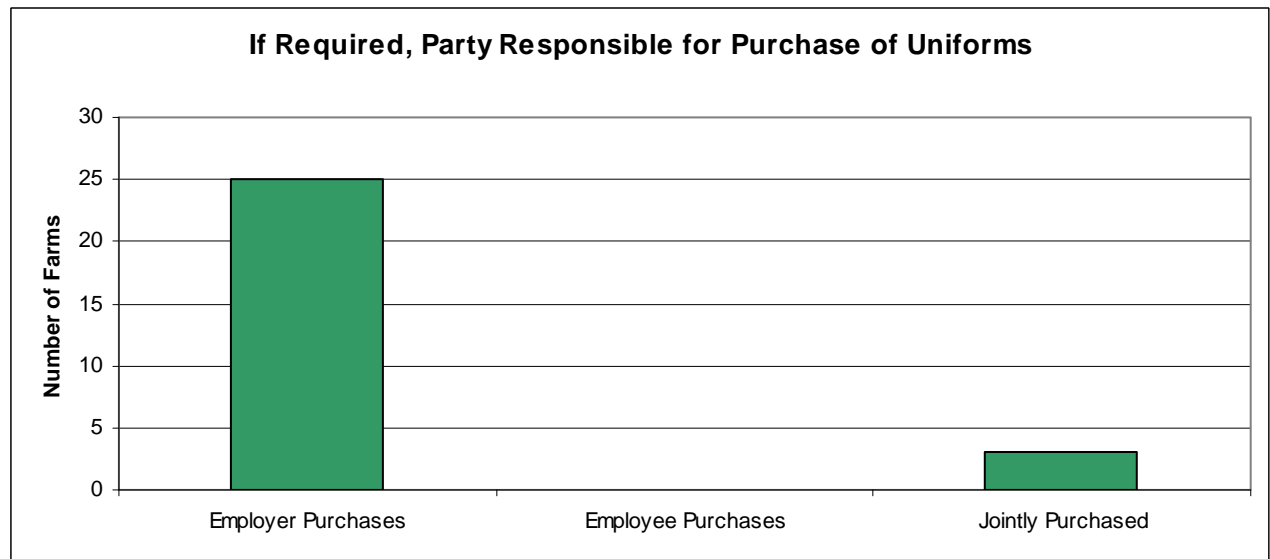
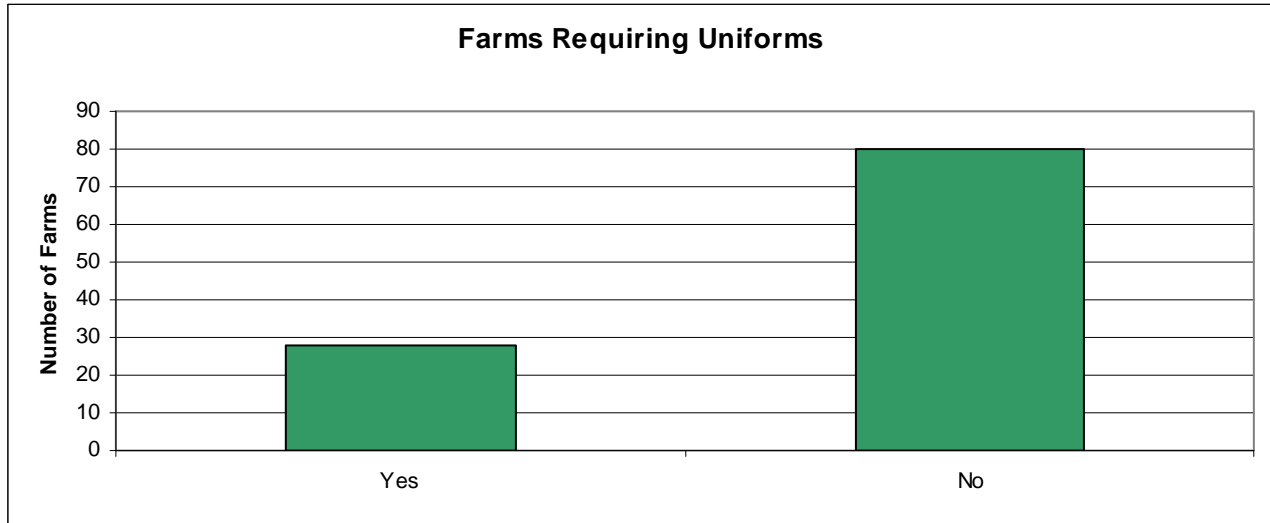
## Farms Providing Paid Vacation Days



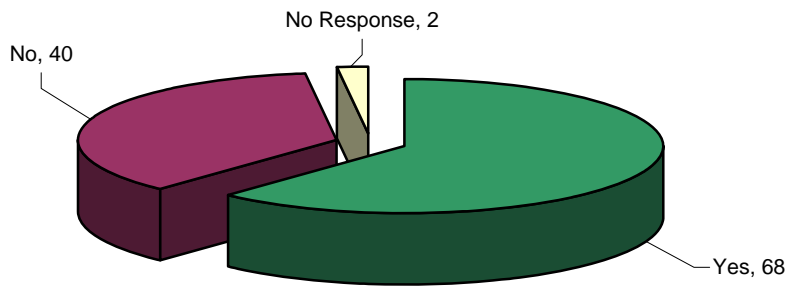
## Farms Providing Paid Sick Leave



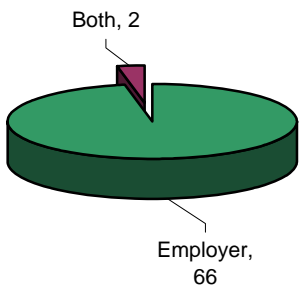
## Farm Employee Uniforms



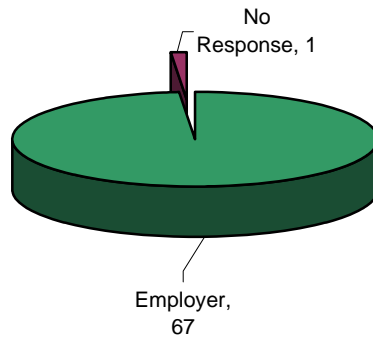
### Farms Providing Vehicles for Employees



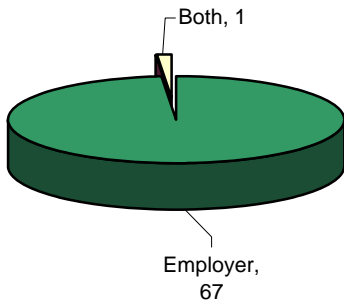
### Fuel Paid By



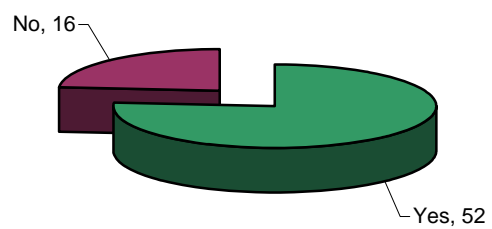
### Insurance Paid By



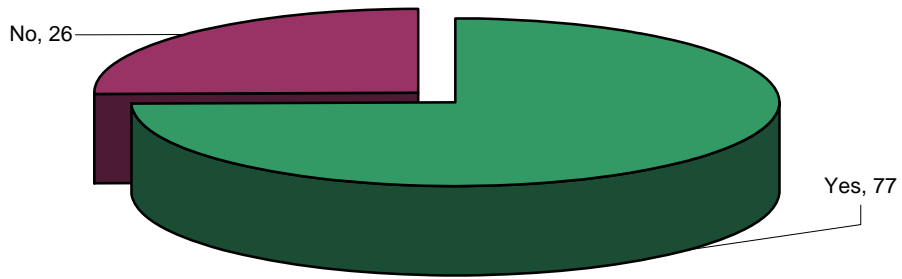
### Maintenance/Repairs Paid By



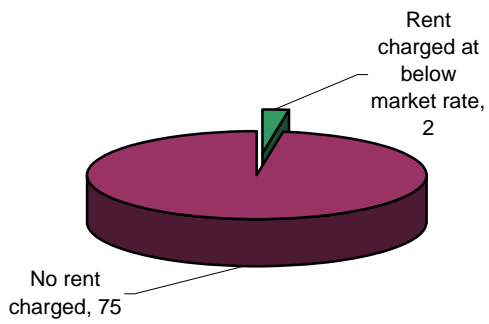
### Restricted to Farm Business



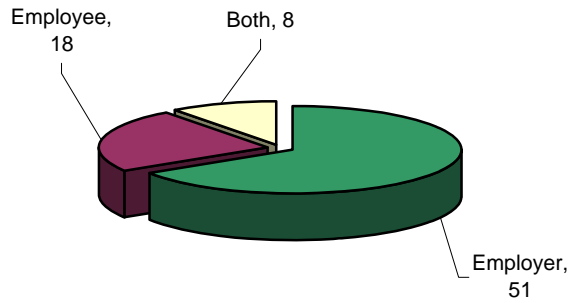
### Farms Providing On-Farm Housing for Employees



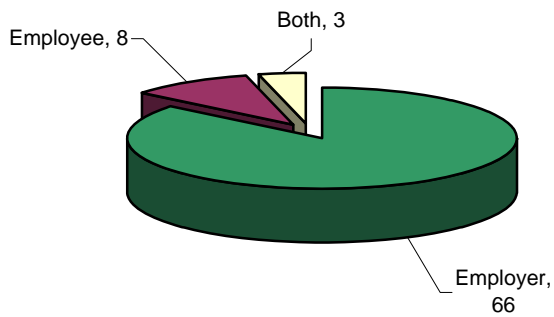
### How Rent Is Charged



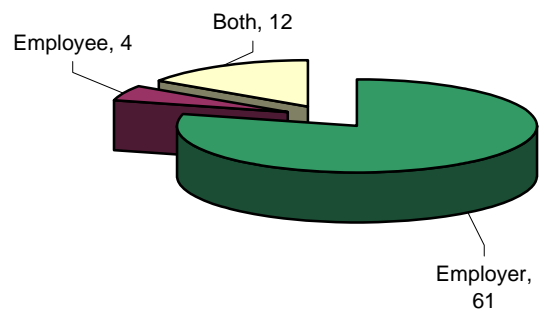
### Utilities Paid By



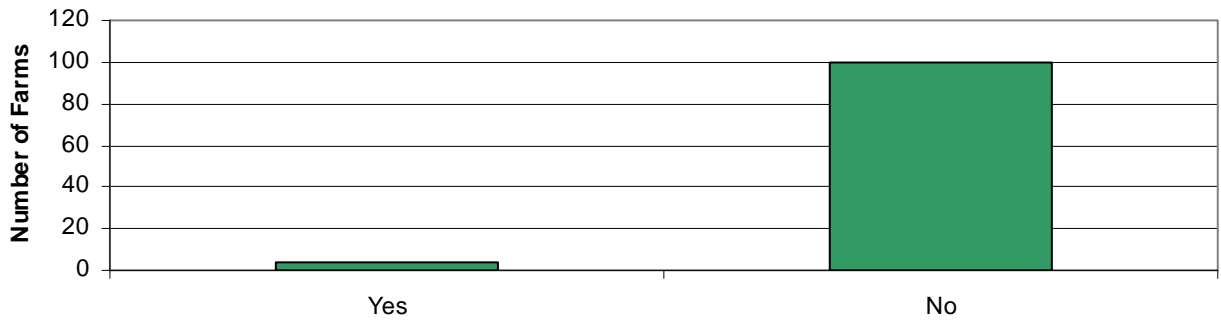
### Insurance Paid By



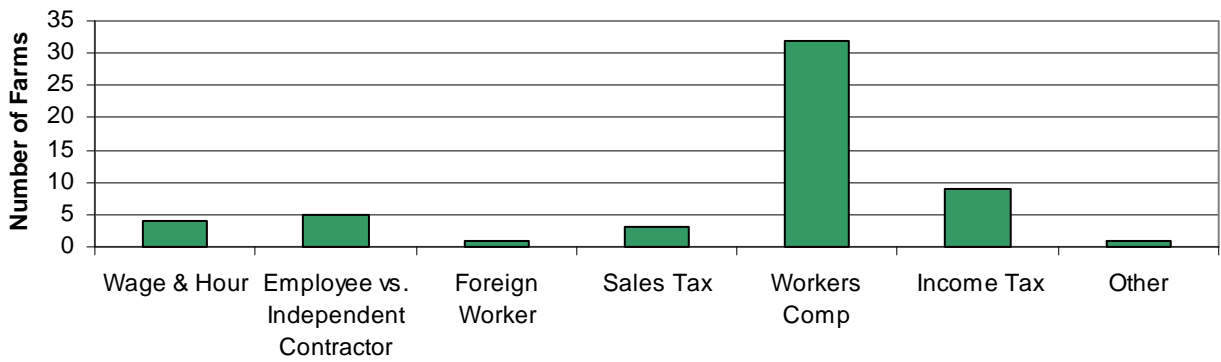
### Maintenance Paid By



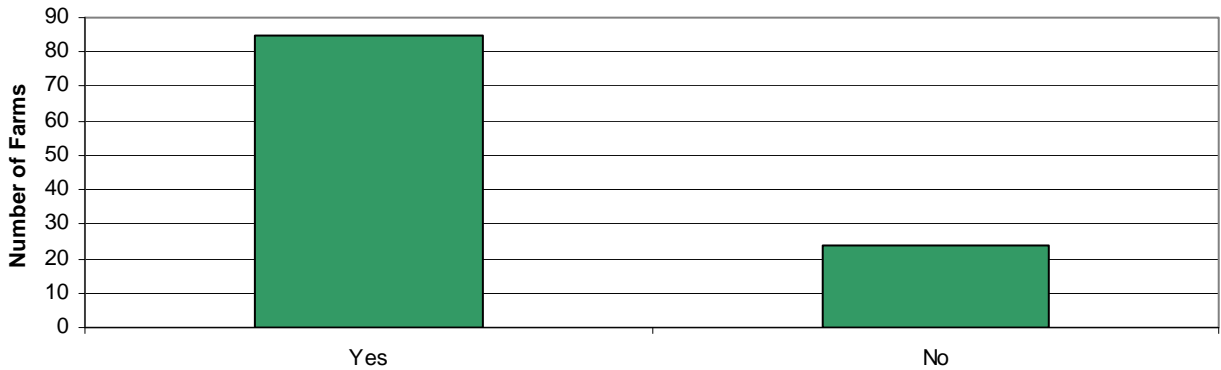
### Farms Providing a Cafeteria (Section 125) Plan or Flexible Spending Account

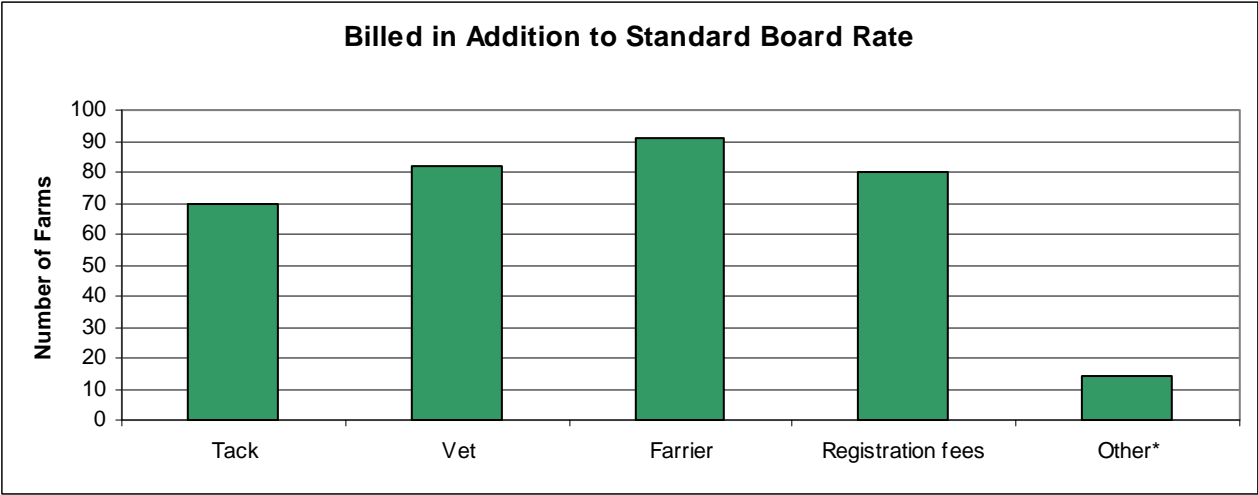
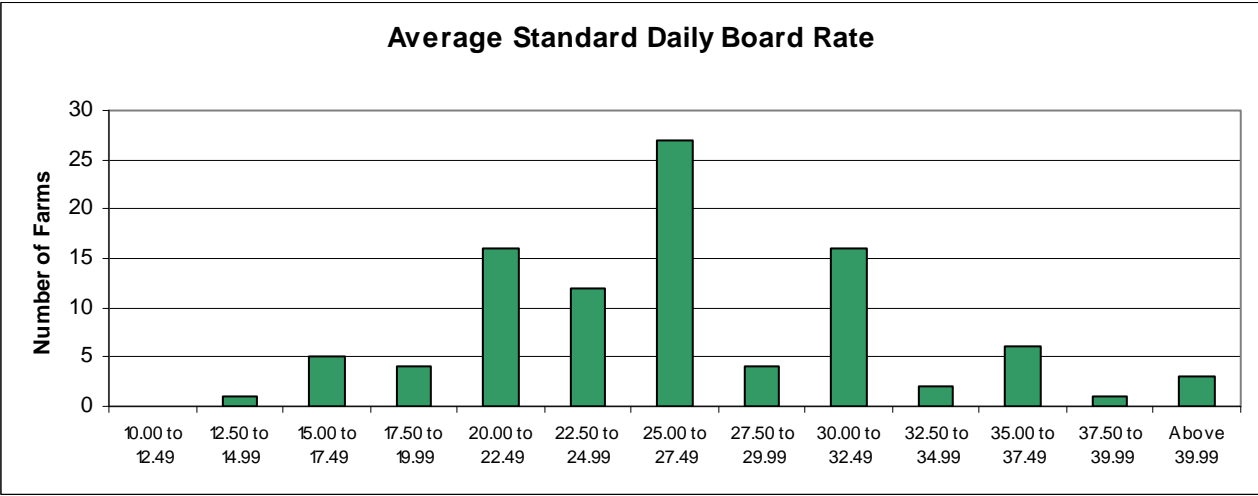


### Audits in the Last Three Years, By Issue

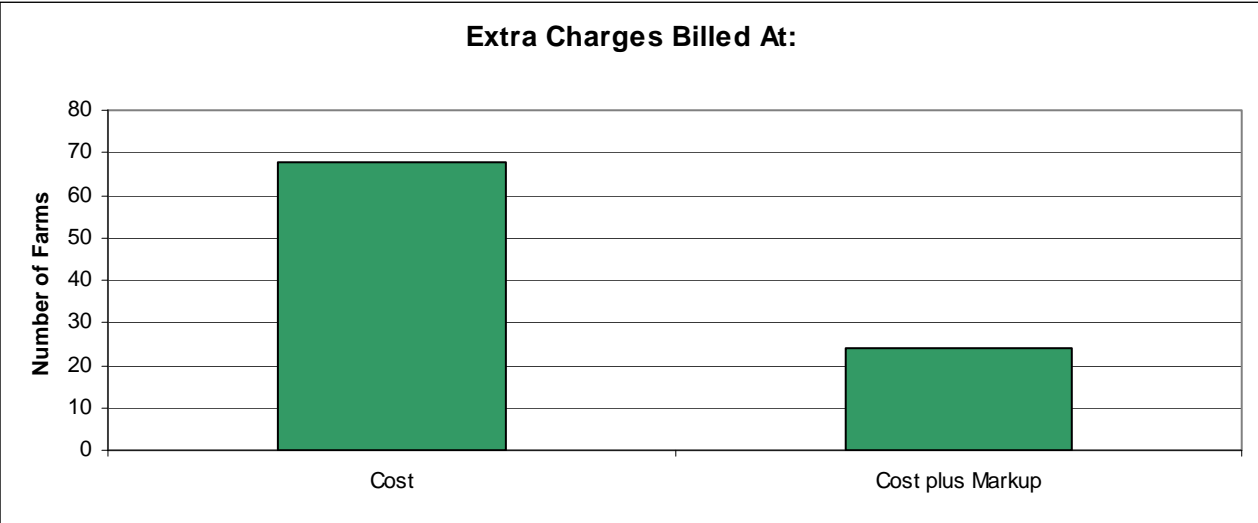


### Farms Employing Foreign Workers

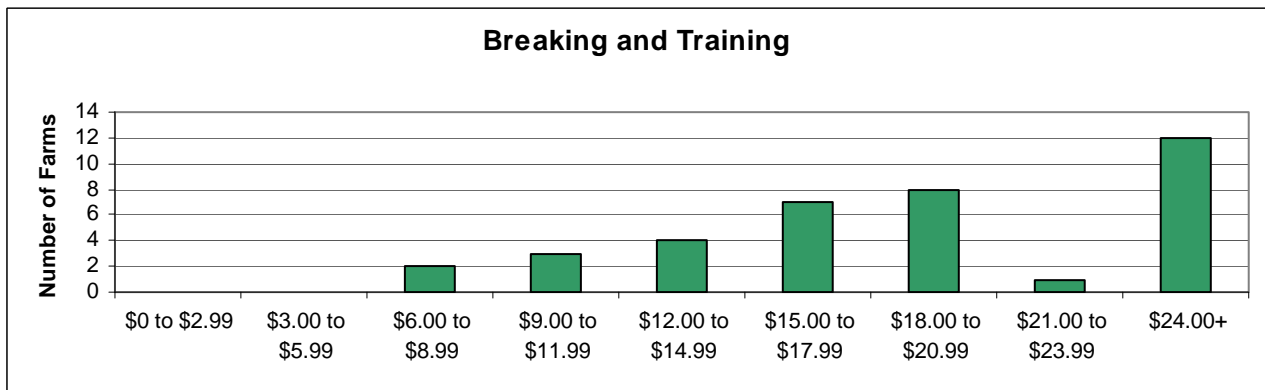
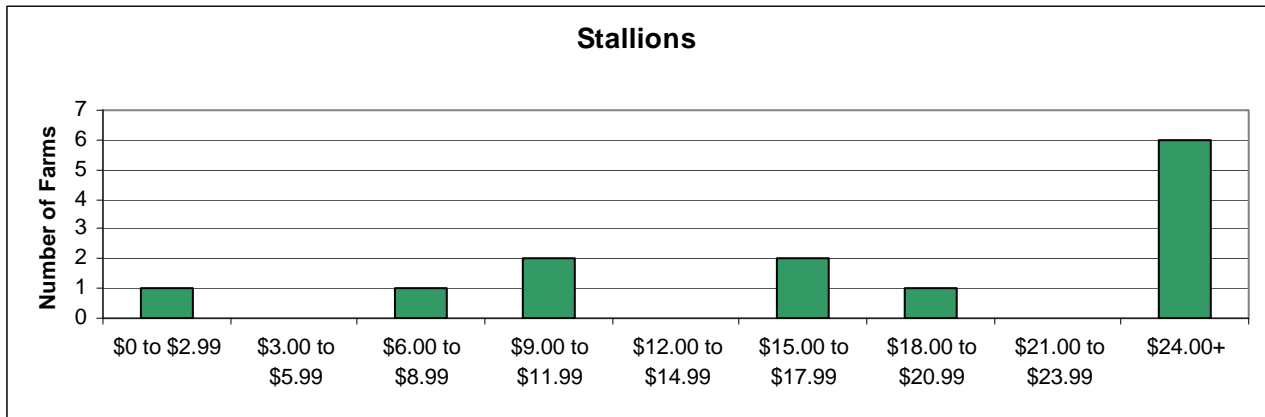
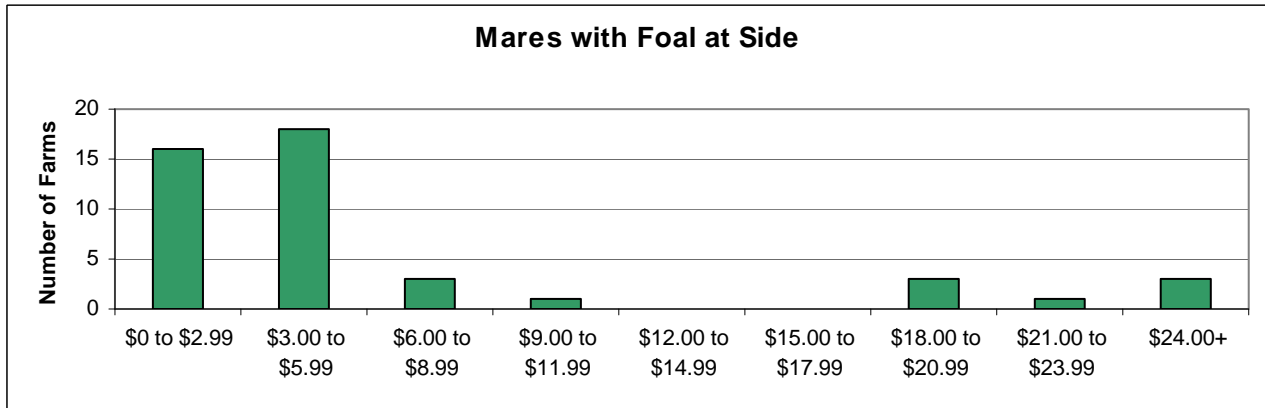
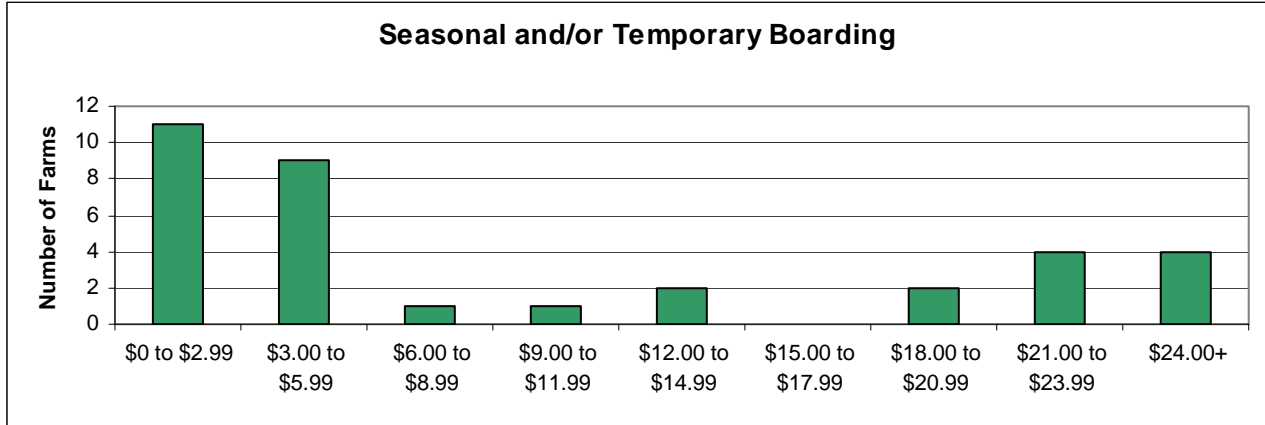




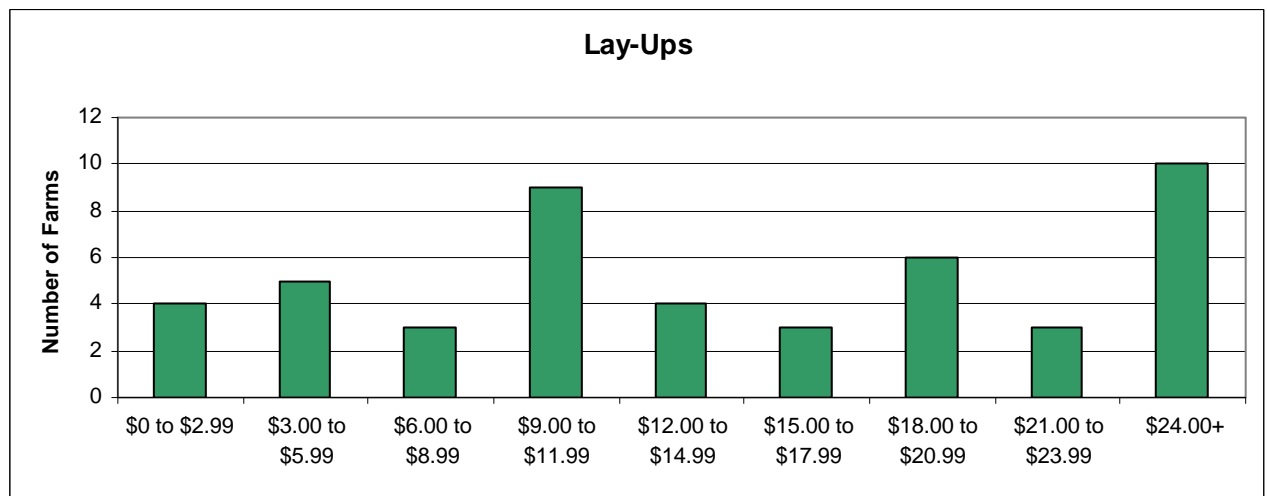
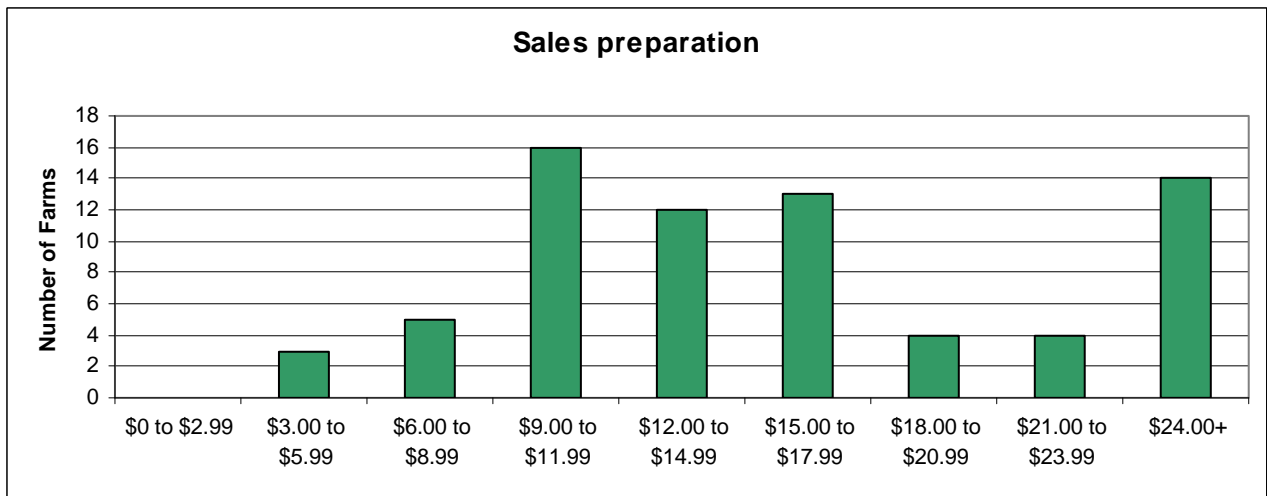
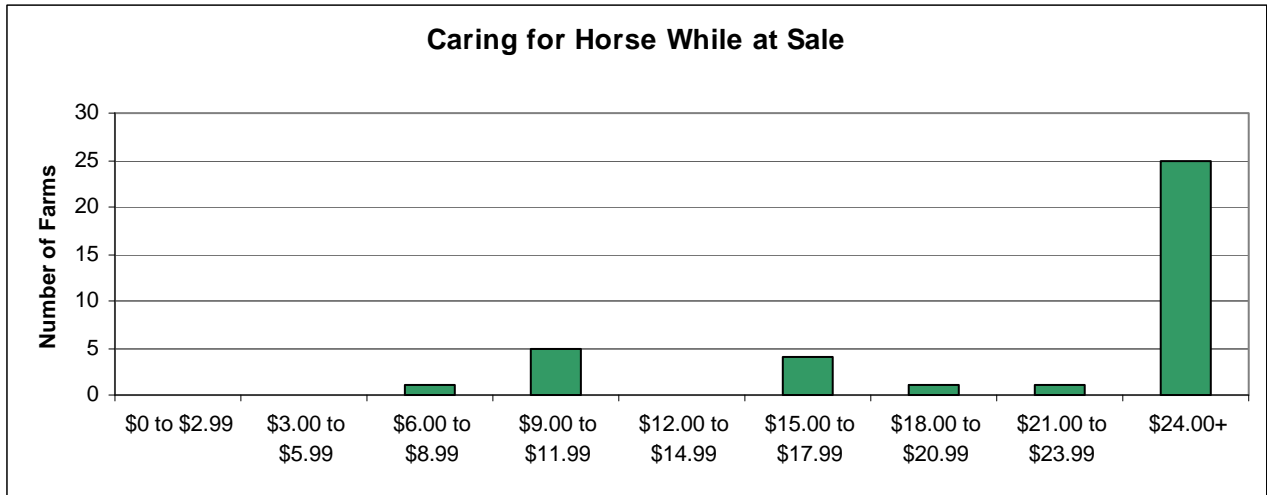
\*Top "other" responses included medicines and transportation.

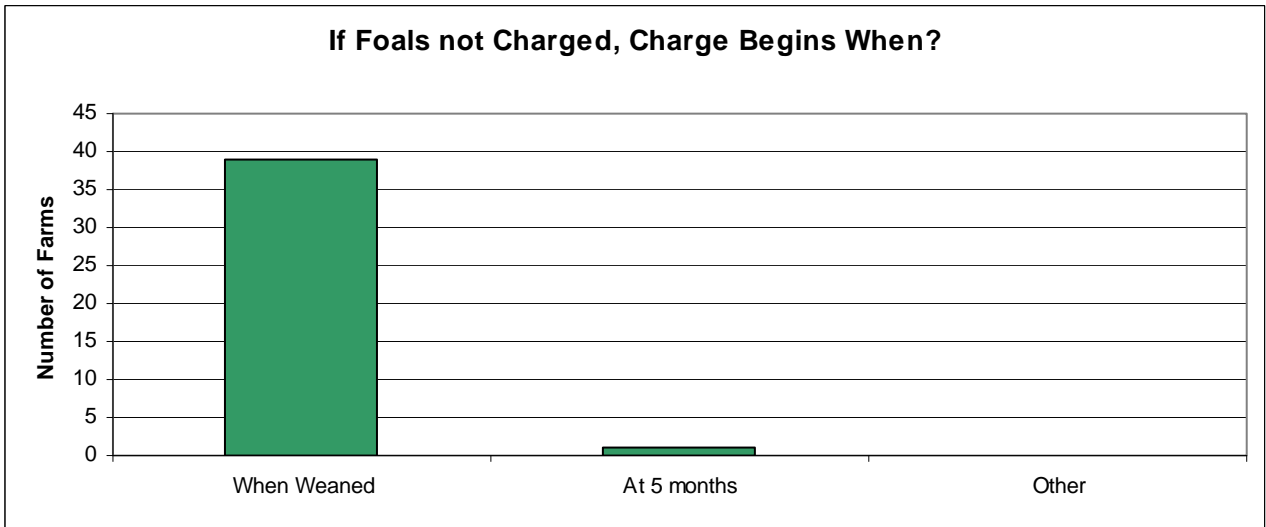
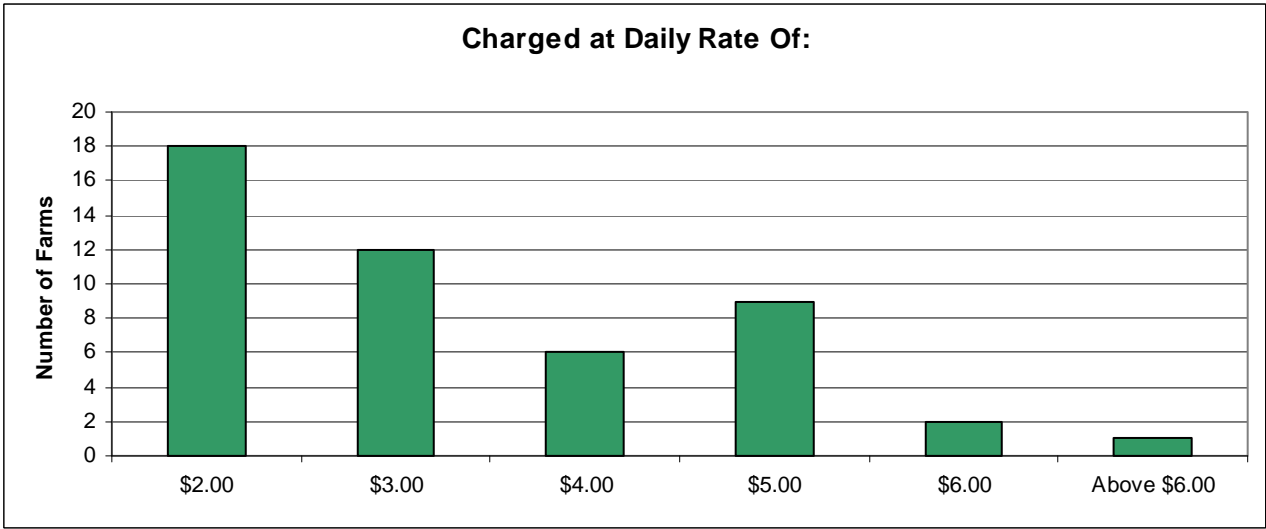
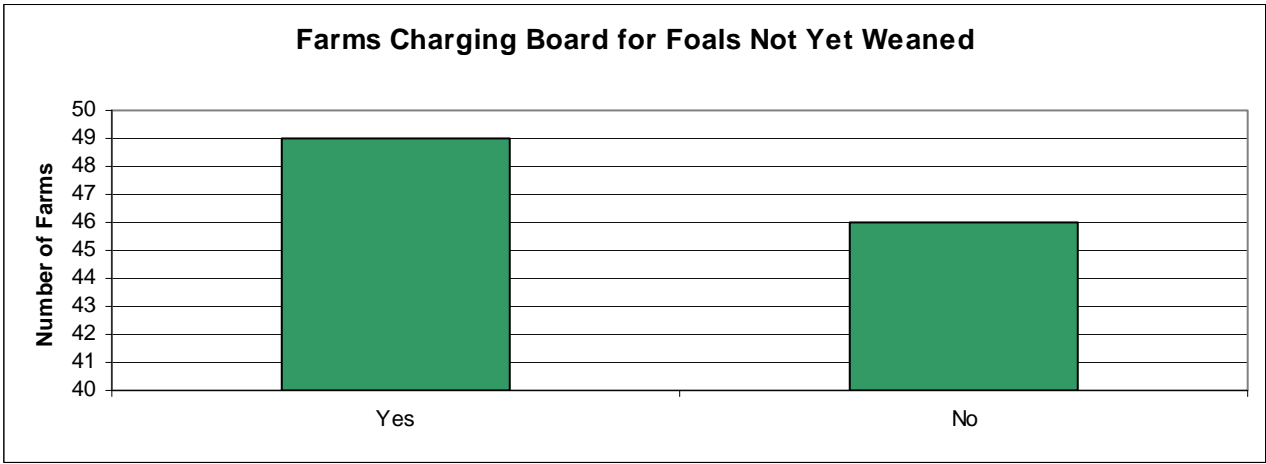


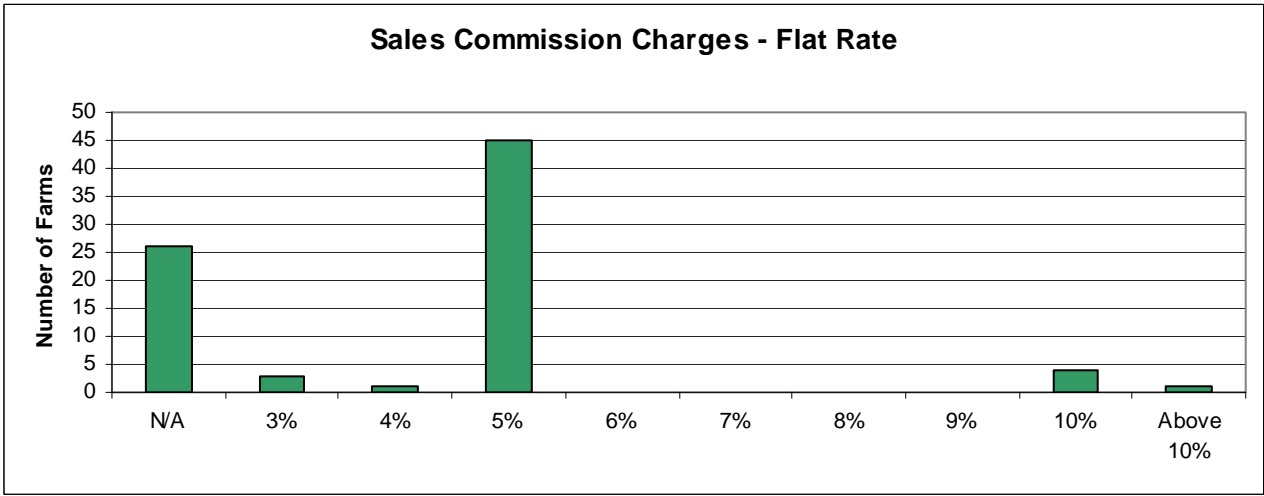
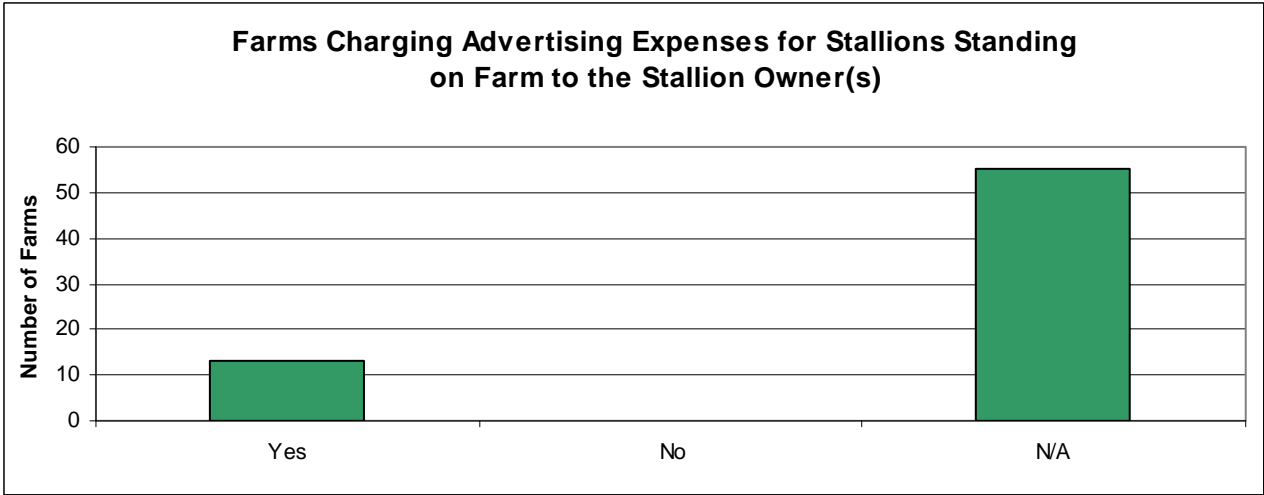
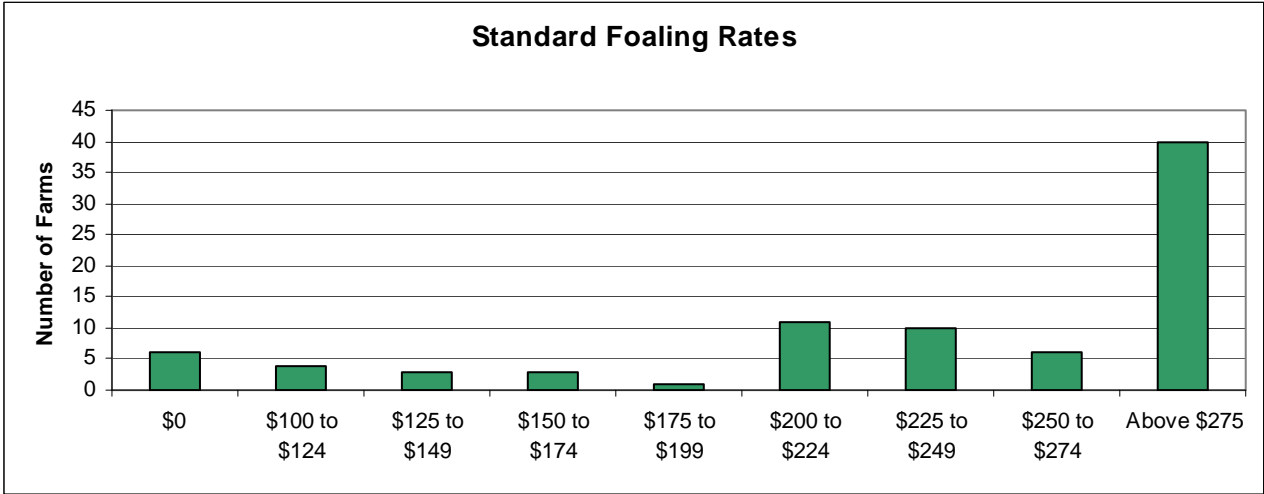
**Farms with Additional Daily Charges for the following:**

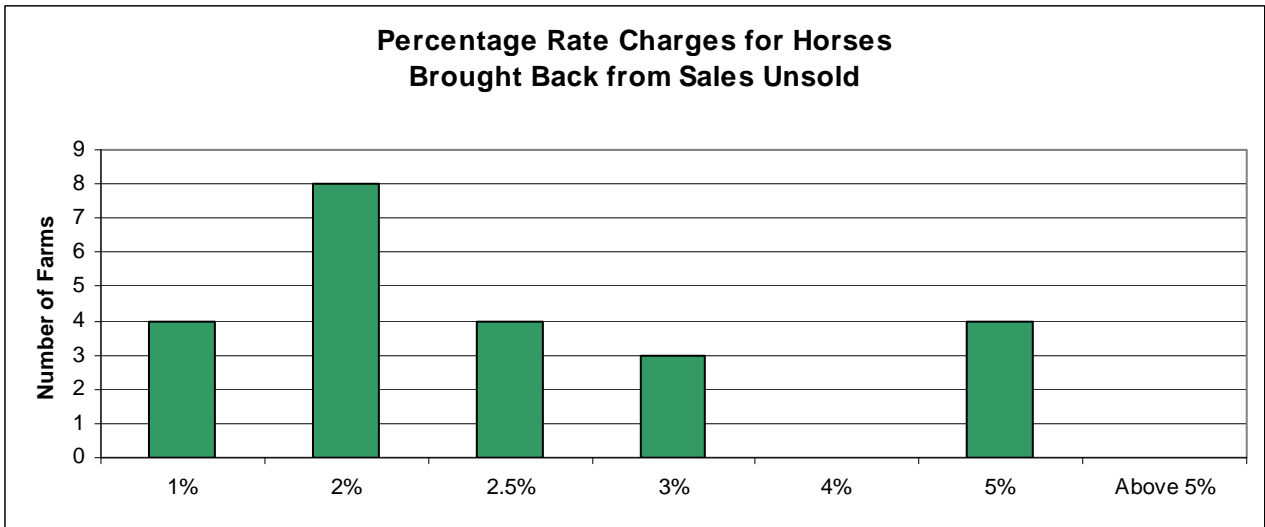
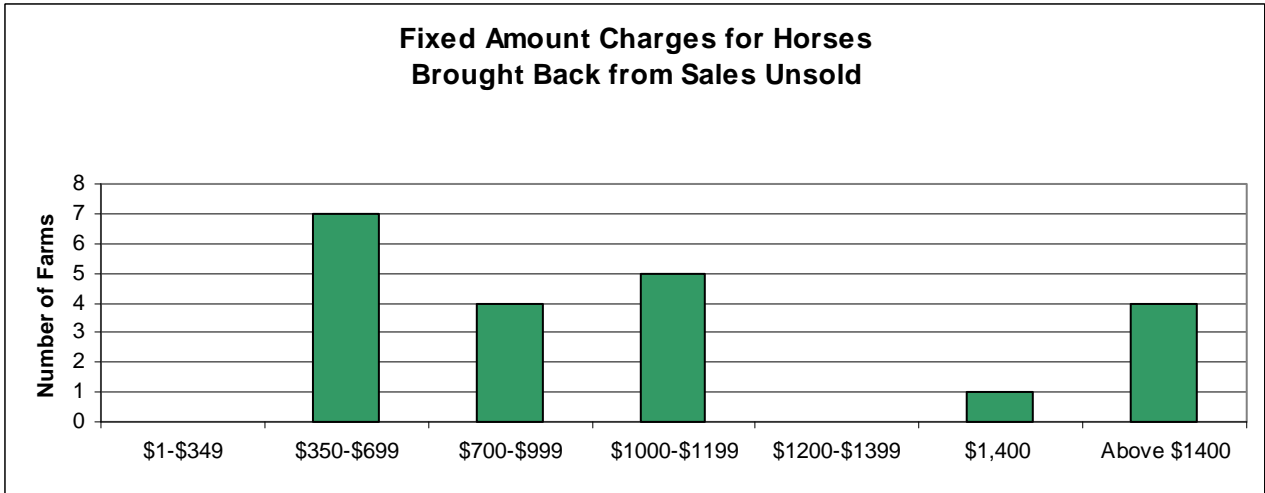
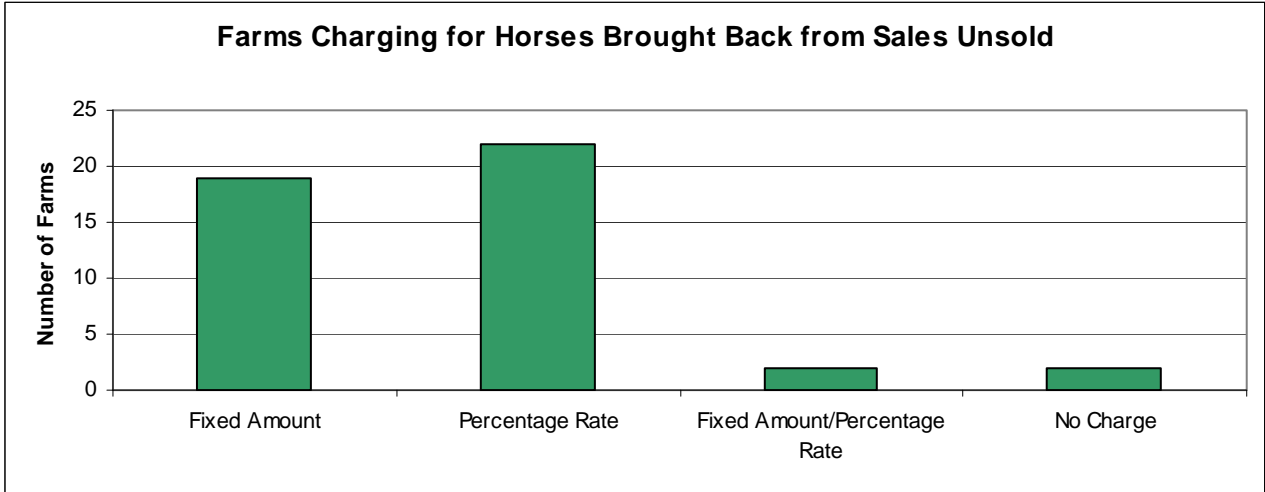


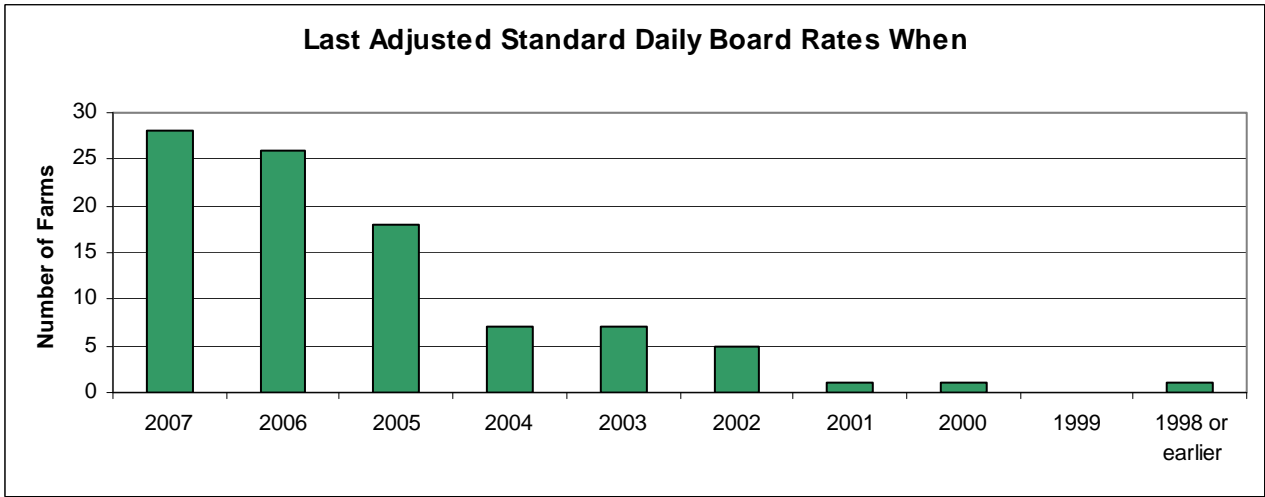
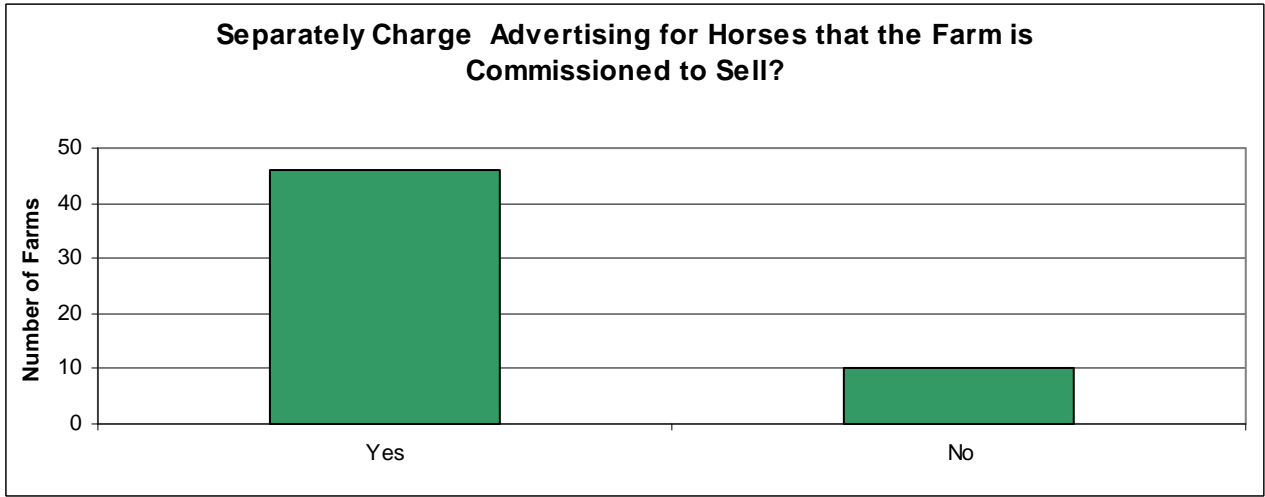
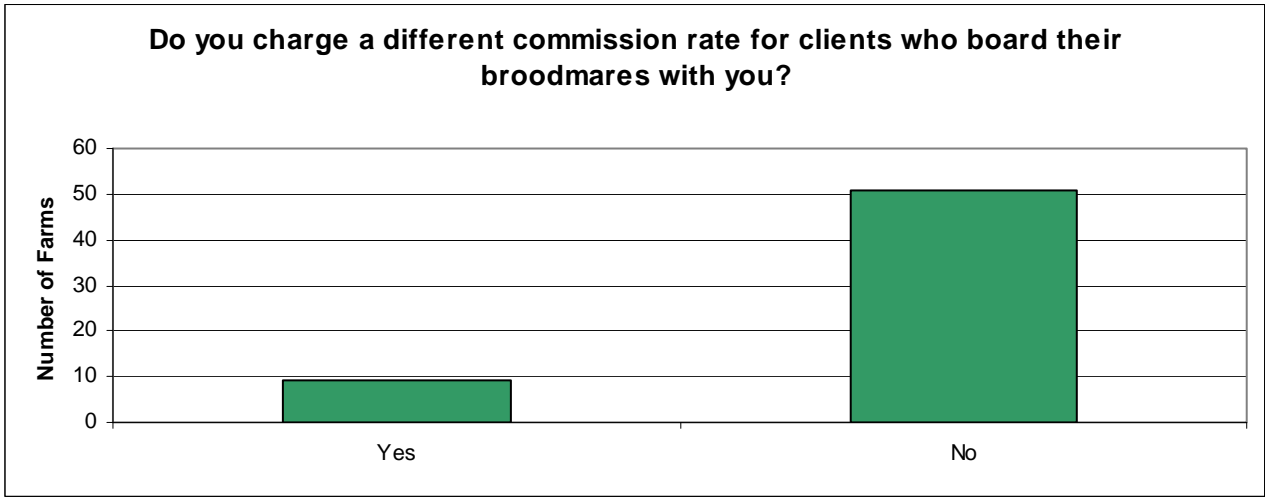
**Farms with Additional Daily Charges for the following:**

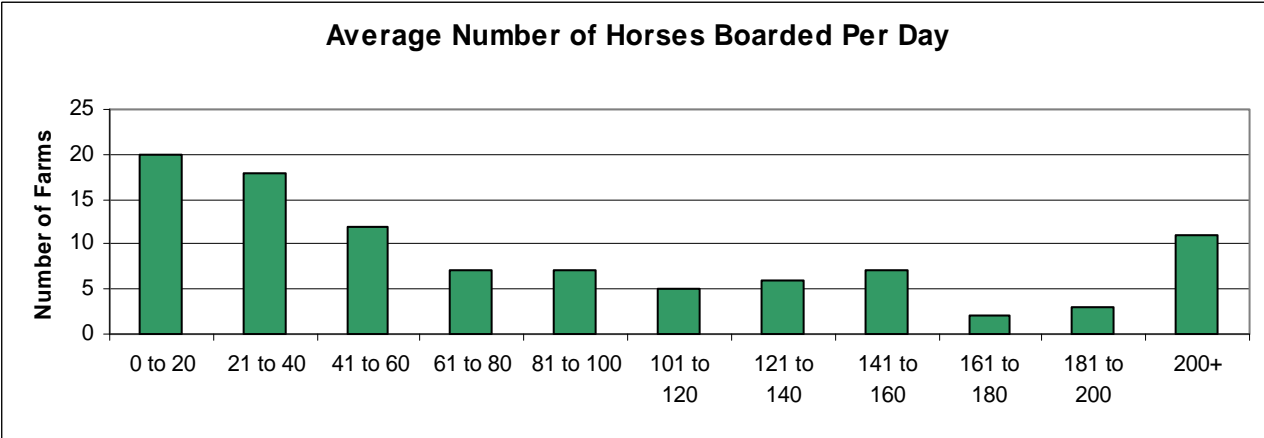
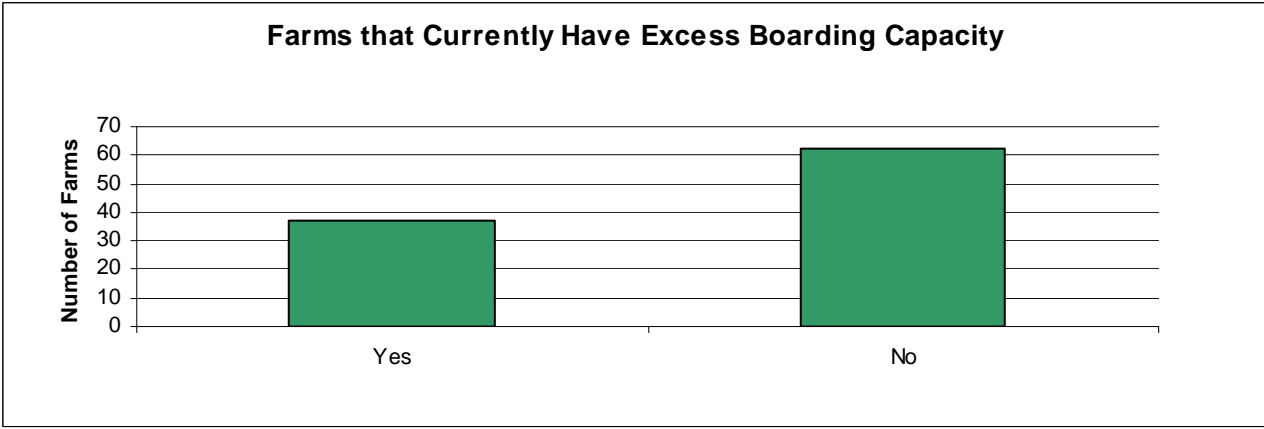
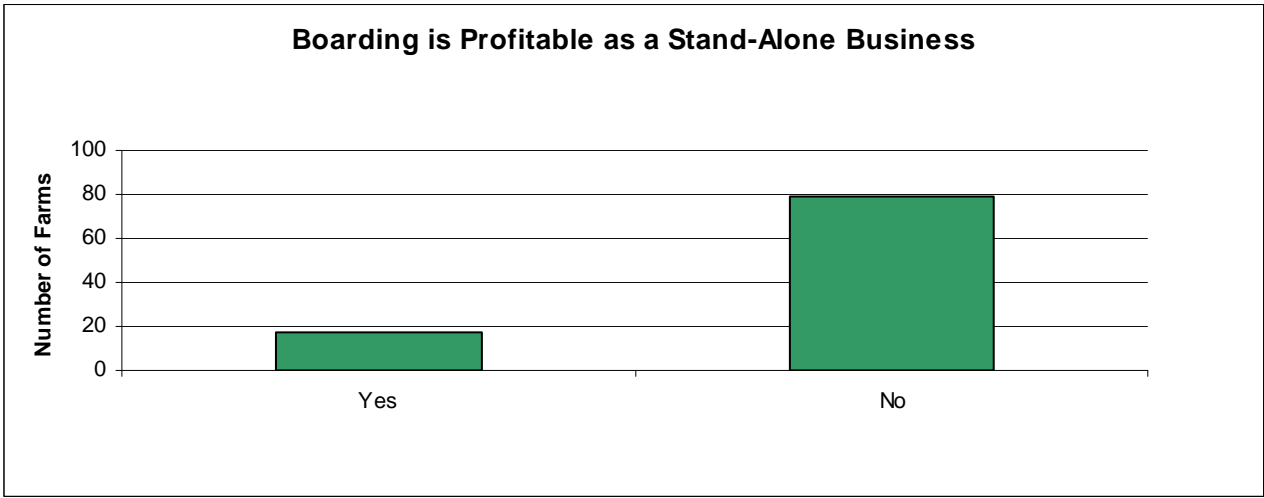




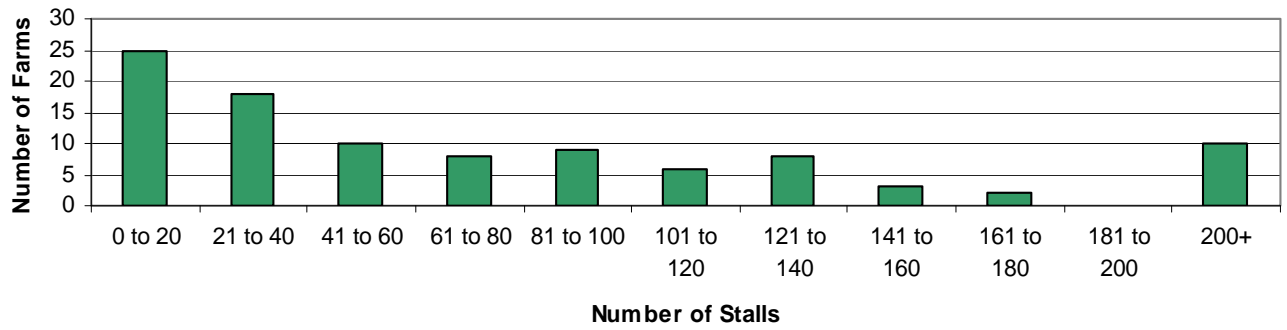




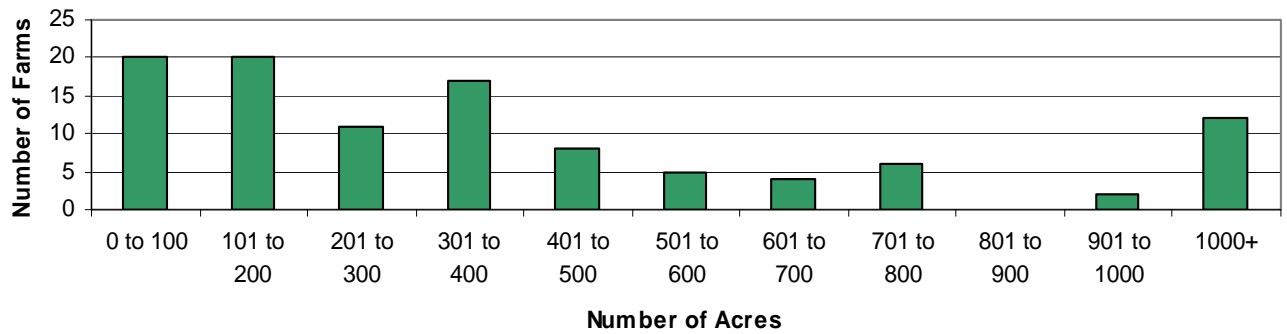




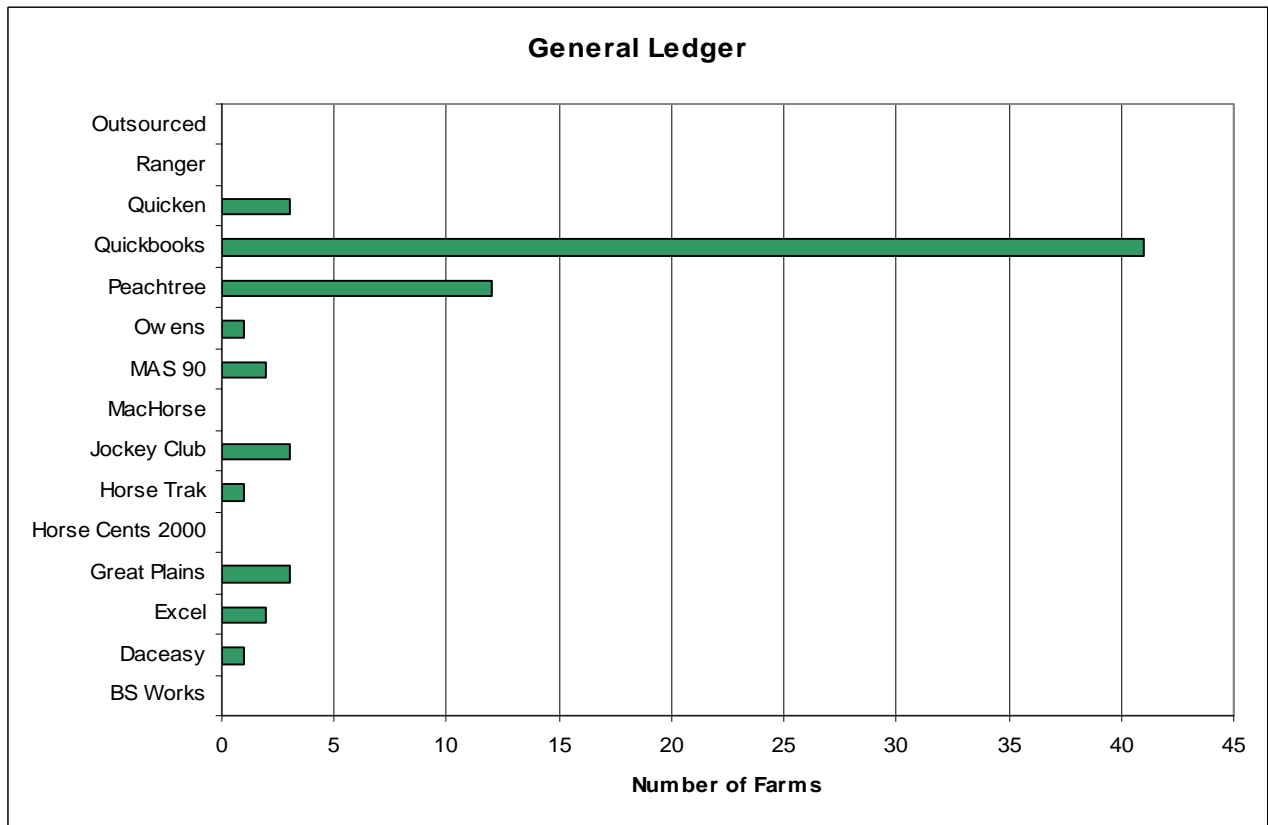
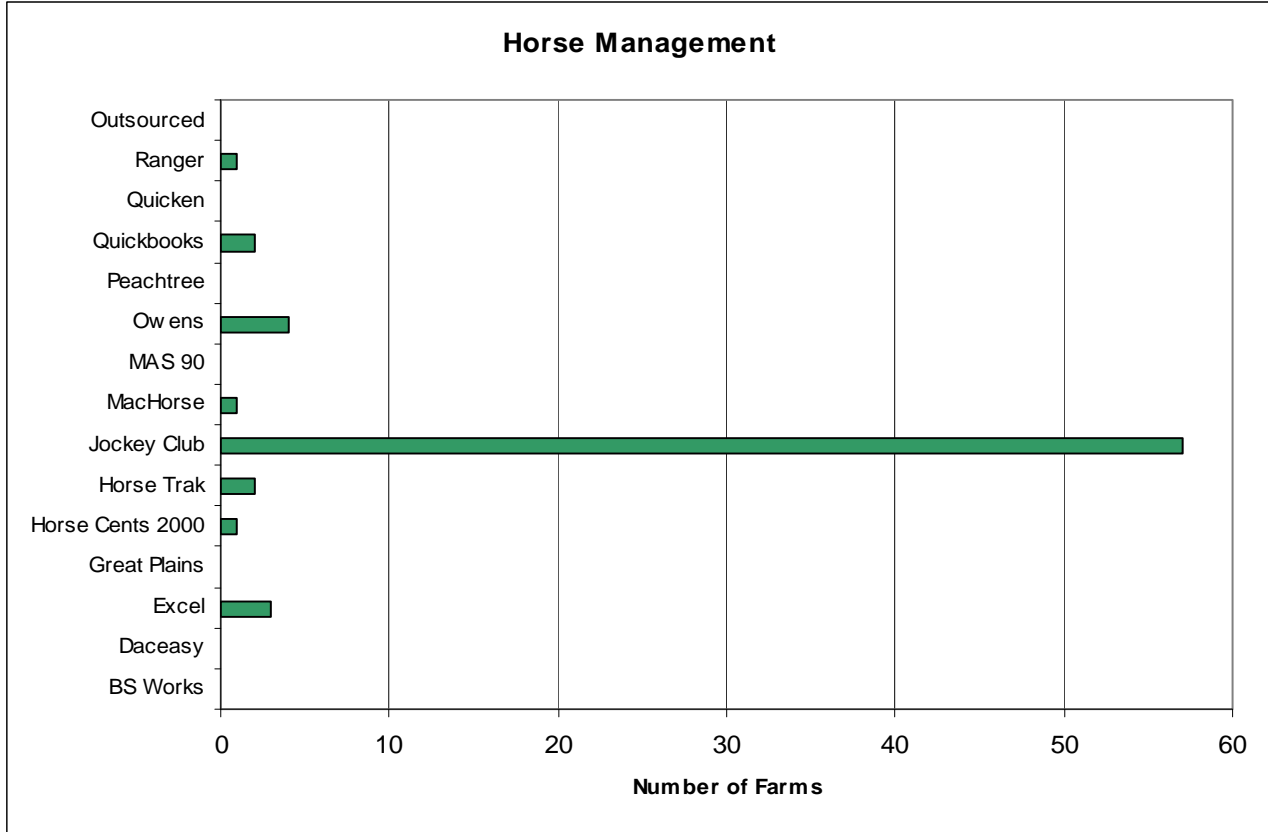
### Number of Stalls for Boarding Purposes



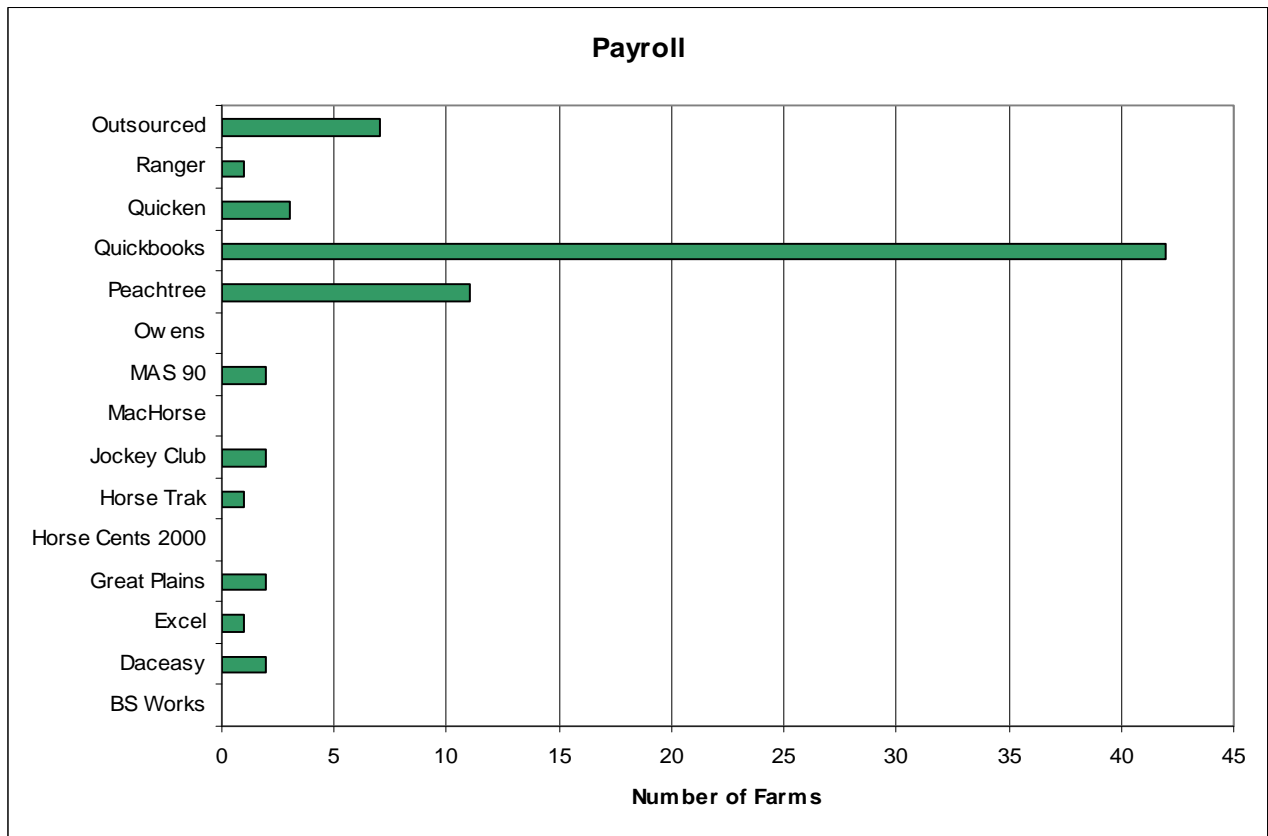
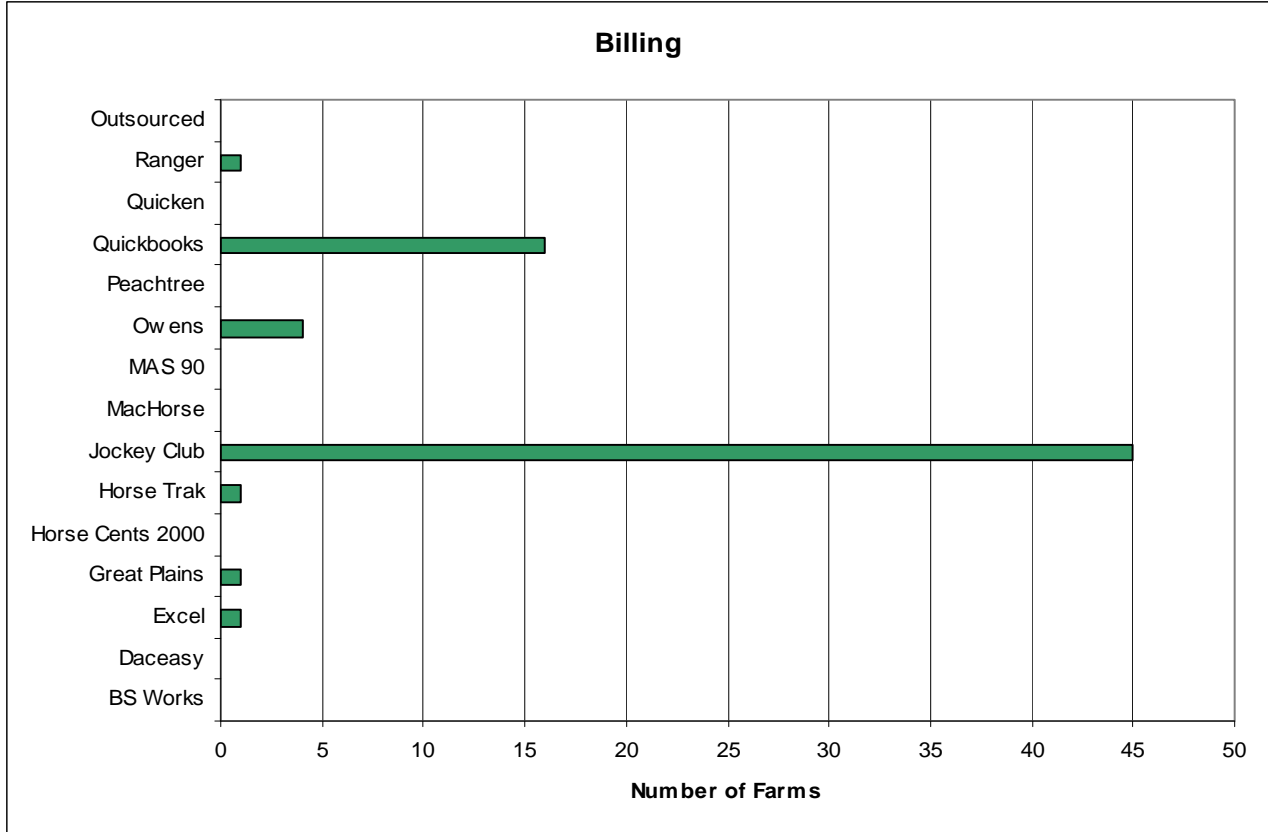
### Acreage of Farm



**Computer Programs, If Any, Used for the Following Farm Management Applications**



# Computer Programs, If Any, Used for the Following Farm Management Applications



# Computer Programs, If Any, Used for the Following Farm Management Applications

