

CALCULATION OF ESTIMATED ANNUAL COST OF CARE BORNE BY GEORGIA'S TAXPAYERS OF HORSERACING'S "SURPLUS" OR "RETIRED" **F**

Live, Import and Export figures per The Lewis Group report Sept. 2019 "The Economic Impact of PariMutuel Horse Racing in Georgia" page 6, used by Senate HR Study Committee:

Table 1: Inputs to the Economic Model

| Input | Amount |
|---|---------------|
| Construction Costs (minimum) | \$700,000,000 |
| Atlanta | \$400,000,000 |
| Augusta | \$150,000,000 |
| Savannah | \$150,000,000 |
| Total Annual Revenues | \$977,340,271 |
| Historical Horse Racing Revenues ¹ | \$915,000,000 |
| Live, Import and Export ² | \$13,889,711 |
| Food | \$28,775,000 |

6 The Lewis Group September 2019

| | | | |
|---|-----------|----|---|
| 2019 OLD FRIENDS expenses per IRS Form 990 | A | \$ | 1,847,909 |
| Old Friends # horses per their website | | | 200 |
| cost of care annually one horse (verified against other research reference materials) | | \$ | <u>9,240</u> B |
| RACEHORSES SHIPPED TO SLAUGHTER ANNUALLY Per USDA APHIS numbers | D | | 3,910 |
| divide by # racing states plus Georgia now if bill passes | E* | | 29 |
| thoroughbreds retired/slaughtered PER RACING STATE PER YEAR | | | 135 |
| For the sake of ultra conservatism , we'll take 80% OF THAT: | | | <u>80%</u> |
| estimated # of thoroughbreds retired/slaughtered PER RACING STATE PER YEAR | | | 108 page 2, F |
| \$ CARE PER YEAR based on Old Friends' financials w/ 200 horses | B | | <u>9,240</u> |
| ESTIMATE OF GEORGIA'S SHARE OF ANNUAL cost of CARE FOR "retired" HORSES - THOROUGHBREDS only | | | <u>997,920</u> C |

| | | |
|---|-------------|---|
| "Live, Import and Export" Revenues forecasted per GHRC Lewis Group Report above | \$ | 13,889,711 |
| "2/10ths of 1%" devoted to re-homing racehorses per SB30/SB212 | | <u>0.20000%</u> |
| Estimate of \$ amount Legislation will provide to cost of care for retired horses - ALL: | \$ | 27,779 page 3, H |
| Estimated cost of care of homeless racehorses for one year in Georgia | C \$ | 997,920 page 3, G |
| conservative estimated shortfall of cost of care for ONE YEAR only | \$ | (970,141) page 3, I row 1 |

| RE-HOMING ORGANIZATIONS PER GHRC WEBSITE | contributions | other income | total REVENUE \$ in | | \$ to horses | | |
|---|------------------|------------------|---------------------|------|---------------------|----------|------------|
| THOROUGHBRED AFTERCARE ALLIANCE FOUNDATION, INC | 4,687,725 | 73,570 | 4,761,295 | 2019 | \$ 3,430,002 | grants | 72% |
| OLD FRIENDS | 1,962,927 | 510,489 | 2,473,416 | 2019 | \$ 1,847,909 | A | 75% |
| THOROUGHBRED CHARITIES OF AMERICA INC | 748,374 | 445,647 | 1,194,021 | 2019 | \$ 551,937 | grants | 46% |
| THOROUGHBRED INCENTIVE PROGRAM | - | | - | 2019 | \$ - | | 0% |
| IRS Form 990 TOTALS: | 7,399,026 | 1,029,706 | 8,428,732 | | \$ 5,829,848 | E | 69% |

Reasonableness Check:

| | | | |
|---|----------|----|----------------|
| Total care used or granted for care of horses by organizations above | E | \$ | 5,829,848 |
| Divide across VA, MD, KY, FL, NY, CA, NJ, PA, DE, as well as Canada and Puerto Rico per Forms 990 | | | 28 |
| | | \$ | <u>208,209</u> |

| |
|---|
| 23,000 2021 SLAUGHTER TOTAL |
| 17% %AGE of US Horses that are racehorses |
| 3,910 D |

* See Racetracks Status 2022 worksheet

The Lewis Group report Sept. 2019 "The Economic Impact of PariMutuel Horse Racing in Georgia" page 6, used by Senate HR Study Committee:

Table 1: Inputs to the Economic Model

| Input | Amount |
|---|---------------|
| Construction Costs (minimum) | \$700,000,000 |
| Atlanta | \$400,000,000 |
| Augusta | \$150,000,000 |
| Savannah | \$150,000,000 |
| Total Annual Revenues | \$977,340,271 |
| Historical Horse Racing Revenues ¹ | \$915,000,000 |
| Live, Import and Export ² | \$23,889,711 |
| Food | \$28,775,000 |

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| | | | |
|--|---------|-------------|--------------------|
| Forecasted "Live, Import and Export" Revenues above | \$ | 13,889,711 | |
| "2/10ths of 1%" devoted to re-homing racehorses per SB30/SB212 | | 0.20000% | |
| Estimate of \$ amount Legislation will provide to cost of care for retired horses | \$ | 27,779 | page 3, H |
| Racehorse "After Care" organization, "OLD FRIENDS" expenses per 990 tax return, 2019 | \$ | 1,847,909 | |
| Number of horses in "Old Friends" care per their website | | 200 | |
| cost of care annually one horse (reasonableness verified against other sources) | \$ | 9,240 | B |
| Number of American Horses shipped to slaughter in 2021 per USDA APHIS Report | | 23,000 | |
| Percentage of horses in the U.S. that are racehorses | | 17% | |
| Estimated Number of Racehorses shipped to slaughter per year | pg 1, D | 3,910 | |
| Number of states with racetracks | E* | 29 | |
| Estimated number of Racehorses per state shed by Racing | | 135 | |
| 20% haircut | | 80% | |
| Conservative Estimate of Horses Shed by Racing per Year per State | | 108 | page 3, F |
| cost of care annually one horse (reasonableness verified against other sources) | B | 9,240 | |
| Estimated cost of care for 108 horses per year | | 997,920 | C |
| Estimate of \$ amount Legislation will provide to cost of care for retired horses | C | \$ (27,779) | page 3, G |
| conservative estimated shortfall of cost of care for ONE YEAR only | | \$ 970,141 | page 3, I row 1 |

* See Racetracks Status 2022 worksheet

ESTIMATED COST TO CARE FOR HORSES "RETIRED" BY THE RACING INDUSTRY



| estimated # horses "retired" by race industry per year | cumulative # re-homed after GA racing | annual cost of care with inflation at 1% | total cost to care for discarded racehorses | covered by "aftercare" program | net cost to care for discarded GA racehorses | cumulative net cost of care | |
|--|---------------------------------------|--|---|--------------------------------|--|-----------------------------|--------------------|
| <i>see pg 2, F</i> | | <i>see pg 2, B</i> | <i>see pg 2, G</i> | <i>see pg 2, H</i> | <i>see pg 2, I</i> | | |
| year 1 | 108 | 108 | 9,240 | 997,920 | 27,779 | 970,141 | 970,141 |
| year 2 | 108 | 216 | 9,332 | 2,015,798 | 28,057 | 1,987,741 | 2,957,882 |
| year 3 | 108 | 324 | 9,426 | 3,053,935 | 28,338 | 3,025,597 | 5,983,479 |
| year 4 | 108 | 432 | 9,520 | 4,112,632 | 28,621 | 4,084,011 | 10,067,489 |
| year 5 | 108 | 540 | 9,615 | 5,192,198 | 28,907 | 5,163,290 | 15,230,780 |
| year 6 | 108 | 648 | 9,711 | 6,292,944 | 29,196 | 6,263,747 | 21,494,527 |
| year 7 | 108 | 756 | 9,808 | 7,415,185 | 29,488 | 7,385,697 | 28,880,224 |
| year 8 | 108 | 864 | 9,907 | 8,559,242 | 29,783 | 8,529,459 | 37,409,683 |
| year 9 | 108 | 972 | 10,006 | 9,725,439 | 30,081 | 9,695,358 | 47,105,041 |
| year 10 | 108 | 1,080 | 10,106 | 10,914,104 | 30,382 | 10,883,722 | 57,988,763 |
| year 11 | 108 | 1,188 | 10,207 | 12,125,570 | 30,686 | 12,094,884 | 70,083,647 |
| year 12 | 108 | 1,296 | 10,309 | 13,360,173 | 30,993 | 13,329,180 | 83,412,828 |
| year 13 | 108 | 1,404 | 10,412 | 14,618,256 | 31,303 | 14,586,953 | 97,999,781 |
| year 14 | 108 | 1,512 | 10,516 | 15,900,165 | 31,616 | 15,868,549 | 113,868,330 |
| year 15 | 108 | 1,620 | 10,621 | 17,206,250 | 31,932 | 17,174,318 | 131,042,648 |
| year 16 | 108 | 1,728 | 10,727 | 18,536,866 | 32,251 | 18,504,615 | 149,547,263 |
| year 17 | 108 | 1,836 | 10,835 | 19,892,375 | 32,574 | 19,859,801 | 169,407,064 |
| year 18 | 108 | 1,944 | 10,943 | 21,273,139 | 32,899 | 21,240,240 | 190,647,304 |
| year 19 | 108 | 2,052 | 11,052 | 22,679,530 | 33,228 | 22,646,302 | 213,293,606 |
| year 20 | 108 | 2,160 | 11,163 | 24,111,922 | 33,561 | 24,078,361 | 237,371,967 |

over 10 years

| | |
|---|----------------------|
| total cost to care for discarded racehorses | \$ 58,279,397 |
| covered by "aftercare" program | \$ (290,634) |
| total cost of care over 10 years | \$ 57,988,763 |

over 20 years

| | |
|---|-----------------------|
| total cost to care for discarded racehorses | \$ 237,983,643 |
| covered by "aftercare" program | \$ (611,675) |
| total cost of care over 20 years | \$ 237,371,967 |