

HISA 2025 Summary Budget

#	Account Name	2025 Budget
<u>Revenue</u>		
4200	Assessments Income	\$ -
4300	Racetrack Safety Fines Income	\$ 120,000
4305	ADMC Fines Income	\$ 600,000
4350	Lab Test Income	\$ 539,265
4700	Interest Income	\$ 48,000
4190	Other Revenue	\$ 144,000
4150	In-Kind Revenue	\$ -
Total Revenue		<u>\$ 1,451,265</u>
<u>Expenses</u>		
5200	Salaries	\$ 4,717,458
5210	Payroll Tax Expense	\$ 307,962
5290	Other Employee Benefits	\$ 441,553
5310	Board & Committee Travel	\$ 33,000
5410	Rent	\$ 45,684
5420	Phone	\$ 6,000
5430	Meeting Expenses	\$ 125,000
5440	Travel	\$ 506,300
5450	Memberships & Subscriptions	\$ 5,213
5480	Interest Expense	\$ -
5490	Bank & Credit Card Fees	\$ 16,800
5500	Supplies	\$ 119,565
5510	Postage	\$ 1,800
5710	Licenses & Fees	\$ 15
5810	Accounting	\$ 105,775
5815	Public Relations Services	\$ 420,000
5820	Legal - General	\$ 965,000
5821	Legal - Lawsuits	\$ 2,400,000
5825	Technology	\$ 2,044,150
5830	Insurance	\$ 35,000
5840	Payroll Svcs.	\$ 24,000
5850	Printing & Publication	\$ 4,800
5890	Professional Services	\$ 9,767,465
5910	HIWU	\$ 37,884,730
5915	Accreditation Services	\$ 400,000
5920	Racetrack Surface Testing	\$ 700,000
5925	Lab Testing	\$ 20,500,285
6150	In-Kind Expenses	\$ -
7000	Realized Foreign Currency (Gain)/Lo	\$ -
Total Expenses		<u>\$ 81,577,554</u>
Total Change in Net Assets		\$ (80,126,289)
Loans to be repaid		\$ (250,000)
Total to be assessed		<u>\$ (80,376,289)</u>
Credits expected to be utilized by industry in 202:		\$ 21,592,875
Net amount to industry if credits are utilized		<u>\$ (58,783,414)</u>

The 2025 HISA Summary budget is a compilation of the following departmental budgets:

- Racetrack Safety
- Veterinary Services
- Anti-Doping & Medication Control (ADMC)
- Technology
- Admin

**HISA
2025 Budget
Racetrack Safety**

#	Account Name	2025 Budget
<u>Revenue</u>		
4300	Racetrack Safety Fines Income	\$ 120,000
4290	Other Revenue	\$ 144,000
		<u>\$ 264,000</u>
<u>Expenses</u>		
5200	Salaries	\$ 817,700
5210	Payroll Tax Expense	\$ 57,200
5290	Other Employee Benefits	\$ 105,200
5430	Meetings	\$ 65,000
5440	Travel	\$ 40,000
5500	Supplies	\$ 37,900
5890	Professional Services	\$ 1,032,500
5915	Accreditation Services	\$ 400,000
5920	Racetrack Surface Testing	\$ 700,000
		<u>\$ 3,255,500</u>
		<u><u>\$ (2,991,500)</u></u>

The 2025 Racetrack Safety budget primarily consists of:

- Salaries - staff to support and monitor the Racetrack Safety program, including those necessary to oversee the administration, data analysis, track accreditation, and research components.
- Racetrack Surface Testing - pre-meet testing of racetracks around the country that run covered races.
- Professional Services - vendors and contract employees that support the Racetrack Safety program.

HISA
2025 Budget
Veterinary Services

#	Account Name	2025 Budget
<u>Expenses</u>		
5200	Salaries	\$ 717,800
5210	Payroll Tax Expense	\$ 46,700
5290	Other Employee Benefits	\$ 43,000
5430	Meetings	\$ 25,000
5440	Travel	\$ 20,000
5500	Supplies	\$ 13,500
5890	Professional Services	\$ 50,000
		<u>\$ 916,000</u>

The 2025 Veterinary Services budget primarily consists of:

- Salaries - staff to ensure that the veterinary care portion of the Racetrack Safety program is properly carried out.
- Professional Services - vendors and part-time employees that support veterinarians around the country.

HISA
2025 Budget
ADMC

#	Account Name	2025 Budget
<u>Revenues</u>		
4305	ADMC Fines Income	\$ 600,000
4350	Lab Test Income	\$ 539,265
		<u>\$ 1,139,265</u>
<u>Expenses</u>		
5200	Salaries	\$ -
5210	Payroll Tax Expense	\$ -
5290	Other Employee Benefits	\$ -
5440	Travel	\$ 5,000
5500	Supplies	\$ 1,000
5890	Professional Services	\$ 1,371,021
5910	HIWU	\$ 37,884,730
5925	Lab Testing	\$ 20,500,285
		<u>\$ 59,762,036</u>
	Total	<u><u>\$ (58,622,771)</u></u>

The Anti-Doping & Medication Control (ADMC) budget primarily consists of the following:

- Horseracing Integrity & Welfare Unit (HIWU) costs - costs of sample collection for post-race, out-of competition, and TCO2 testing. These costs assume that HIWU is paying for 100% of the costs (no states receive credits for using their own sample collection personnel, etc.).
- Lab Testing - costs of doing all post-race, out-of-competition, and TCO2 testing. This includes drug testing equipment and shipping costs.
- Professional Services - arbitration fees (estimated costs for adjudication of cases) and the cost of the Furosemide study.

HISA
2025 Budget
HIWU

Account	2025 Budget
Salaries	\$ 6,737,000
Payroll Tax Expense	\$ 538,000
Other Employee Benefits	\$ 607,760
Rent	\$ 107,000
Office Expense	\$ 50,504
Telecommunications	\$ 102,500
Travel	\$ 955,315
Supplies	\$ 1,100,000
Professional Services	\$ 4,223,500
Technology	\$ 2,005,500
Insurance	\$ 487,000
Resources and Education	\$ 107,625
Taxes - Other	\$ 7,500
ADMC Collection Costs	\$ 18,049,250
Management Fees	\$ 2,806,276
	<u>\$ 37,884,730</u>

HISA
2025 Budget
Technology Dept.

<u>Account</u>		2025
<u>#</u>	<u>Name</u>	<u>Budget</u>
5200	Salaries	\$ 796,900
5210	Payroll Tax Expense	\$ 61,000
5290	Other Employee Benefits	\$ 77,200
5440	Travel	\$ 202,300
5500	Supplies	\$ 61,200
5825	Technology	\$ 2,044,200
5890	Professional Services	\$ 6,634,700
		<u>\$ 9,877,500</u>

The 2025 Technology Budget primarily consists of the following:

- Professional Services - third-party developers that build and maintain technology systems/portals that facilitate program reporting and monitoring.

- Technology - relationship with Palantir, Amazon Web Services (AWS) and other vendors pertaining to the HISA website and systems.

- Salaries - full-time employees to help create and support the necessary technology systems.

HISA
2025 Budget
Administration

#	Account Name	2025 Budget
Revenue		
4200	Assessments Income	\$ -
4700	Interest Income	\$ 48,000
4150	In-Kind Contributions	\$ -
		<u>\$ 48,000</u>
Expenses		
5200	Salaries	\$ 2,385,100
5210	Payroll Tax Expense	\$ 143,100
5290	Other Employee Benefits	\$ 216,100
5310	Board & Committee Travel	\$ 33,000
5410	Rent	\$ 45,700
5420	Phone	\$ 6,000
5430	Meetings	\$ 35,000
5440	Travel	\$ 239,000
5450	Memberships & Subscriptions	\$ 5,200
5480	Interest Exp.	\$ -
5490	Bank & Credit Card Fees	\$ 16,800
5500	Supplies	\$ 6,000
5510	Postage	\$ 1,800
5710	Licenses & Fees	\$ -
5810	Accounting Svcs.	\$ 105,800
5815	P/R Svcs.	\$ 420,000
5820	Legal-Gen'l	\$ 965,000
5821	Legal-Lawsuits	\$ 2,400,000
5830	Insurance	\$ 35,000
5840	Payroll Svcs.	\$ 24,000
5850	Printing & Publication	\$ 4,800
5890	Professional Services	\$ 679,300
6150	In-Kind Expenses	\$ -
7000	Realized Foreign Currency (Gain)/Loss	\$ -
		<u>\$ 7,766,700</u>
		<u><u>\$ (7,718,700)</u></u>

The 2025 Admin budget primarily consists of the following:

- Salaries - full-time personnel that manage the business and operational components of HISA.
- Legal Fees (General & Lawsuits) - costs of creating and enforcing HISA's rules as well as defending against various lawsuits.

2024 Budget \$ 80,376,289
 PURE PER START FEE: \$ 461.96
 PERCENT "PURE" START 50% (Balance is based on purses per start)

2025 Assessments by State

State	Purses (Paid)	Starts	Purses/ Start	% of Starts	% of Purses	% Purses/% Starts	Start Fee for Projected Starts	Start Fee for Projected Purse Starts	Total Start Fee	Initial State Total	10% Cap Adjustment	Revised State Total with 10% of Purse Cap
AR	\$ 57,910,467	5,907	\$9,804	3.4%	5.5%	1.62	\$230.98	\$373.25	\$604.23	\$3,569,178	\$ (57,659)	\$ 3,626,837
AZ	\$ 9,568,495	2,836	\$3,374	1.6%	0.9%	0.56	\$230.98	\$128.45	\$359.43	\$1,019,357	\$ 62,508	\$ 956,850
CA	98,893,003	13,330	\$7,419	7.7%	9.4%	1.22	\$230.98	\$282.45	\$513.43	\$6,844,045	\$ (110,564)	\$ 6,954,610
DE	\$ 19,835,485	4,880	\$4,065	2.8%	1.9%	0.67	\$230.98	\$154.75	\$385.73	\$1,882,370	\$ (30,409)	\$ 1,912,779
FL	105,684,818	21,025	\$5,027	12.1%	10.0%	0.83	\$230.98	\$191.37	\$422.36	\$8,880,032	\$ (143,455)	\$ 9,023,487
IA	\$ 17,242,836	3,668	\$4,701	2.1%	1.6%	0.77	\$230.98	\$178.97	\$409.95	\$1,503,712	\$ (24,292)	\$ 1,528,004
IL	19,321,662	6,511	\$2,968	3.7%	1.8%	0.49	\$230.98	\$112.98	\$343.96	\$2,239,539	\$ 307,373	\$ 1,932,166
IN	\$ 32,319,915	7,840	\$4,122	4.5%	3.1%	0.68	\$230.98	\$156.95	\$387.93	\$3,041,384	\$ (49,133)	\$ 3,090,517
KY	204,933,973	17,622	\$11,629	10.1%	19.4%	1.92	\$230.98	\$442.76	\$673.74	\$11,872,610	\$ (191,800)	\$ 12,064,410
MD	66,430,307	11,445	\$5,804	6.6%	6.3%	0.96	\$230.98	\$220.98	\$451.96	\$5,172,725	\$ (83,565)	\$ 5,256,289
MN	\$ 9,663,795	2,714	\$3,561	1.6%	0.9%	0.59	\$230.98	\$135.56	\$366.55	\$994,806	\$ 28,426	\$ 966,380
NJ	26,177,417	4,139	\$6,325	2.4%	2.5%	1.04	\$230.98	\$240.79	\$471.77	\$1,952,661	\$ (31,545)	\$ 1,984,206
NM	23,990,929	5,565	\$4,311	3.2%	2.3%	0.71	\$230.98	\$164.13	\$395.11	\$2,198,798	\$ (35,521)	\$ 2,234,320
NY	180,446,784	18,461	\$9,774	10.6%	17.1%	1.61	\$230.98	\$372.13	\$603.12	\$11,134,128	\$ (179,870)	\$ 11,313,998
OH	53,497,799	15,623	\$3,424	9.0%	5.1%	0.56	\$230.98	\$130.37	\$361.35	\$5,645,403	\$ 295,623	\$ 5,349,780
OK	21,125,352	6,357	\$3,323	3.7%	2.0%	0.55	\$230.98	\$126.52	\$357.50	\$2,272,638	\$ 160,103	\$ 2,112,535
PA	84,039,287	21,077	\$3,987	12.1%	8.0%	0.66	\$230.98	\$151.80	\$382.78	\$8,067,955	\$ (130,336)	\$ 8,198,291
VA	\$ 17,379,937	2,072	\$8,388	1.2%	1.6%	1.38	\$230.98	\$319.35	\$550.33	\$1,140,284	\$ (18,421)	\$ 1,158,705
WA	\$ 7,121,250	2,916	\$2,442	1.7%	0.7%	0.40	\$230.98	\$92.98	\$323.96	\$944,664	\$ 232,539	\$ 712,125
	1,055,583,511	173,988		100.0%	100.0%					\$ 80,376,289	\$ 0	\$ 80,376,289

Note 1: this excludes states that don't have tracks conducting Covered Horseraces and others not under HISA's authority, including Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, Texas, Wyoming, W. VA, and Louisiana.

Note 2: this also excludes Golden Gate, Arapahoe, Far Hills, SunRay, Fair Meadows, Arizona Downs, and Rillito (tracks that aren't expected to export their signal).

Note 3: the above Purses Paid and Starts data is for the period July 1, 2023 thru June 30, 2024. This excludes Breeders' Cup at Santa Anita.

2025 Assessments by Track

State	Track	Starts	Purses Paid	% of purses in state	HISA fee per start	HISA annual cost
AR	Oaklawn	5,907	\$ 57,910,467	100.0%	\$ 613.99	\$ 3,626,837
AZ	Turf Paradise	2,836	\$ 9,568,495	100.0%	\$ 337.39	\$ 956,850
CA	Del Mar	3,392	\$ 31,289,224	31.6%	\$ 648.70	\$ 2,200,402
CA	Ferndale	193	\$ 368,017	0.4%	\$ 134.10	\$ 25,881
CA	Fresno	304	\$ 1,049,868	1.1%	\$ 242.87	\$ 73,832
CA	Los Alamitos TB	828	\$ 1,218,455	1.2%	\$ 103.49	\$ 85,687
CA	Los Alamitos TB during QH meet	1,222	\$ 7,003,784	7.1%	\$ 403.06	\$ 492,538
CA	Pleasanton	689	\$ 2,657,404	2.7%	\$ 271.23	\$ 186,881
CA	Santa Anita	6,131	\$ 53,227,058	53.8%	\$ 610.53	\$ 3,743,171
CA	Sacramento	248	\$ 951,529	1.0%	\$ 269.82	\$ 66,916
CA	Santa Rosa	323	\$ 1,127,664	1.1%	\$ 245.52	\$ 79,303
DE	Delaware Park	4,880	\$ 19,835,485	100.0%	\$ 391.96	\$ 1,912,779
FL	Gulfstream	14,185	\$ 83,606,045	79.1%	\$ 503.23	\$ 7,138,377
FL	Tampa	6,840	\$ 22,078,773	20.9%	\$ 275.60	\$ 1,885,110
IA	Prairie Meadows	3,668	\$ 17,242,836	100.0%	\$ 416.58	\$ 1,528,004
IL	Fanduel (Fairmount)	3,140	\$ 7,134,220	36.9%	\$ 227.20	\$ 713,422
IL	Hawthorne	3,371	\$ 12,187,442	63.1%	\$ 361.54	\$ 1,218,744
IN	Horseshoe (Indiana Grand)	7,840	\$ 32,319,915	100.0%	\$ 394.20	\$ 3,090,517
KY	Churchill Downs	6,274	\$ 95,566,063	46.6%	\$ 896.71	\$ 5,625,949
KY	Ellis Park	1,888	\$ 18,743,749	9.1%	\$ 584.45	\$ 1,103,440
KY	KY Downs	792	\$ 24,238,619	11.8%	\$ 1,801.67	\$ 1,426,921
KY	Keeneland	2,780	\$ 38,803,206	18.9%	\$ 821.70	\$ 2,284,335
KY	Turfway	5,888	\$ 27,582,336	13.5%	\$ 275.78	\$ 1,623,765
MD	Laurel	9,694	\$ 52,922,332	79.7%	\$ 431.97	\$ 4,187,473
MD	Pimlico	1,351	\$ 11,415,925	17.2%	\$ 668.60	\$ 903,284
MD	Timonium	400	\$ 2,092,050	3.1%	\$ 413.83	\$ 165,533
MN	Canterbury	2,714	\$ 9,663,795	100.0%	\$ 356.07	\$ 966,380
NJ	Meadowlands	256	\$ 912,010	3.5%	\$ 270.03	\$ 69,129
NJ	Monmouth	3,883	\$ 25,265,407	96.5%	\$ 493.20	\$ 1,915,078
NM	Albuquerque	1,437	\$ 4,771,153	19.9%	\$ 309.22	\$ 444,346
NM	Ruidoso	944	\$ 3,156,880	13.2%	\$ 311.45	\$ 294,006
NM	Sunland	1,847	\$ 8,125,163	33.9%	\$ 409.70	\$ 756,711
NM	Zia Park	1,337	\$ 7,937,733	33.1%	\$ 552.92	\$ 739,256
NY	Aqueduct	5,829	\$ 54,302,742	30.1%	\$ 584.11	\$ 3,404,777
NY	Belmont at Aqueduct	3,798	\$ 43,346,270	24.0%	\$ 715.59	\$ 2,717,808
NY	Belmont	529	\$ 7,197,710	4.0%	\$ 853.11	\$ 451,296
NY	Finger Lakes	4,770	\$ 14,305,256	7.9%	\$ 188.04	\$ 896,938
NY	Saratoga	3,535	\$ 61,294,806	34.0%	\$ 1,087.18	\$ 3,843,179
OH	Belterra Park	4,828	\$ 12,339,356	23.1%	\$ 255.58	\$ 1,233,936
OH	Mahoning Valley	5,568	\$ 19,345,615	36.2%	\$ 347.44	\$ 1,934,562
OH	Thistledown	5,227	\$ 21,812,828	40.8%	\$ 417.31	\$ 2,181,283
OK	Remington	4,767	\$ 16,870,512	79.9%	\$ 353.90	\$ 1,687,051
OK	Will Rogers Downs	1,590	\$ 4,254,840	20.1%	\$ 267.60	\$ 425,484
PA	Penn National	5,991	\$ 19,290,784	23.0%	\$ 314.12	\$ 1,881,875
PA	Presque Isle Downs	4,162	\$ 14,041,955	16.7%	\$ 329.13	\$ 1,369,836
PA	Parx	10,924	\$ 50,706,548	60.3%	\$ 452.82	\$ 4,946,580
VA	Colonial	2,072	\$ 17,379,937	100.0%	\$ 559.22	\$ 1,158,705
WA	Emerald Downs	2,916	\$ 7,121,250	100.0%	\$ 244.21	\$ 712,125
		173,988	1,055,583,511			\$ 80,376,289

Horseracing Integrity and Safety Authority, Inc.
Budget vs. Actual
For the 6 Months Ended June 30, 2024

	Actual	Budget	F/(U)	Variance \$	Variance %	Variance Explanation
Revenue						
4200 - Assessments Income	23,007,628	0		23,007,628	#DIV/0!	Assessments weren't included in the 2023 Budget.
4300 - Racetrack Safety Fines Income	141,423	90,000		51,423	57.1%	
4305 - ADMC Fines Income	718,820	716,802		2,018	0.3%	
4350 - Lab Test Income	175,885	868,240		(692,355)	-79.7%	Less testing of claimed horses and B samples than anticipated.
4700 - Operating Interest	23,864	0		23,864	#DIV/0!	
4290 - Other Revenue	315,914	120,000		195,914	163.3%	This represents payments from certain tracks to reimburse HISA for paying for the cost of Racetrack Safety rules compliance. There is an offsetting expense, so the net impact is \$0.
4295 - Conference Revenue	3,080	0		3,080	#DIV/0!	
4150 - In-Kind Contributions	6,000	6,000		0	0.0%	
Total Revenue	24,392,614	1,801,042		(22,591,572)		
Expenses						
5200 - Salaries	1,580,417	1,877,152		296,735	15.8%	Staff has not been hired as quickly as anticipated.
5210 - Payroll Tax Expense	134,825	141,505		6,680	4.7%	
5290 - Other Employee Benefits	152,547	214,811		62,264	29.0%	
5810 - Accounting	54,450	76,275		21,825	28.6%	
5830 - Organizational Insurance	15,951	32,140		16,189	50.4%	
5840 - Payroll	9,767	12,000		2,233	18.6%	
5820 - Legal - General	512,916	685,002		172,086	25.1%	General legal fees have been less than anticipated.
5821 - Legal - Lawsuits	332,568	1,110,000		777,433	70.0%	Legal fees for lawsuits have been less than anticipated, but this is expected to ramp up in the second half of 2024.
5310 - Board & Committee Travel	0	1,500		1,500	100.0%	
5410 - Rent	6,180	6,000		(180)	-3.0%	
5420 - Telecommunications	600	600		0	0.0%	
5450 - Memberships & Subscriptions	769	600		(170)	-28.3%	
5490 - Bank & Credit Card Fees	10,804	4,800		(6,004)	-125.1%	
5500 - Supplies	18,098	46,248		28,150	60.9%	
5510 - Postage	879	750		(129)	-17.2%	
5850 - Printing & Publication	2,523	1,500		(1,022)	-68.1%	
6150 - In-Kind Expenses	6,000	6,000		0	0.0%	
7000 - Realized Foreign Currency Gain (Loss)	335	0		(335)	#DIV/0!	
5430 - Meeting Expenses	38,214	27,500		(10,714)	-39.0%	
5440 - Travel	158,444	198,750		40,306	20.3%	
5480 - Interest Expense	(48,521)	49,998		98,519	197.0%	
5815 - Public Relations Services	196,566	205,002		8,436	4.1%	
5825 - Technology	1,214,497	246,670		(967,828)	-392.4%	This account contains \$848K in unbudgeted payments to Palantir. We will make this up from savings in Lab Testing, and have included Palantir in the 2025 Budget.
5890 - Other Professional Services	4,424,381	4,741,732		317,352	6.7%	
5910 - DFS/HIWU Services	9,066,483	18,978,692		9,912,209	52.2%	This is due to states availing themselves of sample collection credits (in which they pay the sample collection personnel and HIWU doesn't bill us for them).
5915 - Accreditation Services	127,024	165,000		37,976	23.0%	
5920 - Racetrack Surface Testing	298,625	357,498		58,873	16.5%	
5925 - Lab Testing	4,470,967	10,459,500		5,988,533	57.3%	This is primarily due to the labs in California and Pennsylvania not billing us given that they are receiving credits against their assessment invoices instead. Additionally, we have sent more samples to Industrial Lab (which has more competitive pricing).
Total Expenses	22,786,309	39,647,225		16,860,917		
Total Change in Net Assets	<u>1,606,305</u>					

Scope - an explanation is provided for all variances > 10% and at least \$100,000.