

EQUINE FARM COMPENSATION SURVEY



2004



DEAN, DORTON & FORD
CPAs • Business & Financial Advisors

**DEAN, DORTON & FORD
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Dean, Dorton & Ford, P.S.C. - Equine Industry Group

Accounting

- For smaller enterprises, directly performing many accounting, payroll, and clerical functions.
- Designing and implementing farm accounting and management information systems.

Business Consulting

- Developing strategies to use the optimum forms of organization in which to conduct horse and farm businesses.
- Developing financial and business plans for farms, breeding operations, and racing stables.
- Financial analysis of stallion prospects.
- Designing and implementing retirement plan and other employee benefit programs.

Tax

- Developing strategies to make maximum use of potential tax losses.
- Avoiding exposure to the hobby loss rules.
- Structuring transactions to avoid or minimize sales and use taxes.
- Avoiding or managing the potential impact of the passive activity loss rules.
- Using current and deferred trades of horses and farms to avoid or postpone income taxes.
- Using the involuntary conversion tax rules to defer income taxes on insurance recoveries related to horse and farm casualties.
- Estate planning designed to use special use valuation and family farm conservation incentives, family limited partnership strategies, and deferred tax payments.
- Handling multi-state tax allocations.
- Helping foreign owners and breeders to minimize exposure to U.S. taxes and comply with filing requirements.
- Developing tax accounting systems to comply, where required, with rules requiring capitalization of preproductive period costs.
- Representing clients with federal and state tax audits.
- Taking advantage of unique tax depreciation rules.

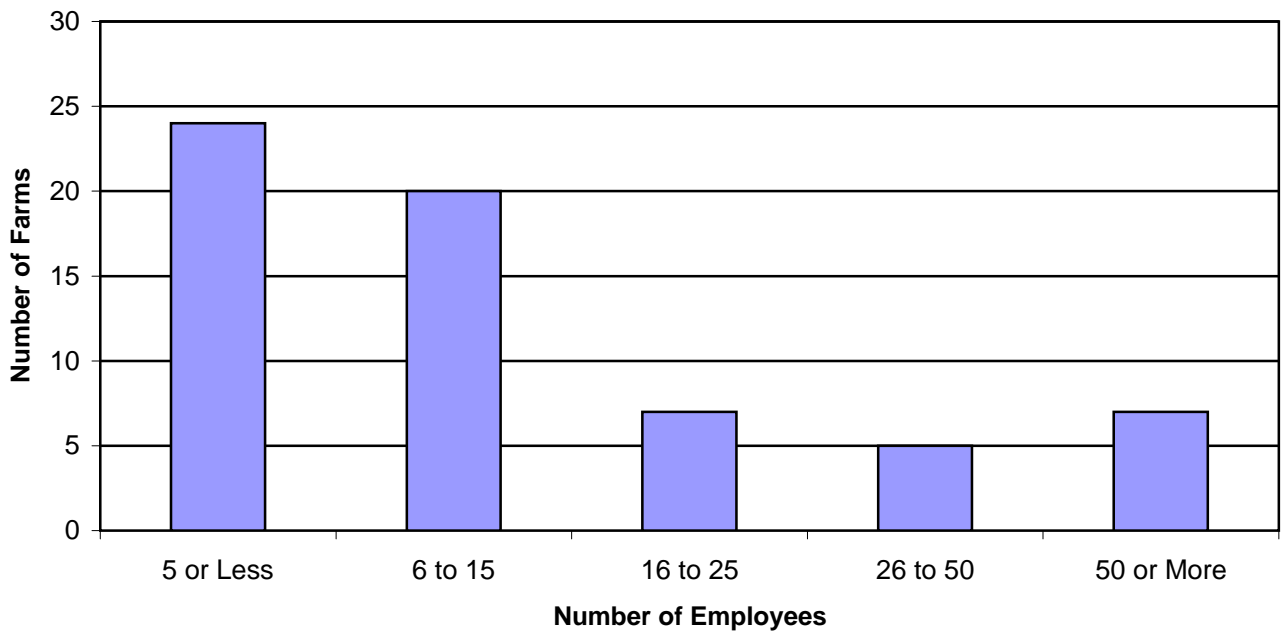
Located in the heart of central Kentucky, known for its world-class horse farms, racing, and sales, Dean, Dorton & Ford has provided accounting, tax, and business consulting services to the horse industry since our inception in 1979. Our clients cover a broad spectrum of organizations involved in the horse industry, from small boarding farms to large multi-departmental farms involved in boarding, breeding, selling, stallion management, and crop production; from racing stables to a racetrack; from bloodstock agents to equine veterinary firms to equine insurance agencies; and from industry associations to industry publications. Not all of our clients are based in central Kentucky; horse industry clients from other parts of the country and from outside the United States also gain comfort by having our industry specialists work with them.

As a firm, we endeavor to know the business of horses, not just accounting and tax rules relating to the industry. We accomplish this in a number of ways, including meeting periodically, often with outside experts, to discuss business topics of interest in the industry; by reading industry periodicals; by studying the abundance of statistical data available regarding different measures of industry performance; and most usefully, by working with our clients in the industry on their business matters.

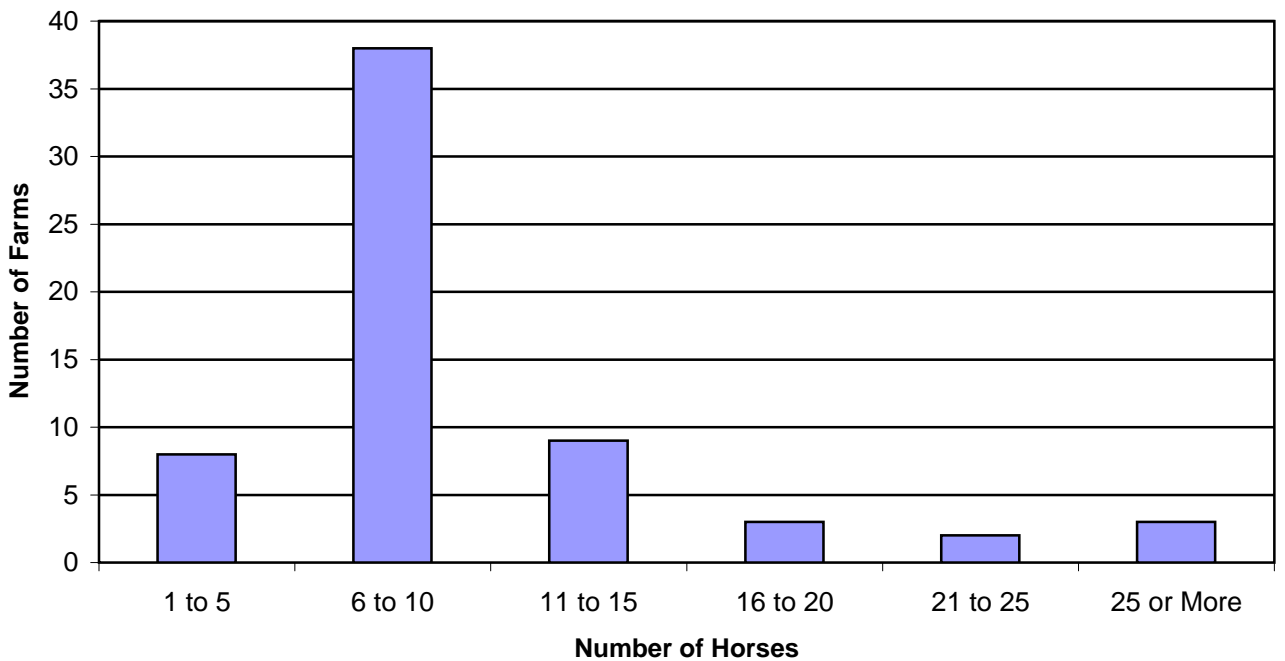
We perform a variety of services for our clients involved in the equine industry and welcome inquiries, whether from new participants in the industry who want assistance in properly structuring and administering their stables or farms, or from long-time industry participants seeking to improve the performance and administration of their equine operations. Members of our Equine Industry Group will be pleased to answer any questions you may have. Please call any of the following: Doug Dean, Richard Dorton, Joe Ford, Martha Jones, Leigh McKee, Emily Carpenter, or Lesley Howard.

ADDRESS: 106 West Vine Street, Suite 600, Lexington, Kentucky 40507
TELEPHONE: (859) 255-2341 **FAX:** (859) 255-0125
WEB SITE: www.ddfky.com **E-MAIL:** ddean@ddfky.com

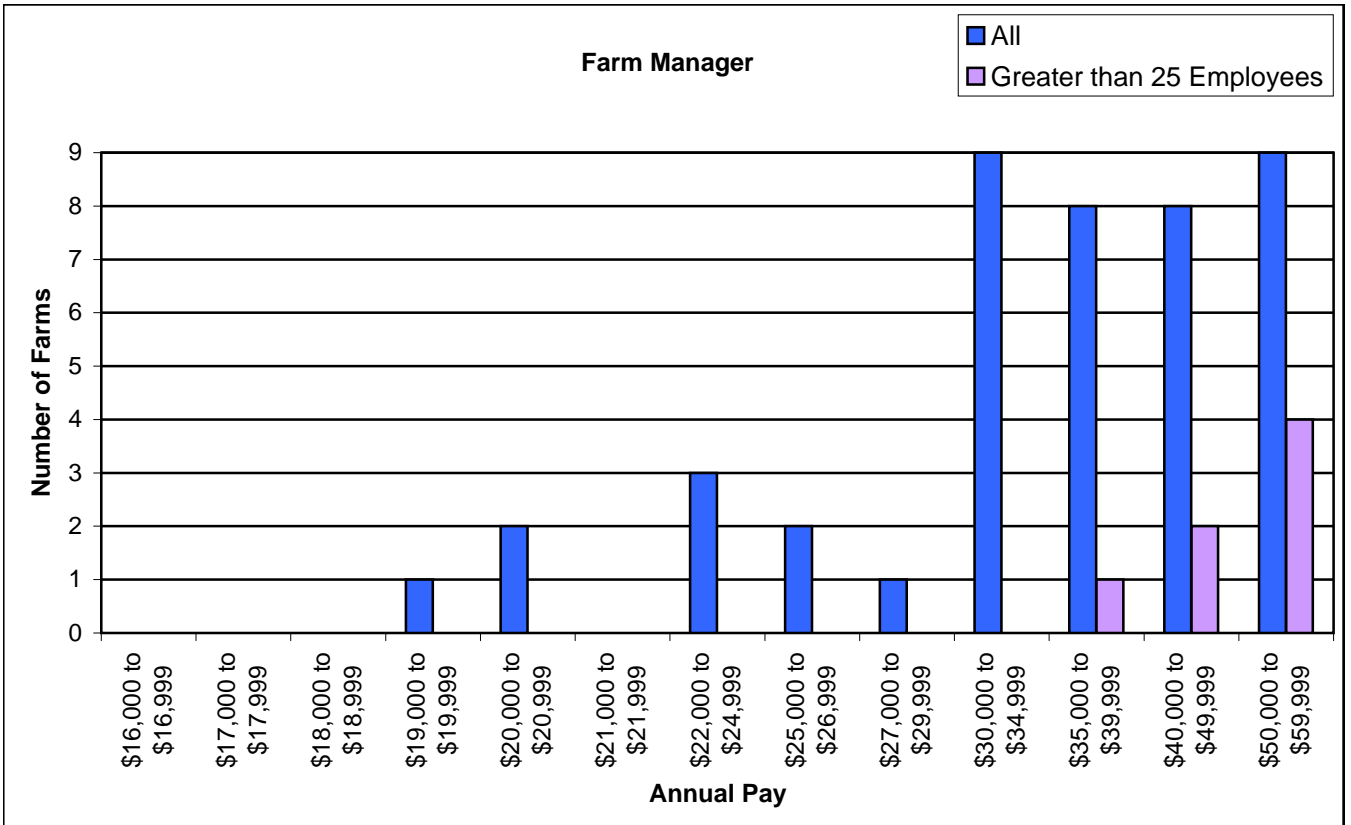
Average Number of Full-time (year-around) Employees

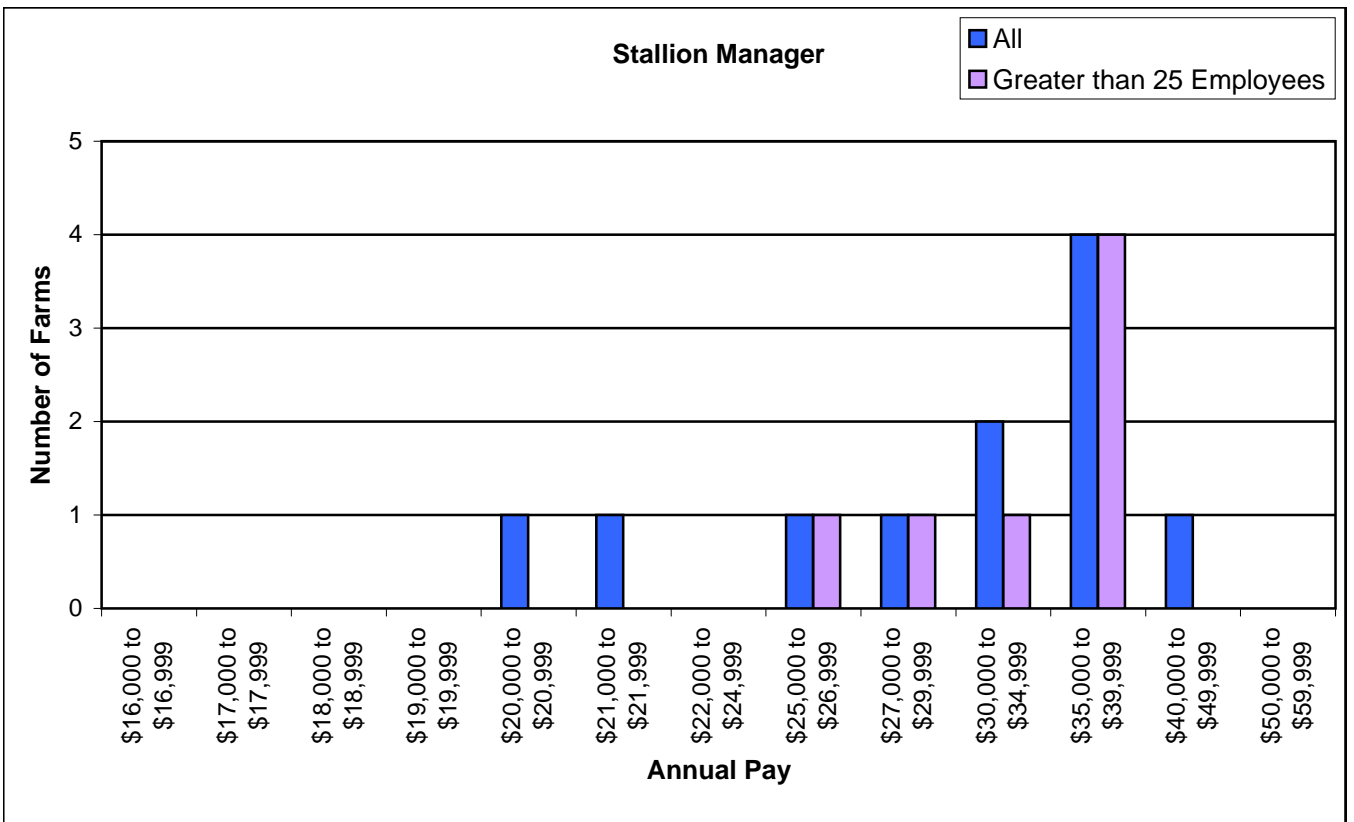
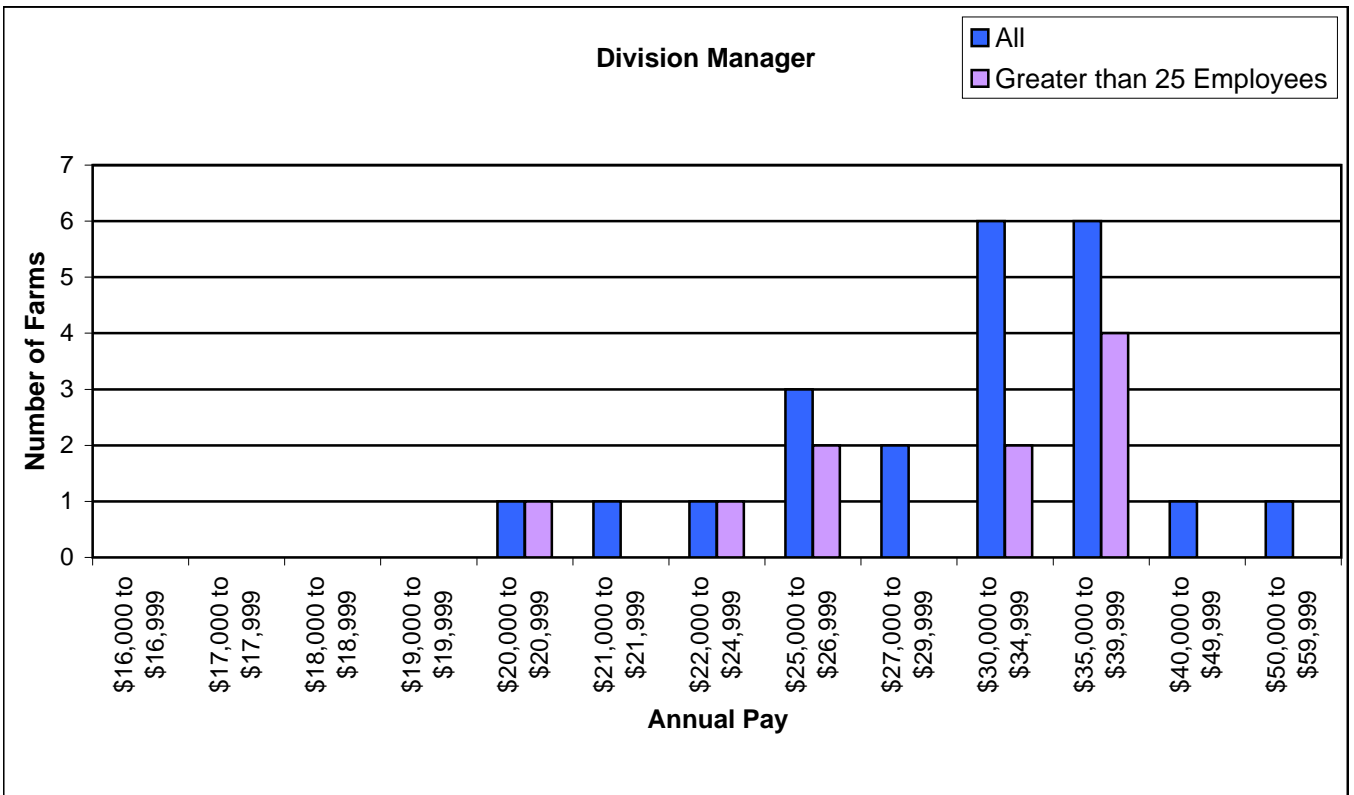


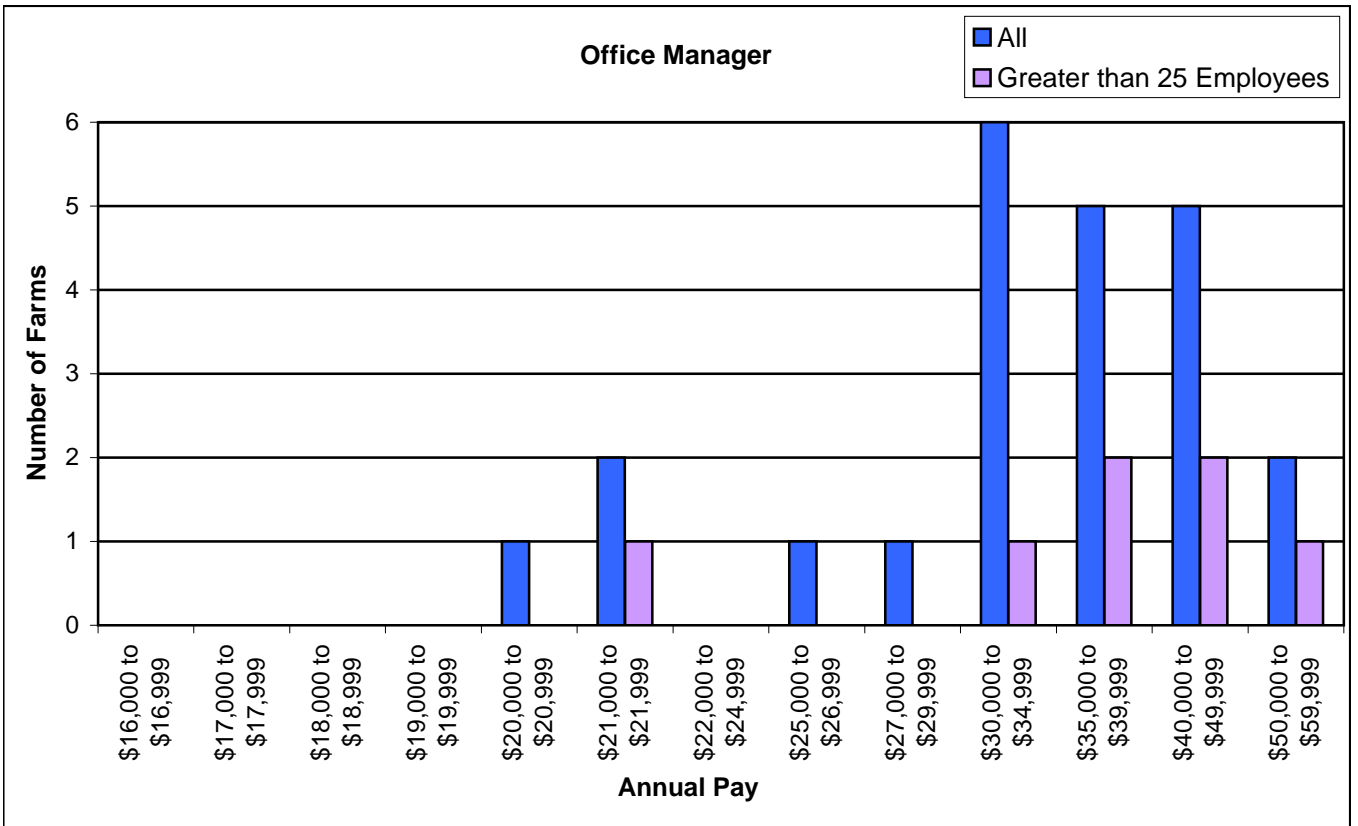
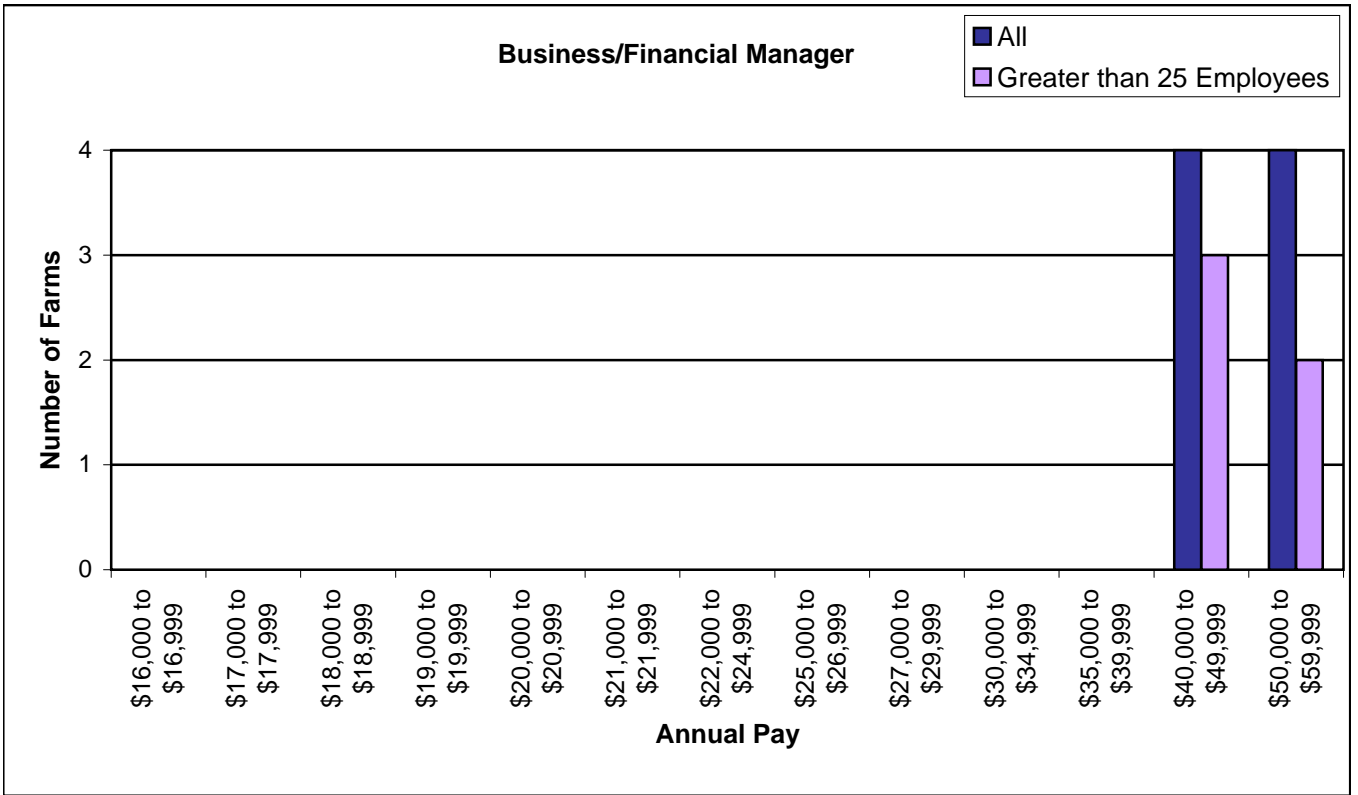
Average Number of Horses Maintained Per Farm Employee



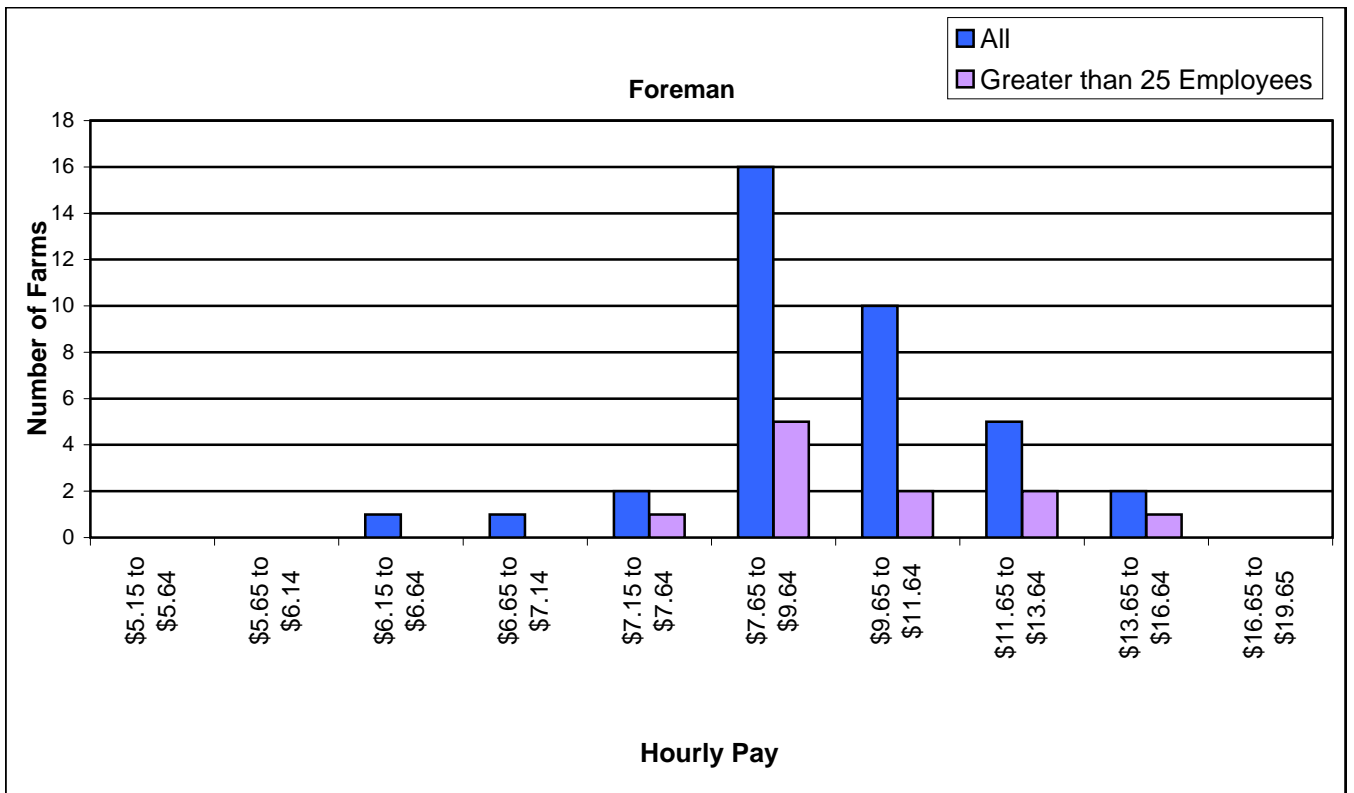
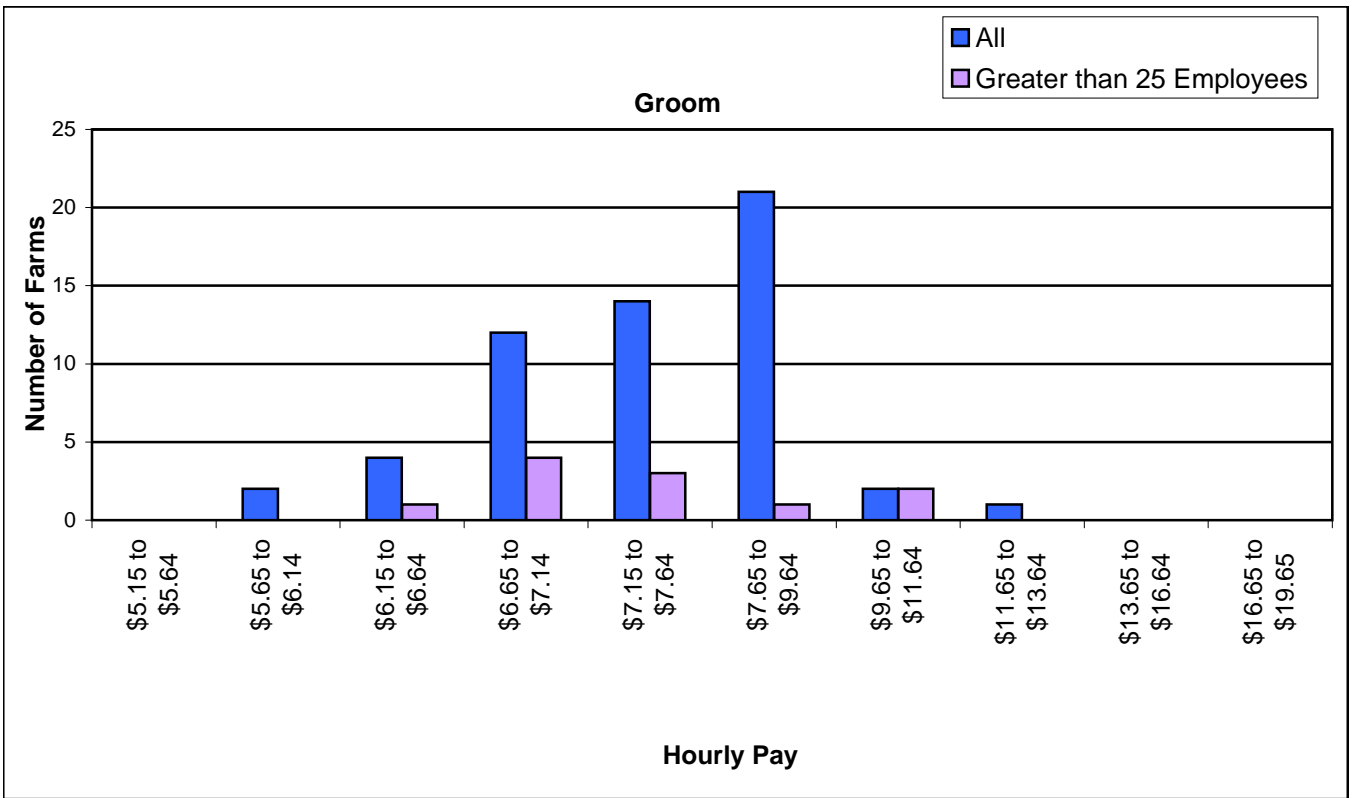
Average Starting Pay Rate Range for Farm Employees - Salaried

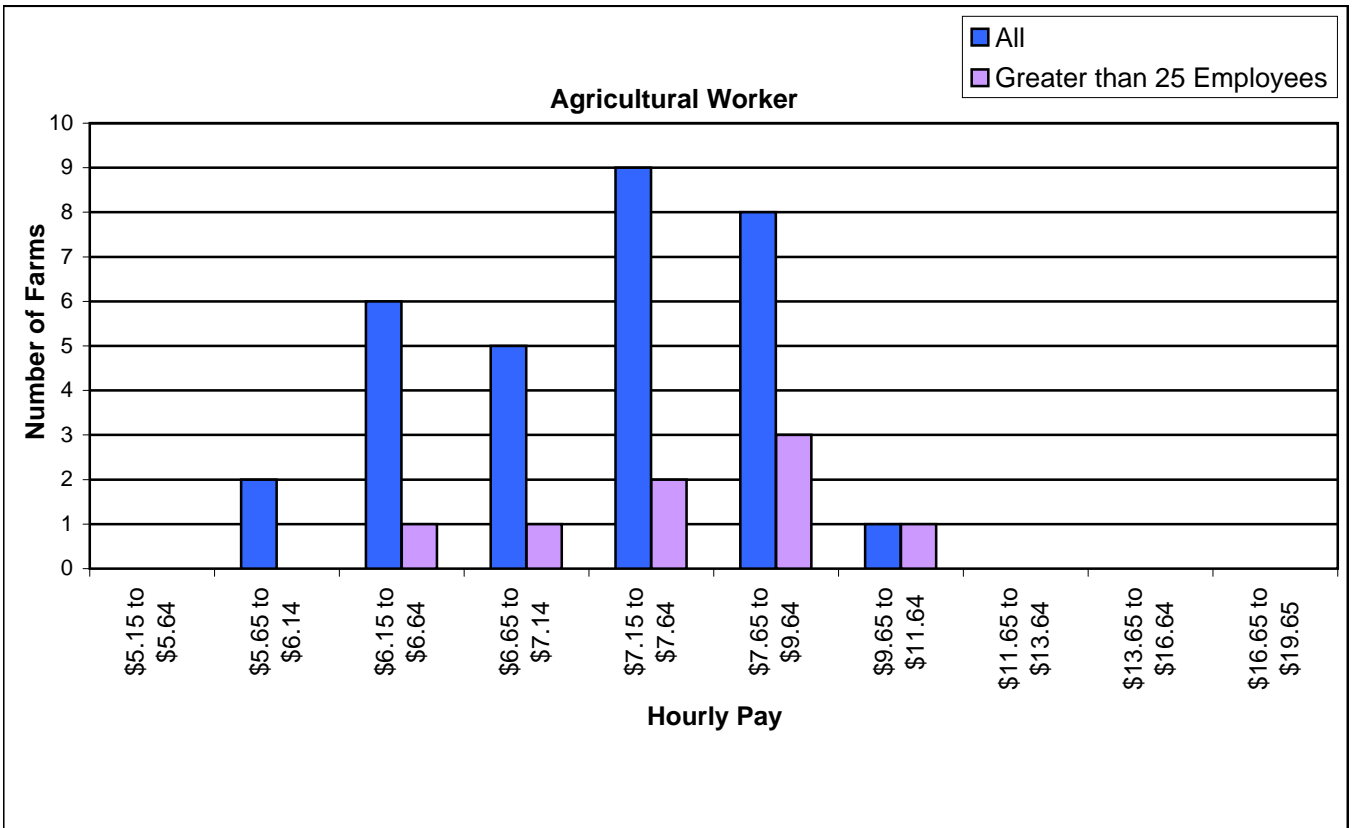
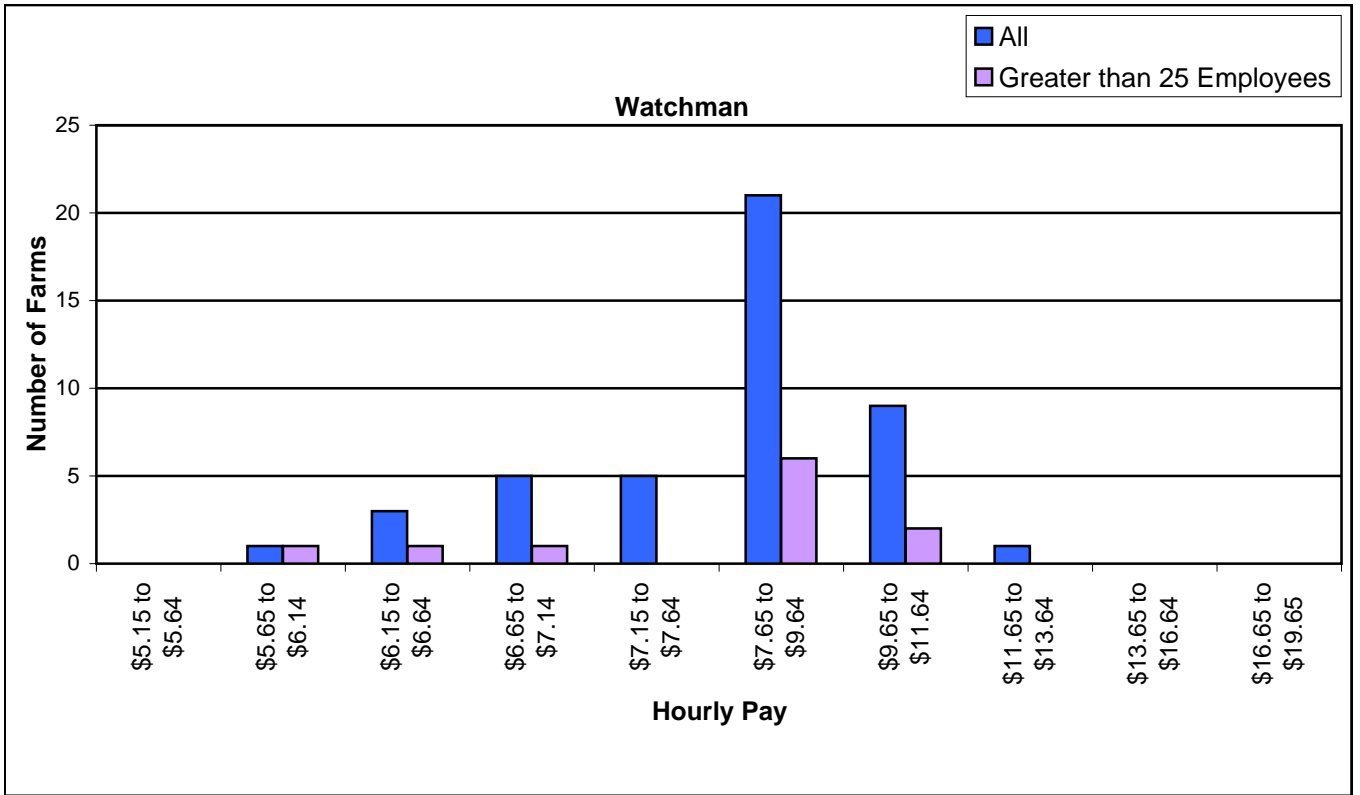


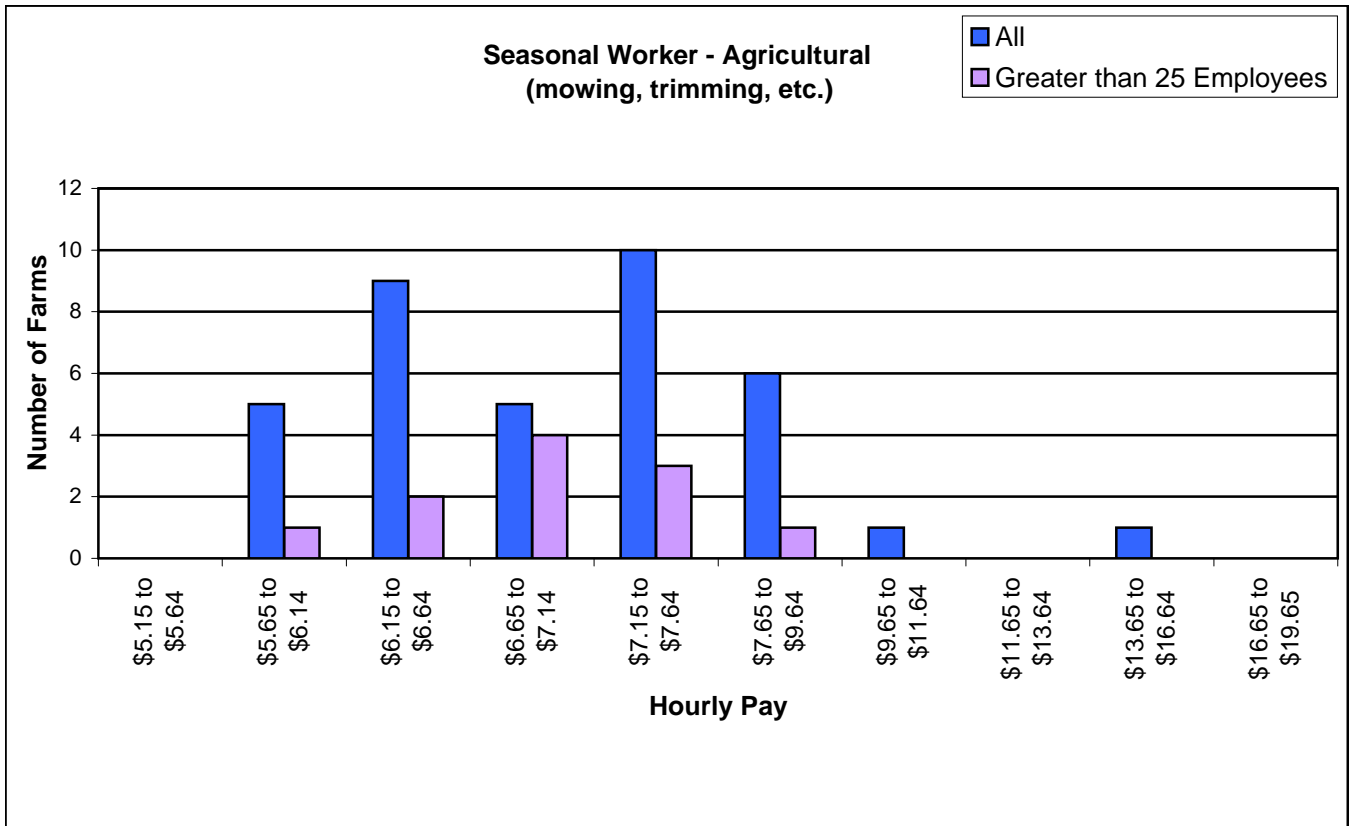
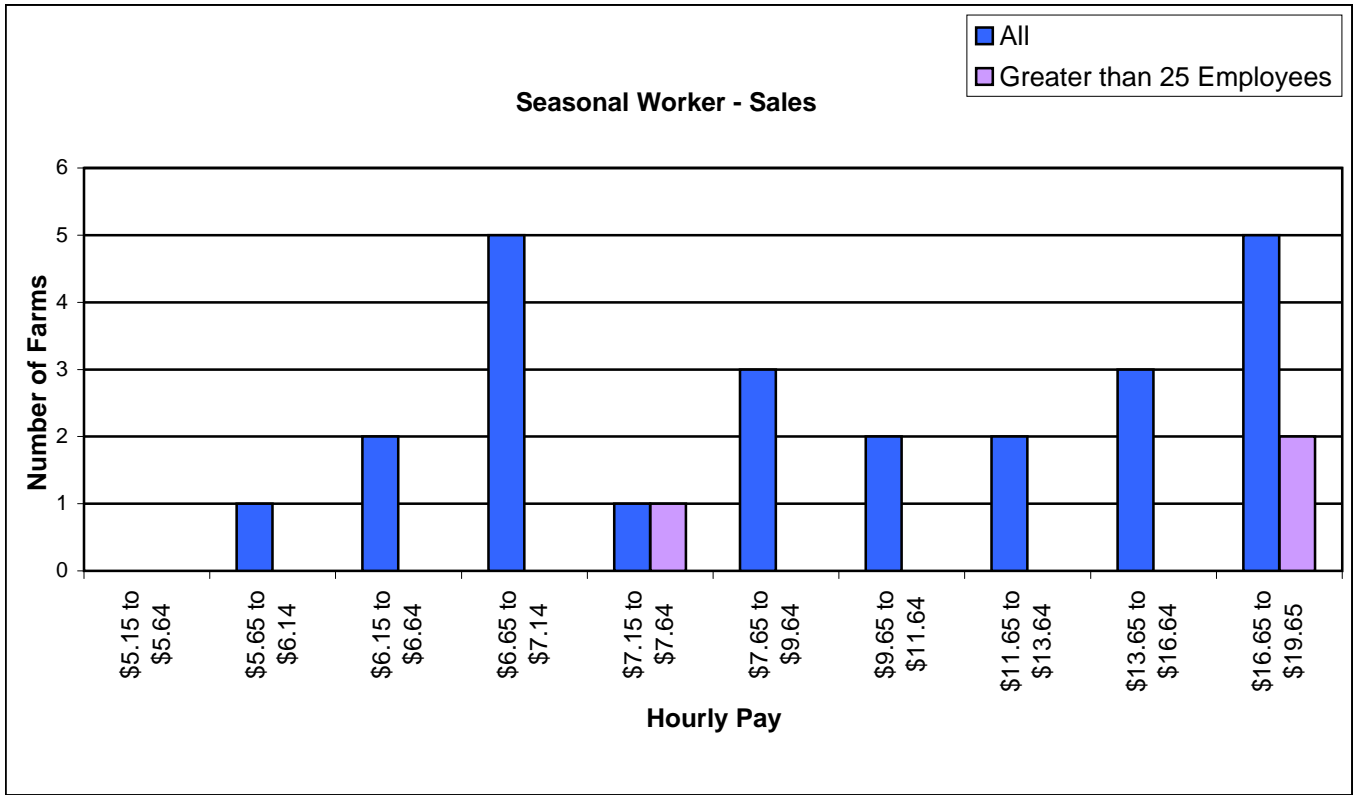


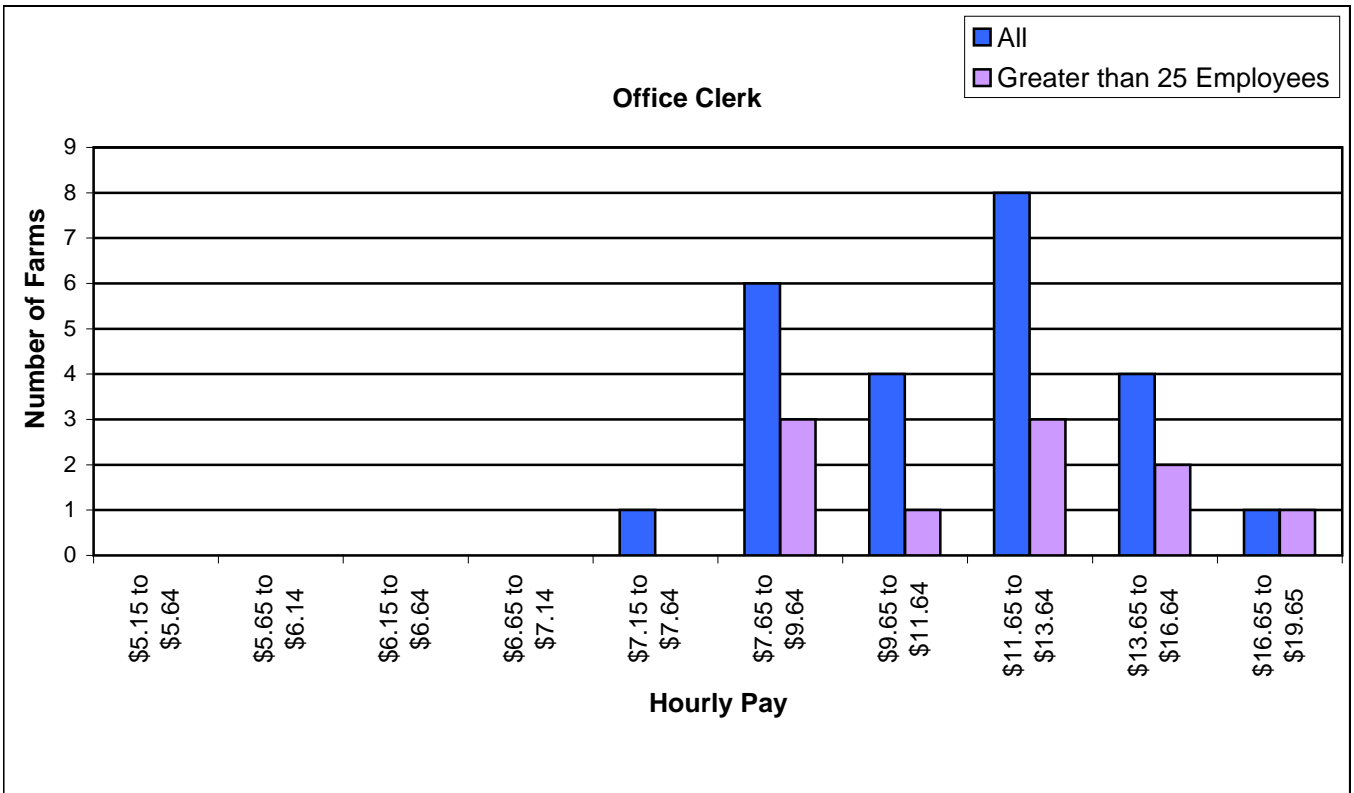
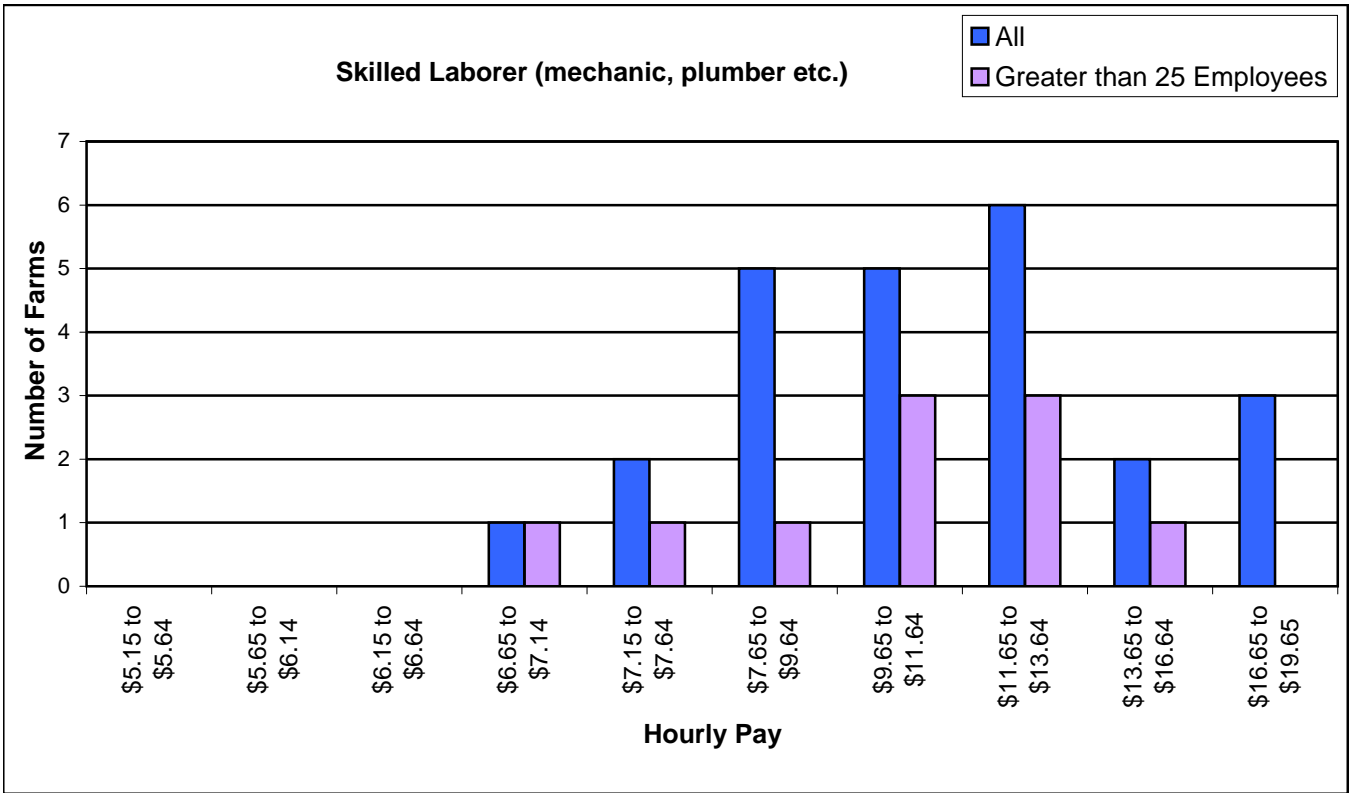


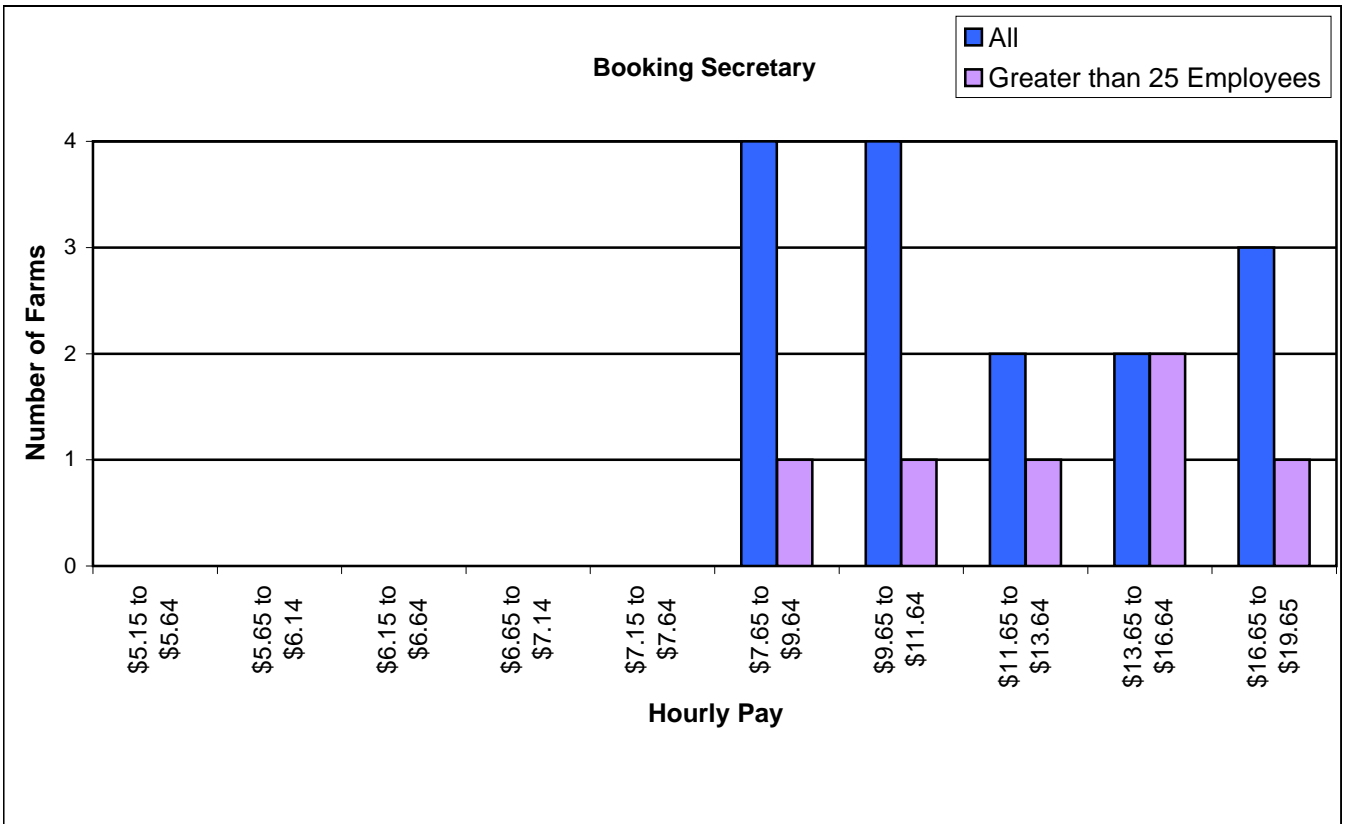
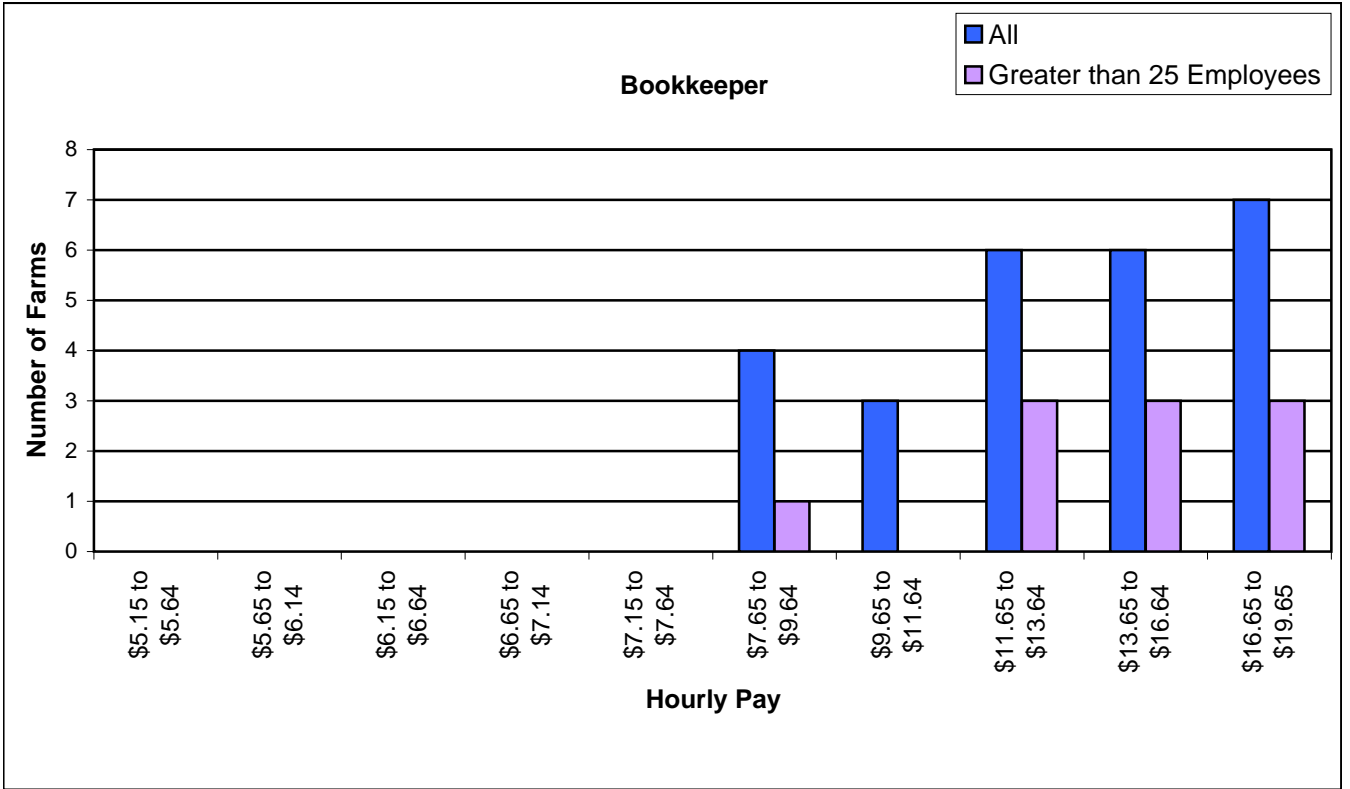
Average Starting Pay Rate Range for Farm Employees - Hourly



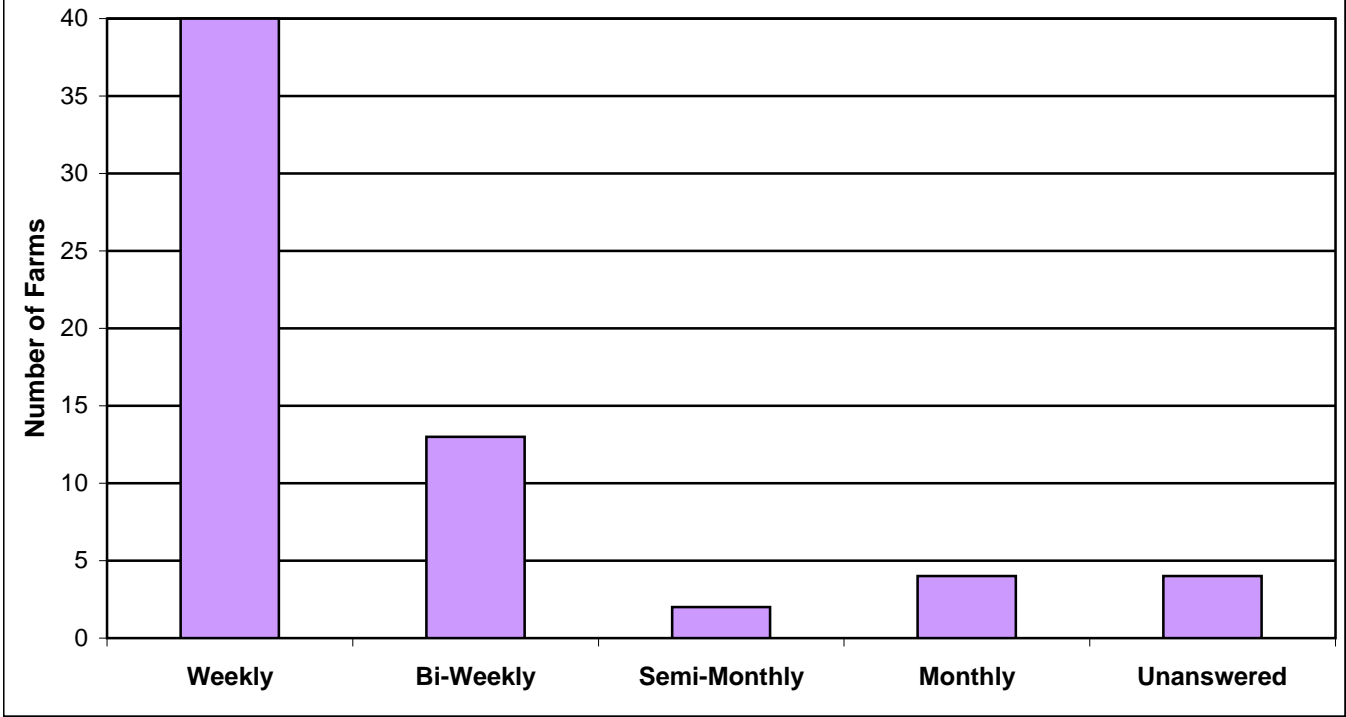




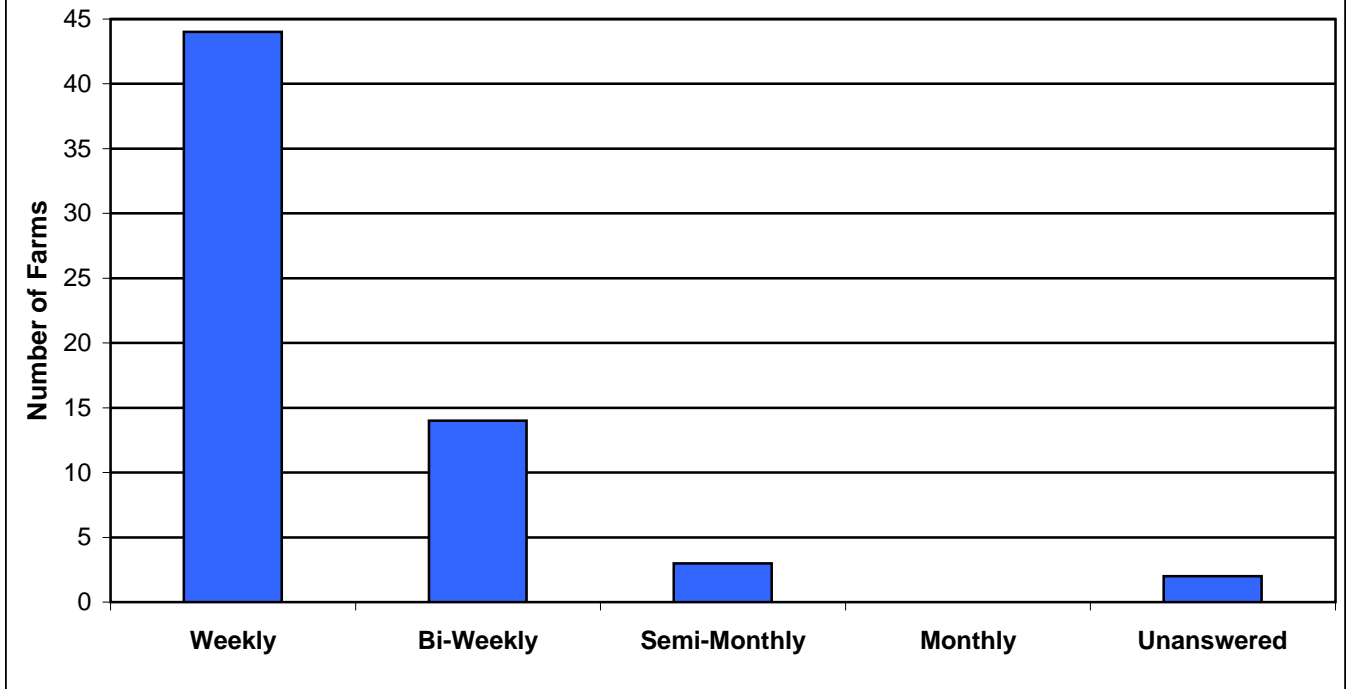




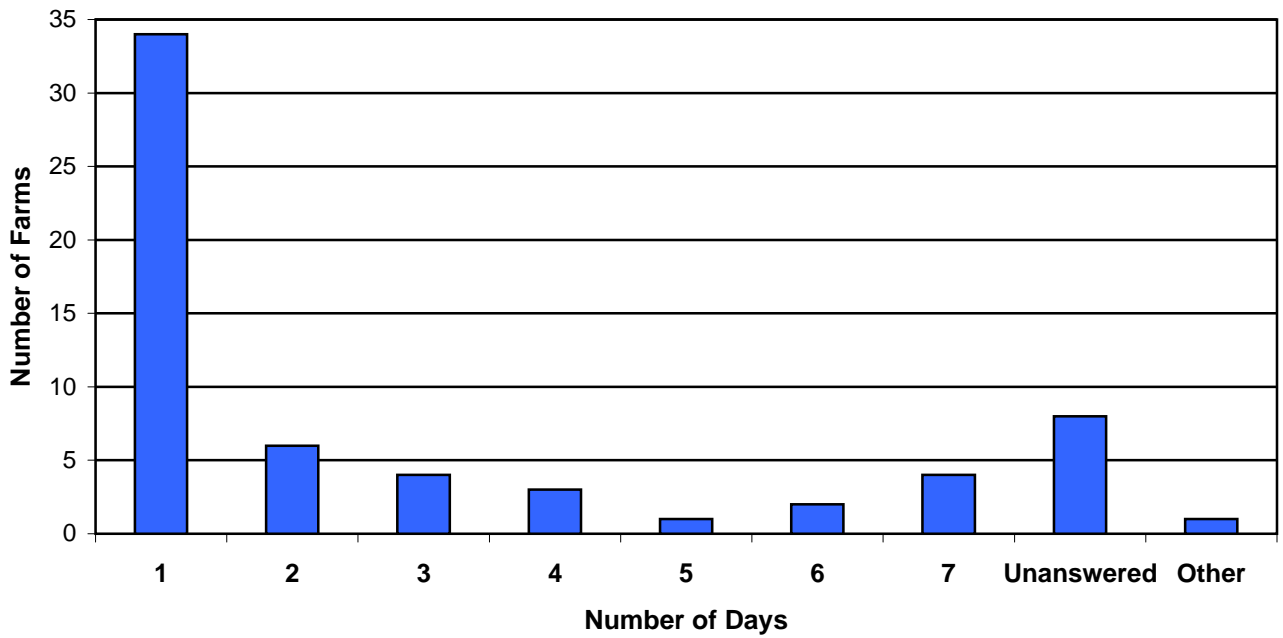
How Often Salaried Employees Are Paid



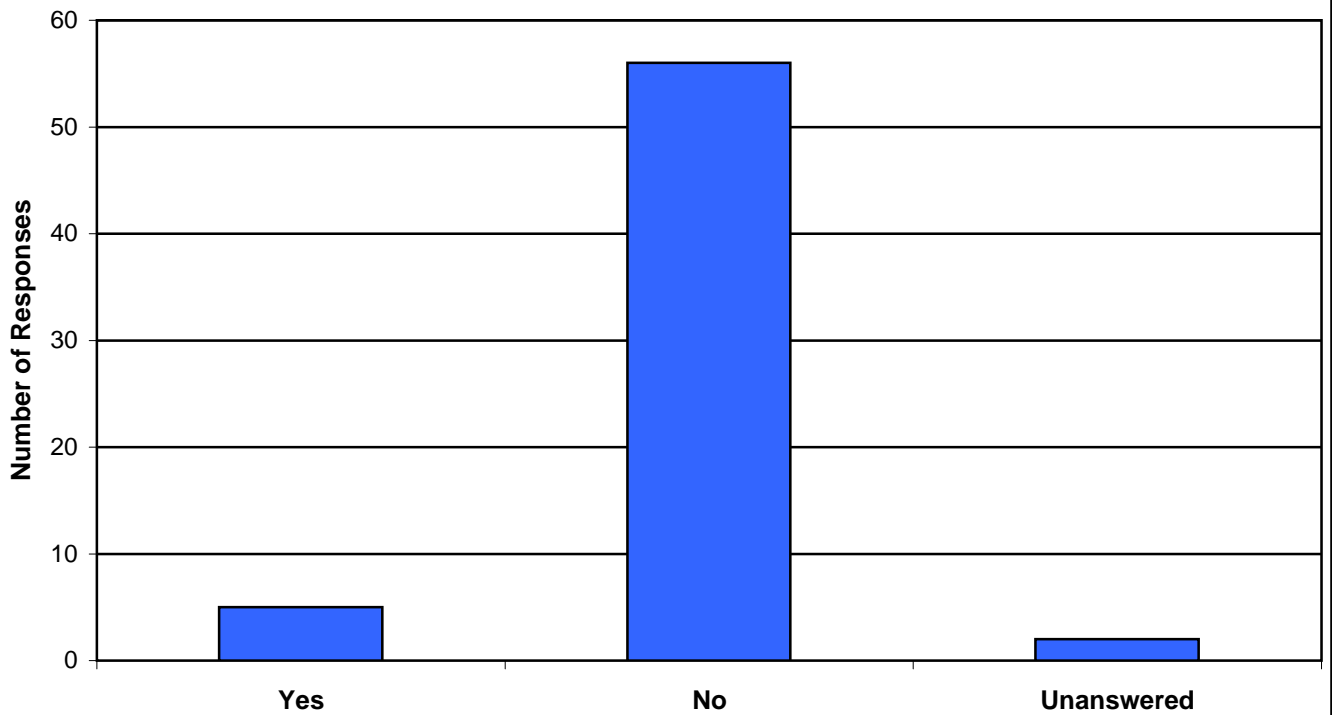
How Often Hourly Employees Are Paid



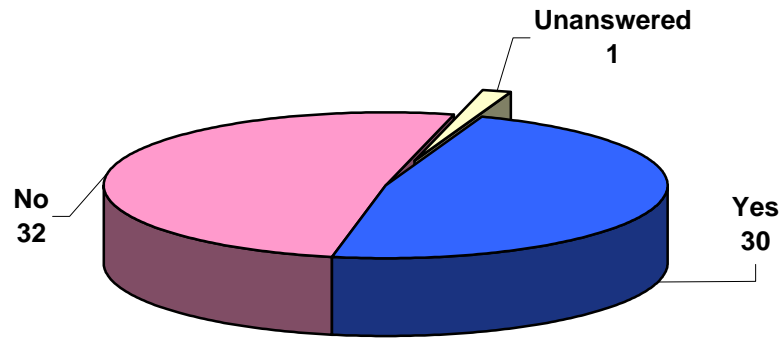
Number of Days Between Payroll Cut-off and Pay Day



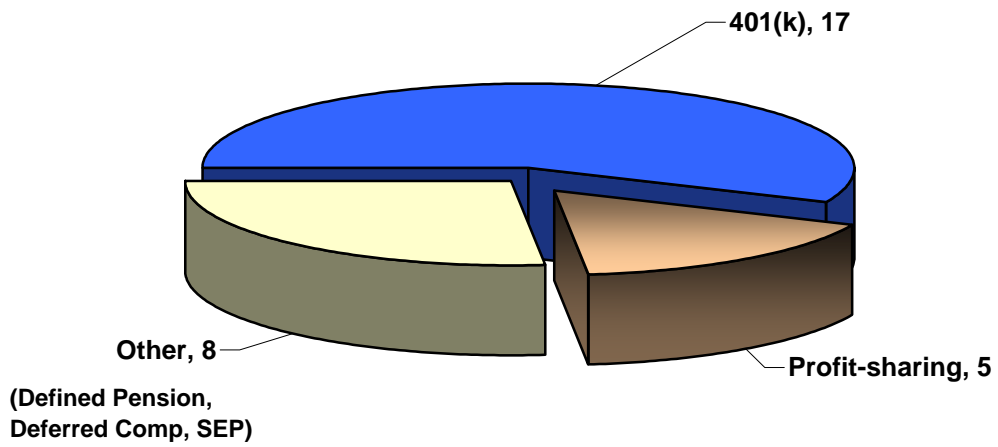
Number of Farms That Use a Payroll Processing Service



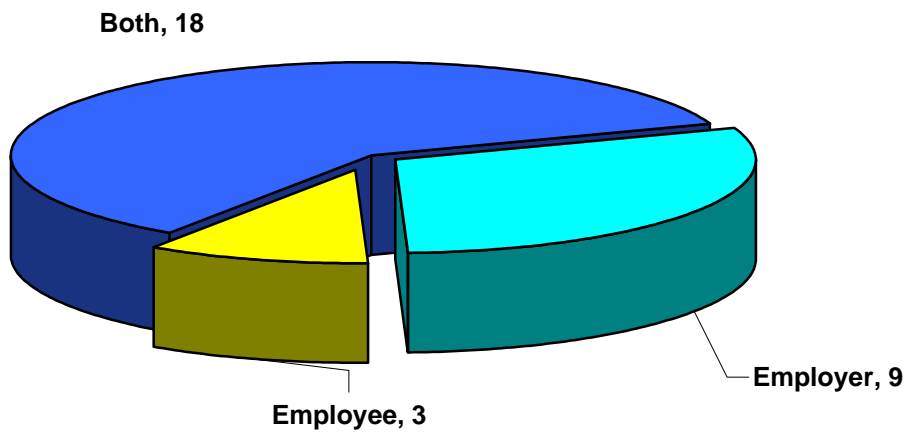
Farms Providing Retirement Plans



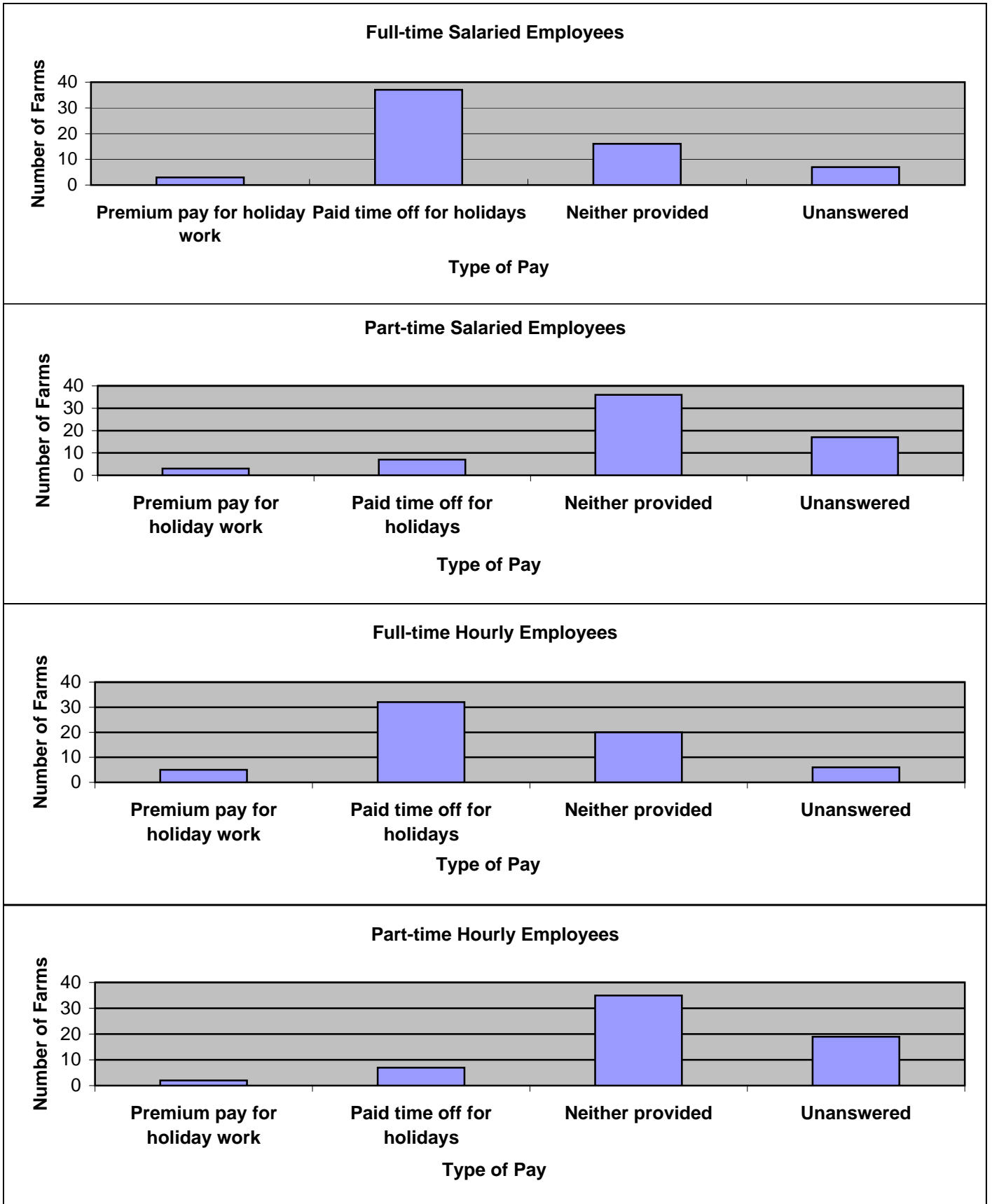
If yes, type of plan provided



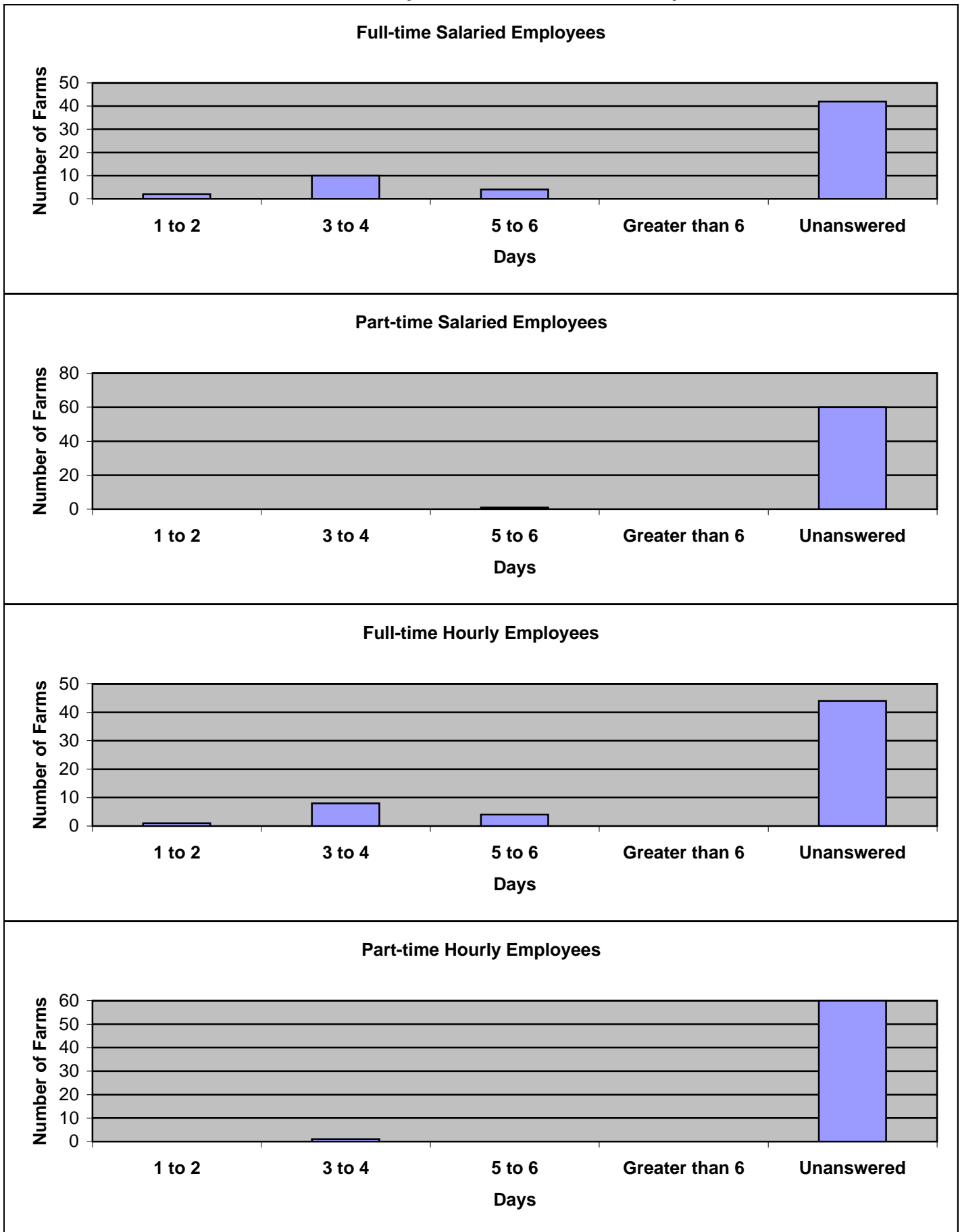
If yes, funding provided by



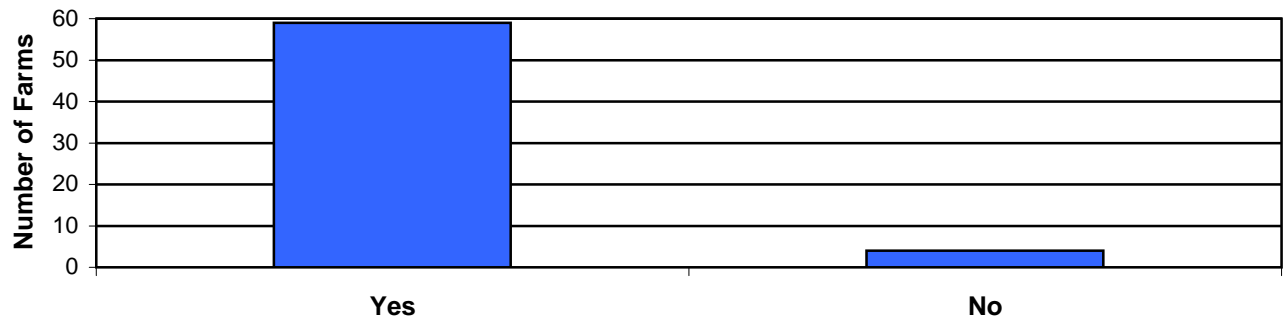
Premium Pay for Holiday Actually Worked OR Paid Time Off for Holiday



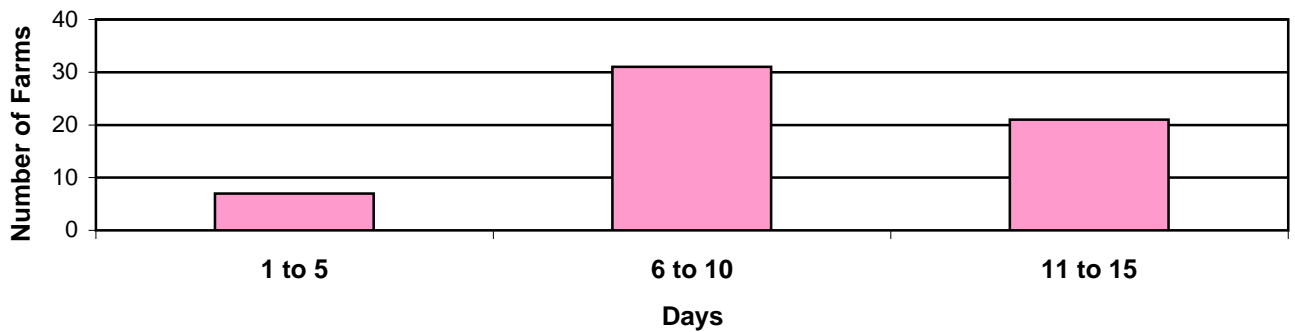
Number of Premium Pay OR Paid Time Off Holidays Allowed



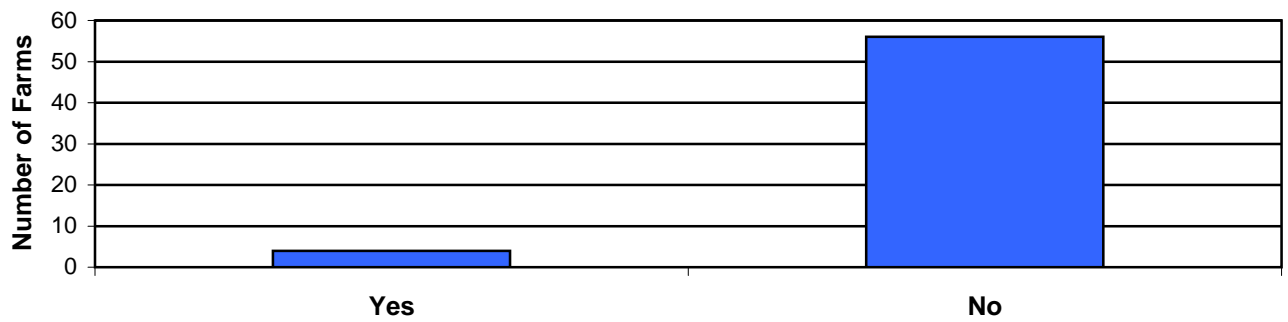
Farms Providing Paid Vacations for Full-time Employees



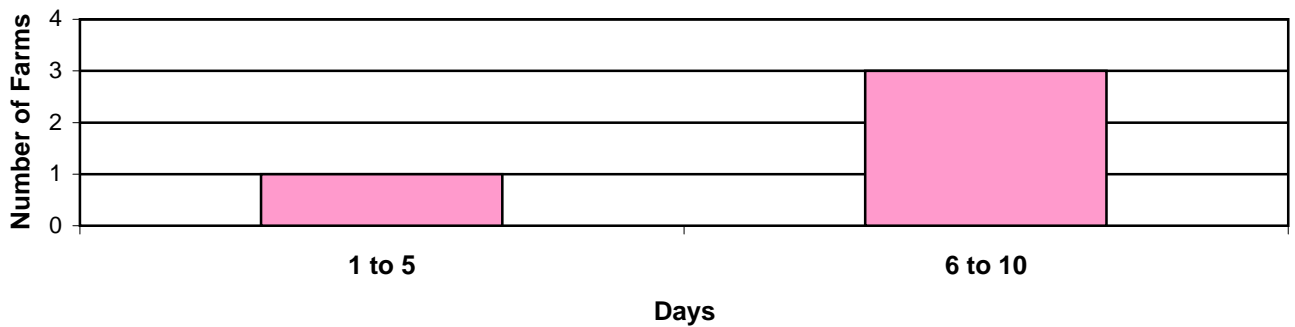
If provided, number of days allowed for vacations



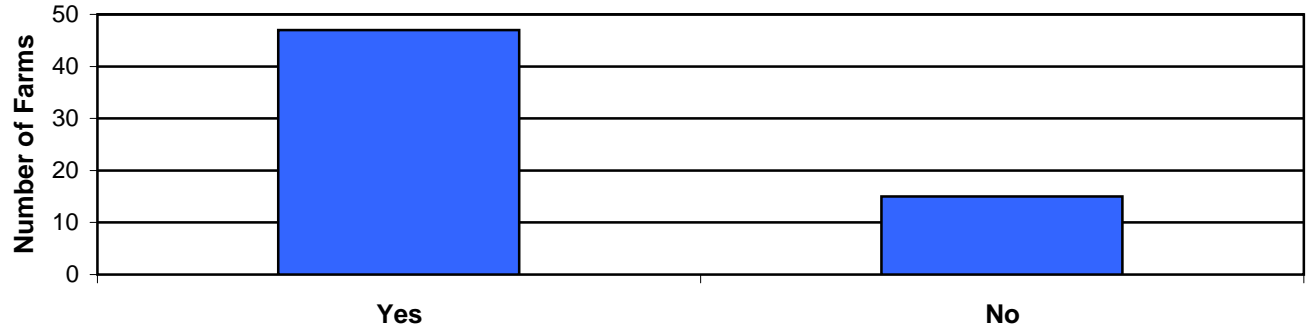
Farms Providing Paid Vacations for Part-time Employees



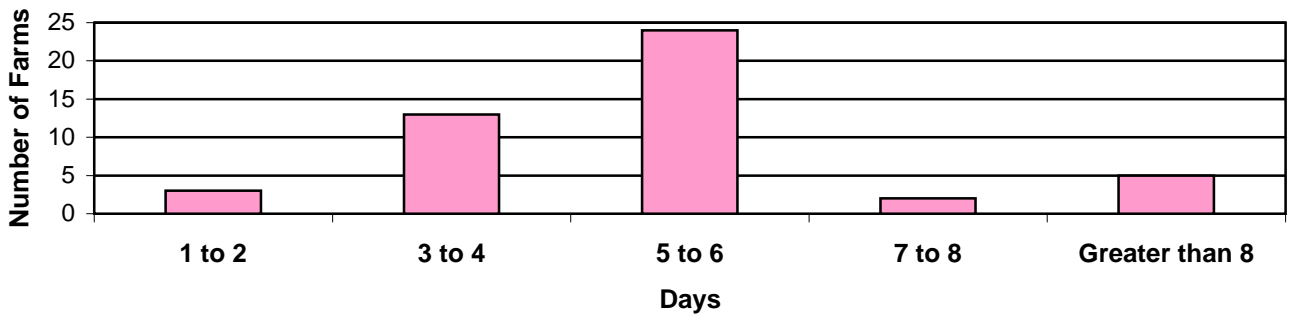
If provided, number of days allowed for vacations



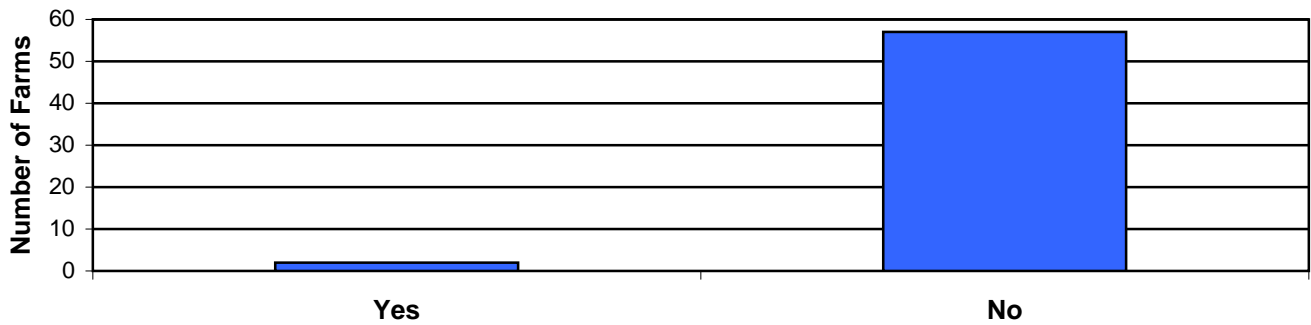
Farms Providing Sick Leave for Full-time Employees



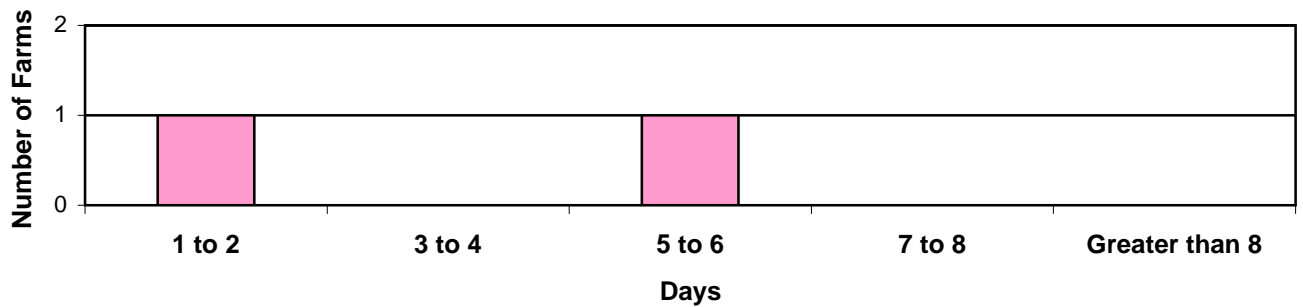
If provided, number of days allowed for sick leave



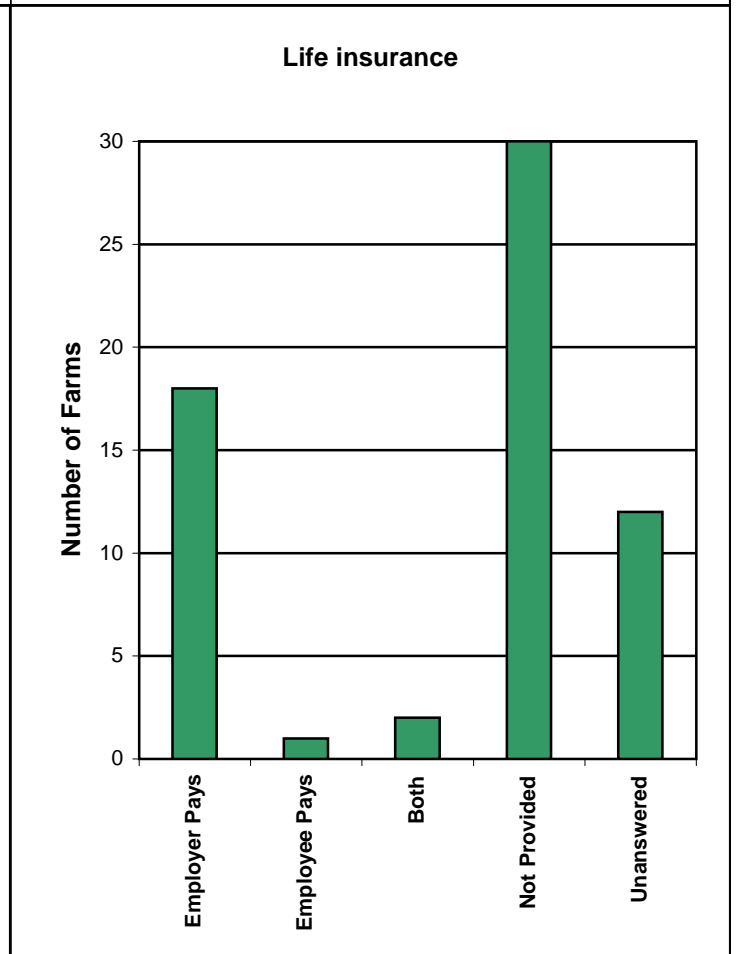
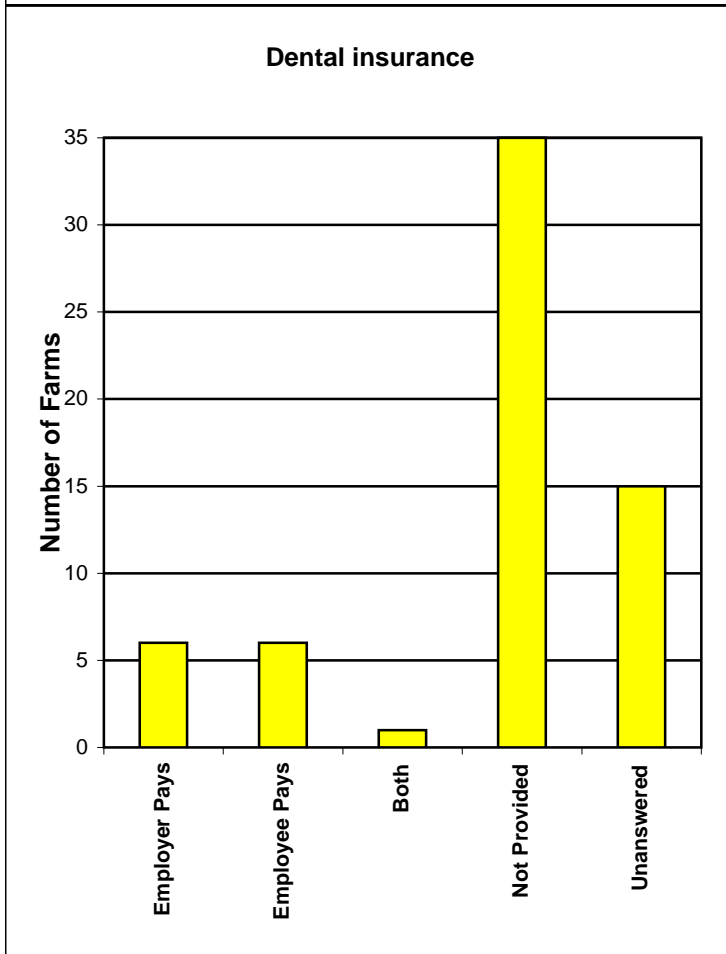
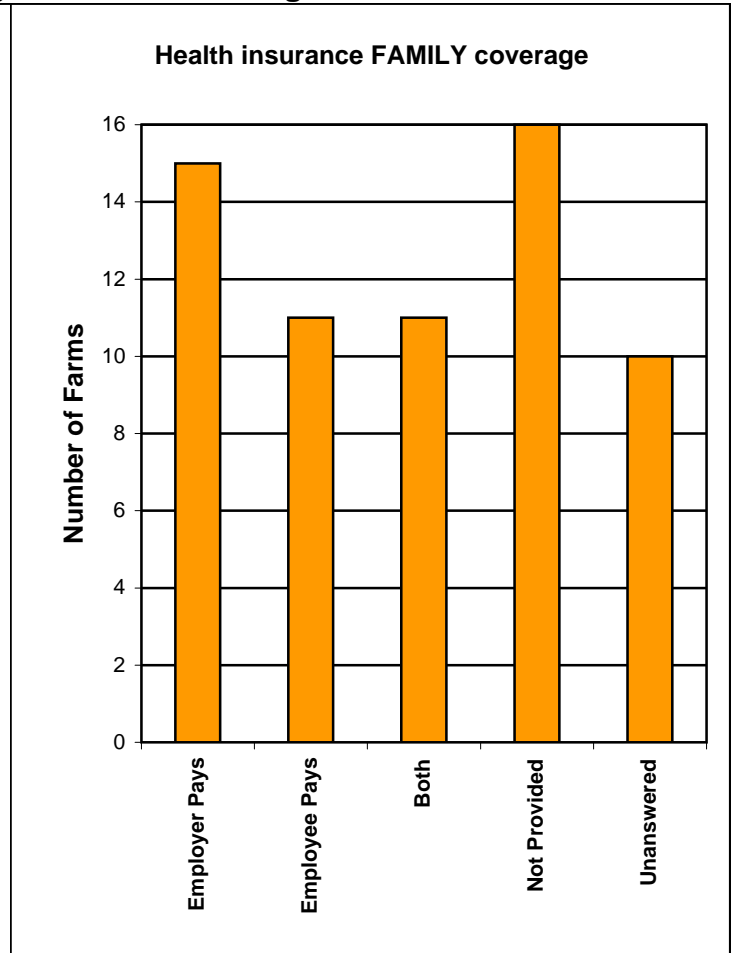
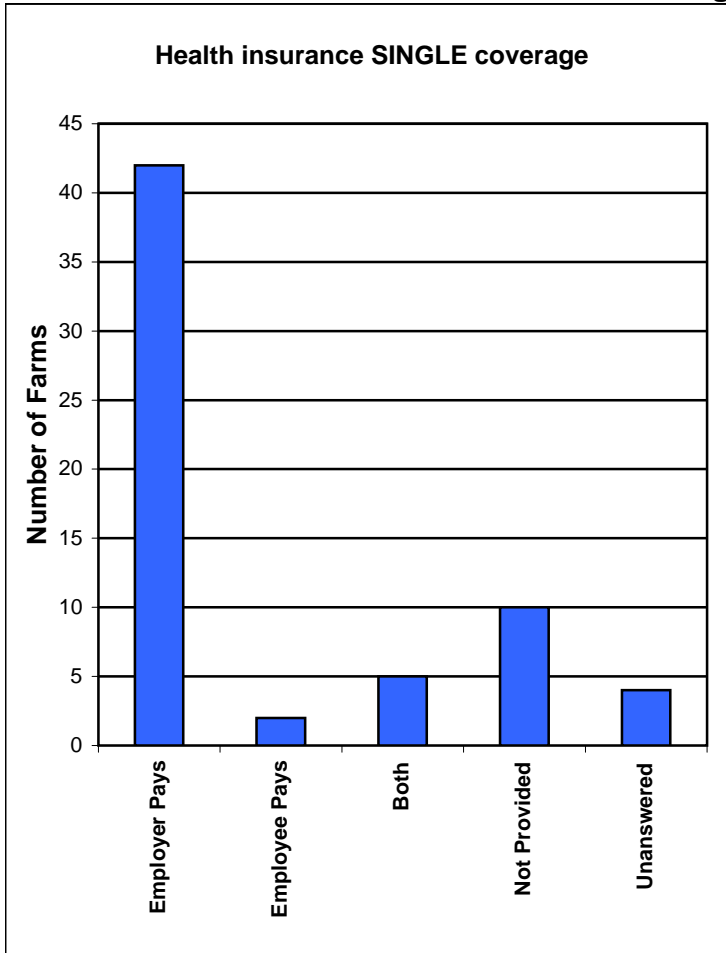
Farms Providing Sick Leave for Part-time Employees



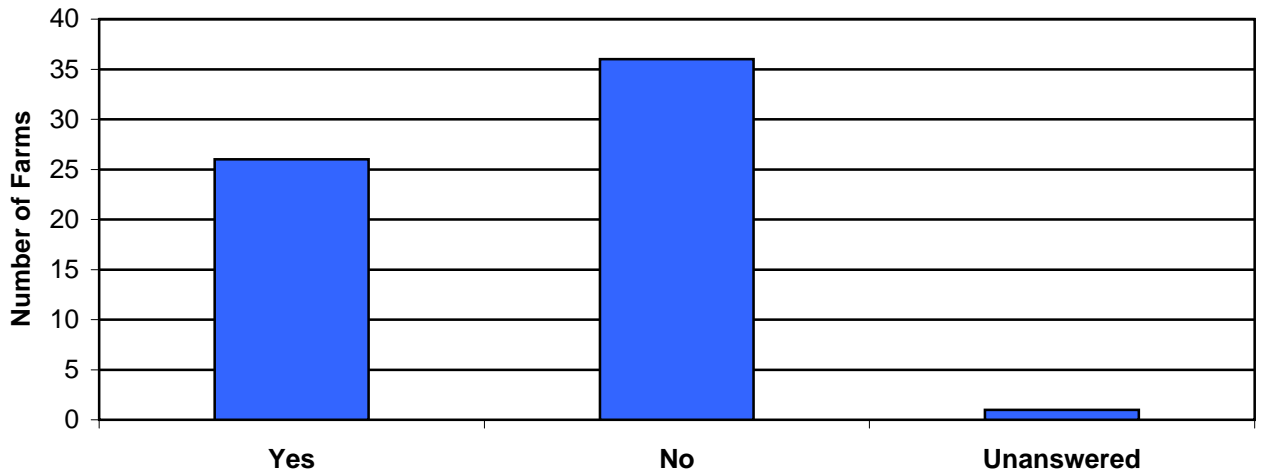
If provided, number number of days allowed for sick leave



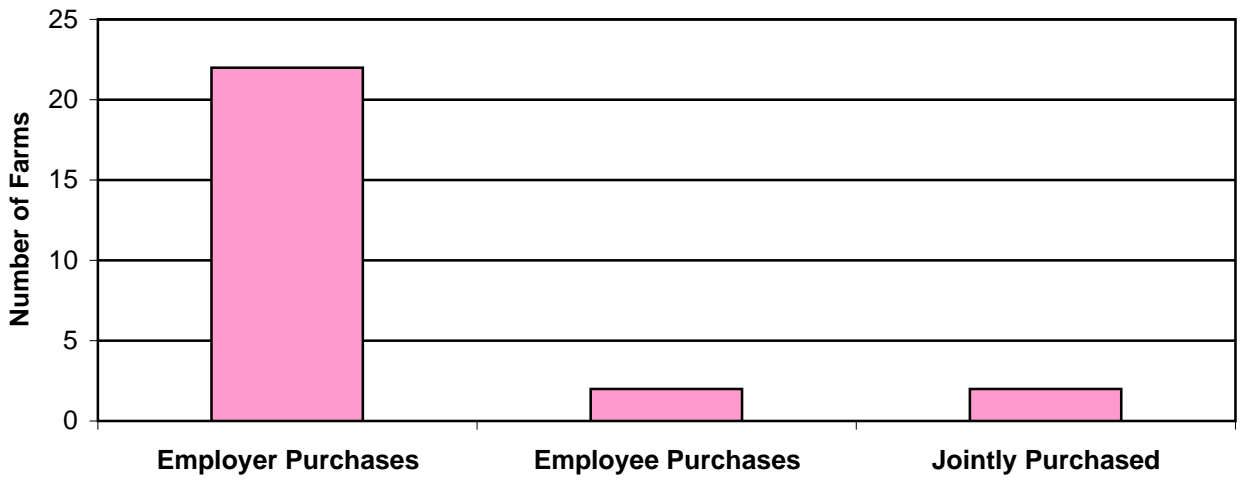
Farms Providing Insurance Coverage



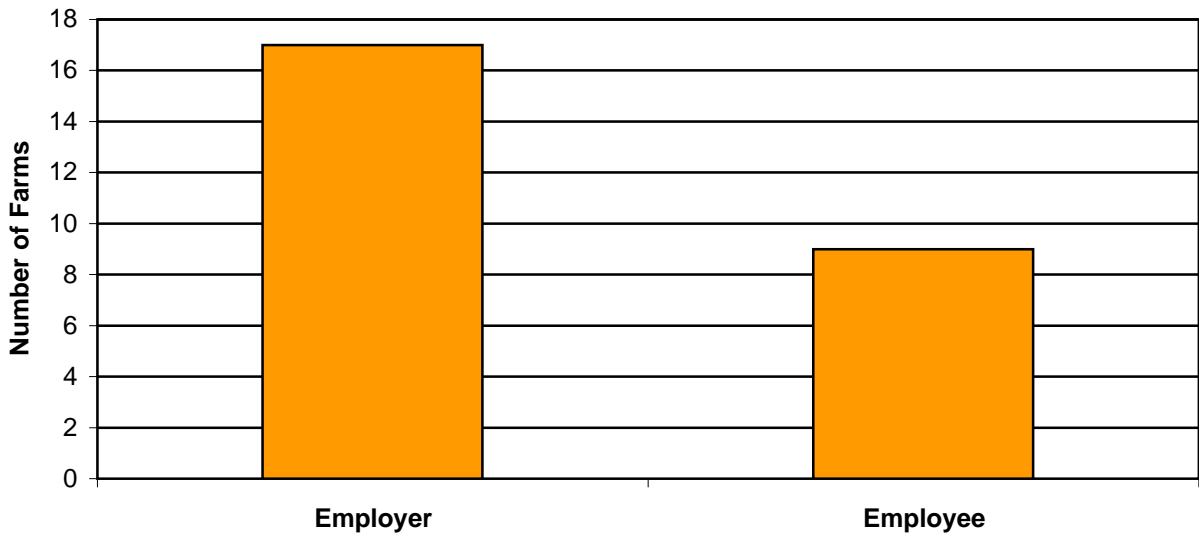
Farms Requiring Uniforms



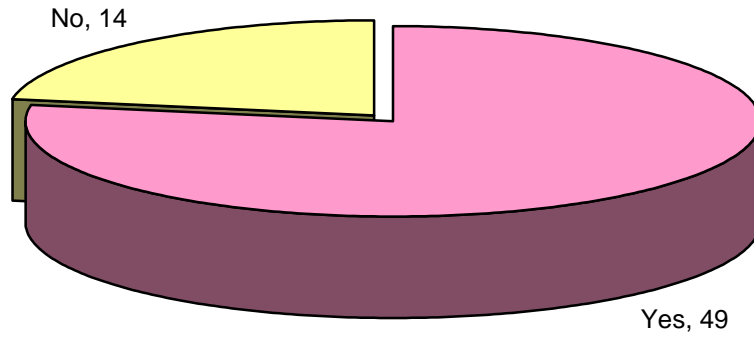
If required, party responsible for purchasing uniforms



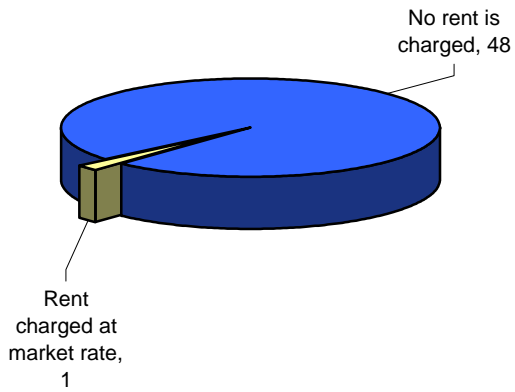
If required, party responsible for maintaining uniforms



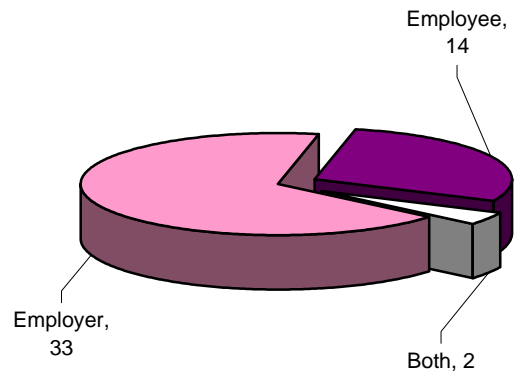
Farms Providing On-farm Housing for Employees



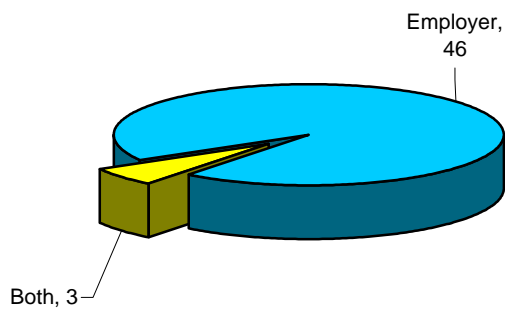
How Rent is Charged



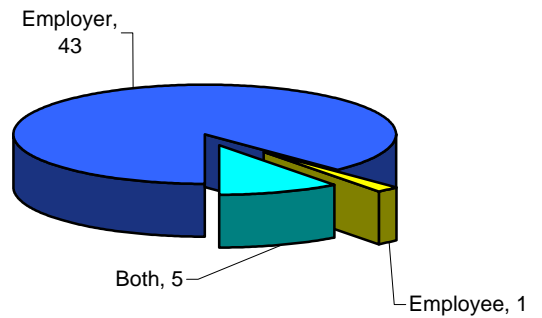
Utilities Paid By



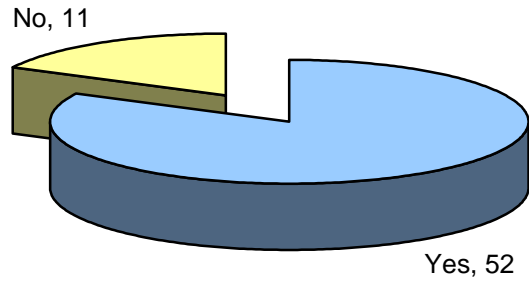
Maintenance Paid By



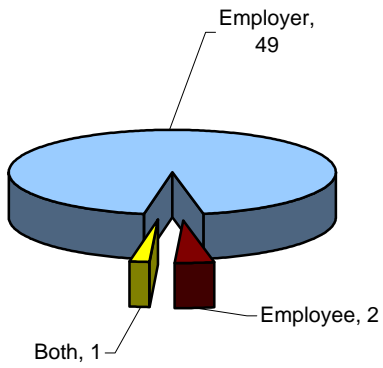
Insurance Paid By



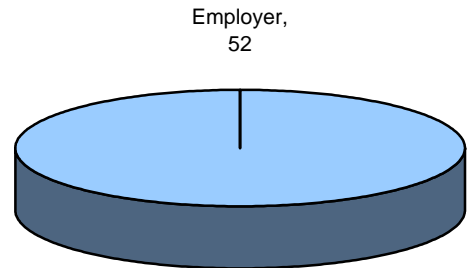
Farms Providing Vehicles for Employees



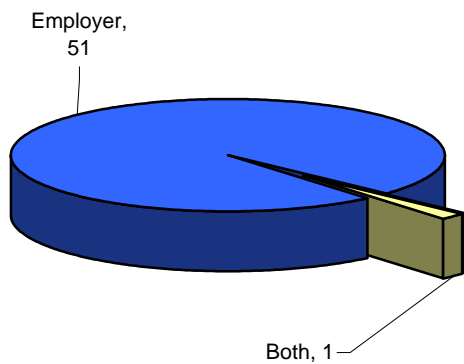
Fuel Paid By



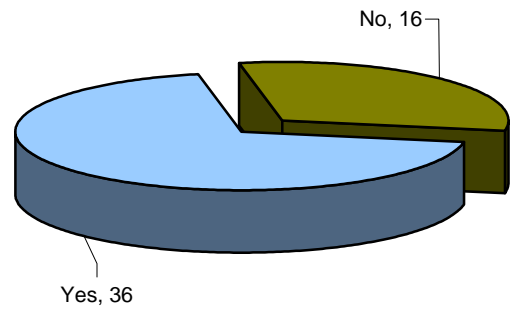
Insurance Paid By



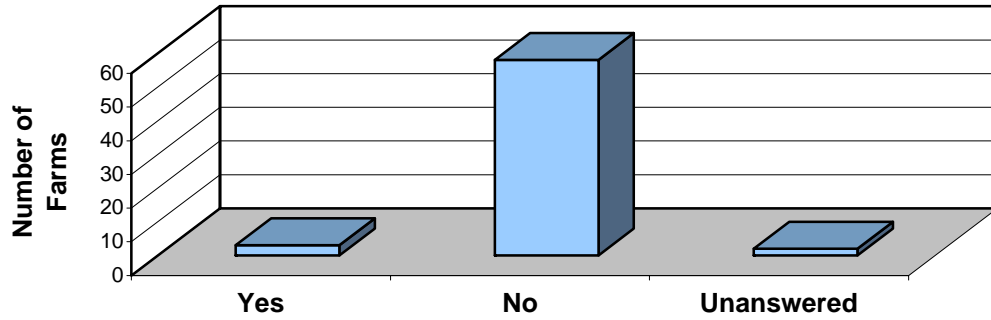
Repairs / Maintenance Paid By



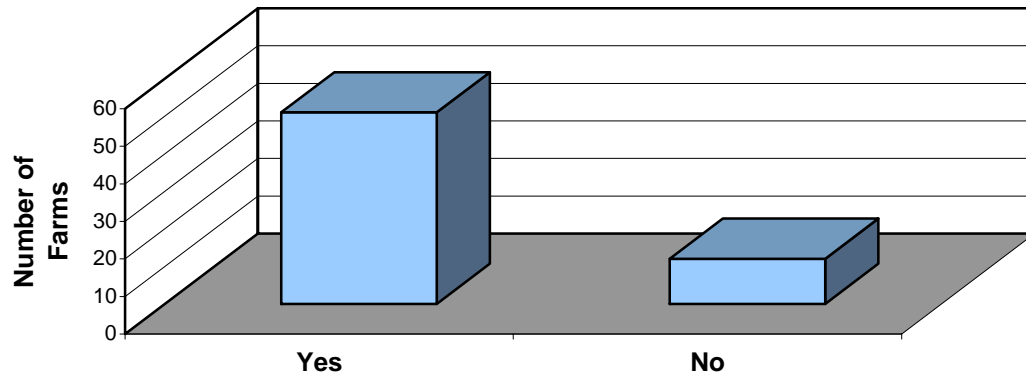
Restricted to Farm Business



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



Farms Employing Foreign Workers



For This Year, The Approximate Average Percentage of Employees By Nationality

