

**Michigan Department of Agriculture
2009 Agriculture Equine Industry Development Fund
Revenue Projections by Track**

3/27/2009

Agriculture Equine Industry Development Fund (MCL 431.320)	Fiscal Year 2009, 1st Quarter Report		
	Actual Revenue (as of 12/31/08)	Projected Revenue (1/1/09-9/30/09)	Total 2009 Actual and Projected Revenue
2008 Fund Balance		47,182	47,182
Simulcast Revenue			
Hazel Park	707,727	2,132,430	2,840,157
Jackson (b)	56,580	-	56,580
Mount Pleasant Meadows	15,584	56,178	71,762
Northville Downs	-	1,819,615	1,819,615
Northville Racing Corp	480,661	20,481	501,142
Pinnacle Race Course	161,601	480,474	642,075
Sports Creek Raceway	197,286	597,474	794,760
Total Simulcast Revenue	1,619,438	5,106,652	6,726,090
License Fees	28,011	84,033	112,044
Casino Wagering Tax	360,703	120,000	480,703
Uncashed Winning Tickets	92,575	437,425	530,000
Total Revenue (a)	2,100,728	5,795,292	7,896,020

Footnotes:

a) Public Act 253 of 2008 and Public Act 279 of 2008 include \$11,076,800 of appropriations supported by the agriculture equine development fund. Projected revenues anticipated to be less than appropriated levels, which means spending level targets have been adjusted and no year-end balance is expected.

b) Jackson Harness Raceway had revenue of \$56,580 for the year before closing in early December 2008.

**MICHIGAN DEPARTMENT OF AGRICULTURE (MDA)
AG EQUINE INDUSTRY DEVELOPMENT FUND
FY 2009 STATUS REPORT**

Period: October 2008 – December 2008

- FY 2009 AG Equine Fund status report:

	<u>Initial Projection</u>	<u>Actual & Projected</u>	<u>Variance</u>
+ Carry Forward	\$ -	\$ 47,182	\$ 47,182
+ Simulcast Tax and Fees	\$ 7,200,000	\$ 6,838,135	\$ (361,865)
+ Casino Tax Revenue	\$ 420,000	\$ 480,703	\$ 60,703
+ Uncashed Tickets	\$ 530,000	\$ 530,000	\$ -
Total Revenue	\$ 8,150,000	\$ 7,896,020	\$ (253,980)
	<u>Appropriation</u>	<u>Projected Spending</u>	
- Thoroughbred Program	\$ 3,354,000	\$ 2,467,780	\$ (886,220)
- Standardbred Program	\$ 3,604,300	\$ 2,651,943	\$ (952,357)
- Light Horse Program	\$ 132,000	\$ 97,122	\$ (34,878)
- Purse & Supplements - Fairs	\$ 2,370,000	\$ 1,743,780	\$ (626,220)
- Animal Industry & TB	\$ 712,000	\$ 523,870	\$ (188,130)
- Dept.of Information Technology	\$ 204,500	\$ 150,465	\$ (54,035)
- Uncashed Tickets	\$ 700,000	\$ 515,040	\$ (184,960)
Total Expenditures ¹	\$ 11,076,800	\$ 8,150,000	\$ (2,926,800)
Projected Surplus/Deficit ²	\$ (2,926,800)	\$ (253,980)	

¹ Initial Expenditure Total based on Fiscal Year 2009 Appropriations Bill (PA 253 of 2008), and 2009 Supplemental (PA 279 of 2008) for Agriculture Equine Development fund.

² Spending targets will be adjusted based on second quarter data.

Initial Projections:

- The total simulcast Projections for FY/09 was set at \$7,200,000 which takes into account the closing of the facilities at Jackson in December of 2008. Jackson generated \$346,000 in 2008 and only \$56,000 for 2009. The projection also reflects a reduction in Simulcast Handle of approximately 13.8% in calendar year 2009 as compared to the average for the past 3 years.
- In Fiscal Year 2005 a portion of the Casino Wagering Tax was allocated to the AG Equine Industry Development Fund. The tax has generated approximately \$6.3 million dollars for the fund each year. However, this source of revenue will end at January 2009. The decrease is due to a stipulation in the casino law that the tax is no longer paid when the casinos open their permanent facilities. With the January 2009 opening of Greek Town Casinos permanent facility that stipulation in the law has been met.

YTD Projections:

- The YTD projections reflect expenditures being reduced below 2009 appropriation levels based on anticipated revenue levels.

Questions or comments regarding this information may be directed to Rich Ludwig, MDA Finance Division at (517) 373-9759 or e-mail at ludwigr@michigan.gov.

**Michigan Department of Agriculture
2009 Equine Fund Appropriations
September 29, 2008**

Revenue Source	Amount
Simulcast Revenue	7,200,000
Casino Revenue (a)	420,000
Uncashed Winning Tickets	530,000
Total Projected Revenue	8,150,000

Appropriations	Amount (b)	%
Animal Health and Welfare	58,200	0.5%
Bovine Tuberculosis	653,800	5.9%
Purses and Supplements - Fairs/Licensed Tracks	2,370,000	21.4%
Licensed Tracks - Light Horse Racing	132,000	1.2%
Standardbred Breeders' Awards	969,000	8.7%
Standardbred Purses and Supplements - Licensed Tracks	1,789,300	16.2%
Standardbred Sire Stakes	810,000	7.3%
Thoroughbred Sire Stakes	830,000	7.5%
Standardbred Training and Stabling	36,000	0.3%
Thoroughbred Program	2,400,000	21.7%
Thoroughbred Owners' Awards	124,000	1.1%
Distribution of Outstanding Winning Tickets	700,000	6.3%
Information Technology	204,500	1.8%
Total Appropriations	11,076,800	100.0%

26% Reduction Based on Projected Revenue (c)	Revised Spending Level	%
(15,378)	42,822	0.5%
(172,752)	481,048	5.9%
(626,220)	1,743,780	21.4%
(34,878)	97,122	1.2%
(256,037)	712,963	8.7%
(472,783)	1,316,517	16.2%
(214,025)	595,975	7.3%
(219,309)	610,691	7.5%
(9,512)	26,488	0.3%
(634,147)	1,765,853	21.7%
(32,764)	91,236	1.1%
(184,960)	515,040	6.3%
(54,035)	150,465	1.8%
(2,926,800)	8,150,000	100.0%

Projected Shortfall	(2,926,800)	-26%
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Footnotes:

- a) The casino revenue is based on three months of revenue for GreekTown. GreekTown Casino is expected to become fully operational (meaning having a certificate of occupancy for not fewer than 400 rooms) in January of 2009.
- b) Appropriated amounts are based on PA 253 of 2008, including vetoes, and Senate Bill 1111.
- c) Section 460 of PA 253 of 2008 states, "All appropriations from the agriculture equine industry development fund shall be reduced proportionately if revenues in the agriculture equine industry development fund decline during the fiscal year ending September 30, 2009 to a level lower than the amount appropriated in part 1."