

Kentucky Horse Racing Commission

Meeting Materials for Special Meeting

December 11, 2023



TABLE OF CONTENTS

1. MINUTES OF THE OCTOBER 31, 2023, KENTUCKY HORSE RACING COMMISSION MEETING..... 1

2. 2024 MEETING SCHEDULE & CALENDAR 12

3. RENEWAL OF CHURCHILL DOWNS RACETRACK, LLC’S LICENSE FOR A SIMULCAST FACILITY 14

4. REQUEST FOR APPROVAL OF TOTALIZATOR SERVICE LICENSES FOR 2024 17

5. REQUEST FOR APPROVAL OF ADVANCE DEPOSIT ACCOUNT WAGERING LICENSES FOR 2024 18

6. CHURCHILL DOWNS RACETRACK, LLC’S APPLICATION FOR MONIES FROM THE BACKSIDE IMPROVEMENT FUND 20

7. KTDF REQUESTS PERTAINING TO TURFWAY PARK, LLC’S 2023 HOLIDAY & 2024 WINTER/SPRING RACE MEET 29

8. THE KENTUCKY SIRE STAKES COMMONWEALTH, GOLDENROD AND MINI-SERIES OF 2024..... 37

9. THE KENTUCKY PROUD SERIES OF 2024 45

10. RELEASE OF UNCASHED PARI-MUTUEL TICKETS TO THE KENTUCKY RACING HEALTH & WELFARE FUND 48

11. RELEASE OF UNCASHED PARI-MUTUEL TICKETS TO THE KENTUCKY PROUD SERIES 72

12. RATIFICATION OF EXECUTIVE DIRECTOR EADS’ APPROVAL OF THE AMENDMENTS TO KENTUCKY SPORTS WAGERING CATALOG 73

13. REQUEST FOR APPROVAL OF SPORTS WAGERING SERVICE PROVIDER LICENSES FOR 2024..... 76

14. VOLUNTARY IMPLEMENTATION AGREEMENT WITH HORSERACING INTEGRITY AND SAFETY AUTHORITY, INC. AND HORSERACING INTEGRITY AND WELFARE UNIT FOR 2024 79

DIVISION REPORTS

A. THOROUGHBRED RULINGS 98

B. STANDARD BRED RULINGS..... 100

C. VETERINARY DIVISION 105

D. PARI-MUTUEL WAGERING DIVISION 110

E. SPORTS WAGERING DIVISION 114

MINUTES OF THE OCTOBER 31, 2023, KENTUCKY HORSE RACING COMMISSION MEETING

Date: October 31, 2023 at 1:30 p.m.

Place: Kentucky Horse Racing Commission Conference Room, 4047 Iron Works Parkway, Lexington, Kentucky 40511

Members Present: Chair Jonathan Rabinowitz; Commissioner Mike Berry, Commissioner Dr. Naveed Chowhan, Commissioner Dr. Tiffany Daniels, Commissioner William L.S. Landes, Commissioner Charles O’Connor, Commissioner Catherine Parke, Commissioner C. Frank Shoop, Commissioner James E. Worley

Ex-officio Members Present: DJ Wasson, serving as proxy on behalf of Secretary Ray Perry; Sydney Montgomery, serving as proxy on behalf of Secretary Jef Noel; Secretary Lindy Casebier

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
I. Call to Order and Roll Call	3 - 4	Chair Rabinowitz called the meeting of the Kentucky Horse Racing Commission (KHRC) to order and performed the roll call. A quorum was recognized.	No action taken.
	4 - 6	Chair Rabinowitz shared opening remarks regarding Equine Medical Director Dr. Howard’s retirement.	
II. New Business Tab 1: Approve minutes of the August 22, 2023 Kentucky Horse Racing Commission Meeting	7 - 66 7 - 8	Chair Rabinowitz requested a motion from the Commission to approve minutes of the August 22, 2023, Kentucky Horse Racing Commission Meeting. Motion by Commissioner Berry. Second by Commissioner Landes.	Chair Rabinowitz called for a vote to approve minutes of the August 22, 2023, Kentucky Horse Racing Commission

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
		Executive Director Jamie Eads was assigned the floor and explained that behind tab one were the minutes from the August 22, 2023 meeting. KHRC staff recommended approval.	Meeting. Motion carried with no objections or abstentions.
Tab 2: Ratification of Executive Director's Approval of Ellis Entertainment, LLC's Request to Amend Section R of its 2023 Application to Conduct Live Horse Racing, Simulcasting and Pari-Mutuel Wagering	8 – 10	<p>Chair Rabinowitz requested a motion from the Commission to ratify the Executive Director's Approval of Ellis Entertainment, LLC's Request to Amend Section R of its 2023 Application to Conduct Live Horse Racing, Simulcasting and Pari-Mutuel Wagering. Motion by Commissioner Landes, second by Commissioner Daniels.</p> <p>Deputy General Counsel Travers Manley was assigned the floor and explained that Ellis Park requested to amend its 2023 application to reschedule racing from August 25 to August 28 due to high temperatures in the area. Due to the time constraints of the request, Executive Director Eads granted conditional approval for Ellis to cancel on August 25 and reschedule to August 28. KHRC staff recommended ratification of the Executive Director's approval.</p>	Chair Rabinowitz called for a vote to ratify the Executive Director's Approval of Ellis Entertainment, LLC's Request to Amend Section R of its 2023 Application to Conduct Live Horse Racing, Simulcasting and Pari-Mutuel Wagering. Motion carried with no objections or abstentions.
Tab 3: Turfway Park, LLC's Request to Amend Section R of its 2023 Application to Conduct Live Horse Racing, Simulcasting	10 - 12	Chair Rabinowitz requested a motion from the Commission to approve of Turfway Park, LLC's Request to Amend Section R of its 2023 Application to Conduct Live Horse Racing, Simulcasting and Pari-Mutuel Wagering. Motion by Commissioner Worley and second by Commissioner Parke.	Chair Rabinowitz called for a vote to approve Turfway Park, LLC's Request to Amend Section R of its 2023 Application to Conduct Live Horse

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
and Pari-Mutuel Wagering		Deputy General Counsel Travers Manley was assigned the floor and explained that behind tab 3 is a memorandum and letters related to Turfway Park’s request to amend its 2023 application. The General Manager for Turfway Park requested to cancel racing on December 31, 2023. The Kentucky HBPA and the KTA/KTOB support the cancellation.	Racing, Simulcasting and Pari-Mutuel Wagering. Motion carried with no objections or abstentions.
Tab 4: Proposed Amendments to 810 KAR 4:070, Jockeys and Apprentices	12 - 17	<p>Chair Rabinowitz requested a motion from the Commission to approve proposed Amendments to 810 KAR 4:070, Jockeys and Apprentices. Motion by Commissioner Shoop. Second by Commissioner Berry.</p> <p>General Counsel Jennifer Wolsing was assigned the floor and explained that the changes were recommended and agreed to by KTA/KTOB, KHBPA and the Jockeys’ Guild and that the changes will modernize jockey fees set forth in the regulation. KHRC Staff recommended approval.</p> <p>Commissioner Landes inquired as to how long the regulation process would take. General Counsel Jennifer Wolsing explained that the entire process takes 7-9 months from the date that the regulation is filed with the LRC.</p>	Chair Rabinowitz called for a vote to approve proposed Amendments to 810 KAR 4:070. Jockeys and Apprentices. Motion carried with no objections or abstentions.
Tab 5: Proposed Conditions on Licenses to Conduct Live Horse Racing, Simulcasting,	18 - 21	Chair Rabinowitz requested a motion from the Commission to approve proposed Conditions on Licenses to Conduct Live Horse Racing, Simulcasting, And Pari-Mutuel Wagering for 2024.	Chair Rabinowitz called for a vote to approve proposed Conditions on Licenses

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
And Pari-Mutuel Wagering for 2024		<p>Motion by Commissioner O'Connor, second by Commissioner Shoop.</p> <p>General Counsel Jennifer Wolsing and Deputy Executive Director Waqas Ahmed were assigned the floor and explained that there are conditions based on KRS 230.290 that states that all licenses that are granted under KRS 230 shall be subject to all administrative regulations and conditions as may be from time to time prescribed by the racing commission. As a condition of licensure, it is recommended by KHRC staff that each racing association shall have to certify that they will comply with certain requirements that are proposed in the conditions that are set forth in pages 46 through 60 of the meeting materials. The proposed conditions have been shared with the Race Dates Committee.</p>	to Conduct Live Horse Racing, Simulcasting, And Pari-Mutuel Wagering for 2024. Motion carried with no objections or abstentions.
Tab 6: Licenses to Conduct Live Horse Racing, Simulcasting, Pari-Mutuel Wagering, Sports Wagering for 2024	21 - 44	<p>Chair Rabinowitz requested that Deputy Executive Director Waqas Ahmed take the floor and present the applications before a motion is made. Deputy Executive Director Waqas Ahmed explained that the applicants desiring to engage in racing within Kentucky must first obtain authorization from the Commission. KRS 230 outlines the criteria that is used by the staff to assess an applicant's suitability for licensure.</p> <p>Deputy Executive Director Waqas Ahmed presented each license, which can be found in the meeting materials at pages 22 - 41 and transcript.</p>	Chair Rabinowitz called for a vote to approve licenses to Conduct Live Horse Racing, Simulcasting, Pari-Mutuel Wagering, Sports Wagering, and Conditions Thereon for 2024. Motion carried with no objections or abstentions.

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
		Chair Rabinowitz requested a motion from the Commission to approve licenses to Conduct Live Horse Racing, Simulcasting, Pari-Mutuel Wagering, Sports Wagering, and Conditions Thereon for 2024. Motion by Commissioner Shoop, second by Commissioner Worley.	
Tab 7: Ratification of Executive Director Eads' Approval of Lexington Trots Breeders Association, LLC's Request to Amend Section R of its 2023 Application to Conduct Live Horse Racing, Simulcasting and Pari-Mutuel Wagering	44 - 46	<p>Chair Rabinowitz requested a motion from the Commission to ratify Executive Director Eads' Approval of Lexington Trots Breeders Association, LLC's Request to Amend Section R of its 2023 Application to Conduct Live Horse Racing, Simulcasting and Pari-Mutuel Wagering. Motion by Commissioner Parke, second by Commissioner Daniels.</p> <p>KHRC Chief State Steward Barbara Borden was assigned the floor and explained that the Red Mile was awarded race dates that included Sunday, September 3. On August 25, the Red Mile Vice President of Racing Operations requested approval to move the post time of the September 3 race date from 1 p.m. to 5:50 p.m. as a one-time special holiday card. Due to the time constraints, Executive Director Jamie Eads granted conditional approval. KHRC staff recommended ratification of Director Eads' approval.</p>	<p>Chair Rabinowitz called for a vote to ratify Executive Director Eads' Approval of Lexington Trots Breeders Association, LLC's Request to Amend Section R of its 2023 Application to Conduct Live Horse Racing, Simulcasting and Pari-Mutuel Wagering Motion carried with no objections or abstentions.</p>
Tab 8: Turfway Park, LLC's Proposed 2023 Holiday Race Meet & 2024 Winter/Spring	46 - 48	Chair Rabinowitz requested a motion from the Commission to approve Turfway Park, LLC's Proposed 2023 Holiday Race Meet & 2024 Winter/Spring Race Meet Officials and Date Preference	Chair Rabinowitz called for a vote to approve Turfway Park, LLC's Proposed 2023

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
Race Meet Officials and Date Preference System		<p>System. Motion by Commissioner Berry, second by Commissioner O'Connor.</p> <p>KHRC Chief State Steward Barbara Borden was assigned the floor and explained the on August 25, the Director of Racing at Turfway Park requested the approval of the roster of racing officials and the date preference system for the holiday meet as well as the 2024 winter/spring meet. All stewards are ROAP accredited and there are no changes to the date preference system that has been in place for several years. KHRC staff recommended approval.</p>	<p>Holiday Race Meet & 2024 Winter/Spring Race Meet Officials and Date Preference System.</p> <p>Motion carried with no objections or abstentions.</p>
Tab 9: KTDF Requests Pertaining to Turfway Park LLC's 2023 Holiday & 2024 Winter/Spring Race Meet	48 - 50	<p>Chair Rabinowitz requested a motion from the Commission to approve KTDF Requests Pertaining to Turfway Park LLC's 2023 Holiday & 2024 Winter/Spring Race Meet. Motion by Commissioner Worley, second by Commissioner Shoop.</p> <p>Incentives and Development Program Coordinator Katie Mueller was assigned the floor and explained that Turfway Park submitted a request for their 2023 holiday and 2024 winter/spring race meet regarding KTDF purses. Turfway Park proposed a total of purses in the range of \$8.5 to \$9.2 million. The advisory committee along with KYHBPA and the KTA/KTOB recommended approval. Approval is also recommended by KHRC staff.</p>	<p>Chair Rabinowitz called for a vote to approve KTDF Requests Pertaining to Turfway Park LLC's 2023 Holiday & 2024 Winter/Spring Race Meet. Motion carried with no objections or abstentions.</p>

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
<p>Tab 10: Ratification of Executive Director Eads' approval of the Kentucky Sports Wagering Catalog</p>	<p>50 - 54</p>	<p>Chair Rabinowitz requested a motion from the Commission to ratify Executive Director Eads' approval of the Kentucky Sports Wagering Catalog. Motion by Commissioner Worley, second by Commissioner O'Connor.</p> <p>KHRC Sports Wagering Director Hans Stokke was assigned the floor and explained that in accordance with KRS 230.805(2), the KHRC is required to promulgate administrative regulations to establish standards for the conduct of sports wagering. As stated in 809 KAR 10:002 Section 2, the licensee shall not offer sports wagering that has not been approved by the commission.</p> <p>The Kentucky Sports Wagering Advisory Council reviewed the Sports Wagering Catalog and the council endorsed and recommended ratification by the KHRC. The Council met again and endorsed Catalog additions. KHRC Executive Director Jamie Eads granted conditional approval of the Sports Wagering Catalog and additions pending ratification by the commission. KHRC staff recommended ratification of the Director's approval.</p>	<p>Chair Rabinowitz called for a vote to ratify Executive Director Eads' approval of the Kentucky Sports Wagering Catalog. Motion carried with no objections or abstentions.</p>
<p>Tab 11: Ratification of Executive Director Eads' Approval of the Independent Testing Laboratories Submission Criteria</p>	<p>54 - 57</p>	<p>Chair Rabinowitz requested a motion from the Commission to ratify Executive Director Eads' approval of the Independent Testing Laboratories submission criteria. Motion by Commissioner Shoop, second by Commissioner Berry.</p> <p>KHRC Sports Wagering Director Hans Stokke was assigned the floor and explained that Independent Testing Labs, or ITLs, must provide a range of information including corporate details such</p>	<p>Chair Rabinowitz called for a vote to ratify Executive Director Eads' approval of the Independent Testing Laboratories submission criteria.</p>

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
<p>d. Pari-mutual Wagering & Compliance</p>	<p>64 - 66</p>	<p>The next report was for Ellis Park, which provided a total of 1,658 starts, 480 horses sampled, 59 scratches and 96 horses on the vet’s list. There was one racing fatality and one training fatality, which was a sudden death.</p> <p>The final report was for Kentucky Downs, which included a total of 792 starts, 153 post race samples, 18 veterinary scratches and 24 horses on the vet’s list. There were 4 ambulance runs and 0 fatalities.</p> <p>Dr. Bruce Howard explained that an ongoing chart since 2007 has been provided and it was updated though September with yearly comparisons.</p> <p>Dr. Howard also thanked the commission and shared appreciation regarding his retirement.</p> <p>Director of Pari-Mutuel Wagering & Compliance, Andy Conway, was assigned the floor and explained that his report was for July, August, and September. On-track live wagering saw an increase of over 5 percent. In-state deposit wagers showed a significant increase in August and September with September increasing 1 million from last year with TVG, FanDuel, and Xpressbets. Wagers on historical racing saw a 15 percent increase in September with a stronger 20 percent growth year to date.</p> <p>Chair Rabinowitz shared special thanks to the Commission for their hard work with Sports Wagering.</p>	
<p>III. Executive Session</p>	<p>69</p>	<p>Chair Rabinowitz requested a motion from the Commission to convene in closed session to discuss proposed or pending</p>	<p>Chair Rabinowitz called for a vote for</p>

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
<p>During the meeting on October 31, 2023, Commissioners convened under closed session pursuant to KRS 61.810(1)(c) to discuss pending litigation (CONFIDENTIAL)</p>		<p>litigation against or on behalf of the agency, as permitted by KRS Chapter 61.810(1)(c). Motion by Commissioner Berry, second by Commissioner O'Connor.</p> <p style="text-align: center;">EXECUTIVE SESSION</p> <p>Chair Rabinowitz requested a motion from the Commission to reconvene in open session. Motion by Commissioner Berry, second by Commissioner Worley.</p> <p style="text-align: center;">RECONVENED TO OPEN SESSION</p>	<p>the Commission to convene in closed session. Motion carried with no objections or abstentions.</p> <p>Chair Rabinowitz called for a vote for the Commission to reconvene in open session. Motion carried with no objections or abstentions.</p>
<p>IV. Other Business</p> <p>1. Kentucky Horse Racing Commission's Final Order in Jim Schulte v. KHRC, ADMINISTRATIVE ACTION NO. KHRC-23-SB-001</p>	<p>71</p>	<p>Chair Rabinowitz requested a motion from the Commission to approve the final order in the matter of Jim Schulte, Administrative Action No. KHRC-23-SB-001. Motion by Commissioner Shoop, second by Commissioner O'Connor.</p>	<p>Chair Rabinowitz called for a vote to approve the final order in the matter of Jim Schulte, Administrative Action No. KHRC-23-SB-001. Motion carried with no objections or abstentions.</p>

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
2. Kentucky Horse Racing Commission's Final Order in Walter Rodriguez v. KHRC, ADMINISTRATIVE ACTION NO. KHRC-23-TB-001	72	Chair Rabinowitz requested a motion from the Commission to approve the final order in the matter of Walter Rodriguez, Administrative Action No. KHRC-23-TB-001. Motion by Commissioner Berry, second by Commissioner Worley.	Chair Rabinowitz called for a vote to approve the final order in the matter of Walter Rodriguez, Administrative Action No. KHRC-23-TB-001. Motion carried with no objections or abstentions.
V. Adjournment	73 - 74	With no other business, Chairman Rabinowitz requested a motion to adjourn the August 22, 2023 meeting. Motion by Commissioner Berry, second by Commissioner Worley. Meeting adjourned.	Chairman Rabinowitz called for a vote to adjourn. Motion carried with no objections or abstentions.

NOTE: The meeting materials and any amendments and/or supplements thereto, subject to any applicable exemptions, and the official Transcript are incorporated by reference as if set forth fully herein.

2024 MEETING SCHEDULE & CALENDAR



Andy Beshear
GOVERNOR
Jacqueline Coleman
LIEUTENANT GOVERNOR

PUBLIC PROTECTION CABINET

**Kentucky Horse Racing
Commission**
4047 Iron Works Parkway
Lexington, KY 40511
Phone: (859) 246-2040
Fax: (859) 246-2039

Ray A. Perry
SECRETARY
Jamie Eads
EXECUTIVE DIRECTOR
Jonathan Rabinowitz
CHAIRMAN

2024 MEETING SCHEDULE OF THE KENTUCKY HORSE RACING COMMISSION

Day:	Date:	Time:	Location:
Tuesday	February 20, 2024	1:30pm	KHRC Office 4047 Iron Works Pkwy. Lexington, KY 40511
Tuesday	April 16, 2024	1:30pm	KHRC Office 4047 Iron Works Pkwy. Lexington, KY 40511
Tuesday	June 18, 2024	1:30pm	KHRC Office 4047 Iron Works Pkwy. Lexington, KY 40511
Tuesday	August 20, 2024	1:30pm	KHRC Office 4047 Iron Works Pkwy. Lexington, KY 40511
Tuesday	October 15, 2024	1:30pm	KHRC Office 4047 Iron Works Pkwy. Lexington, KY 40511
Tuesday	December 10, 2024	1:30pm	KHRC Office 4047 Iron Works Pkwy. Lexington, KY 40511



PUBLIC PROTECTION CABINET

Andy Beshear
GOVERNOR
Jacqueline Coleman
LIEUTENANT GOVERNOR

**Kentucky Horse Racing
Commission**
4047 Iron Works Parkway
Lexington, KY 40511
Phone: (859) 246-2040
Fax: (859) 246-2039

Ray A. Perry
SECRETARY
Jamie Eads
EXECUTIVE DIRECTOR
Jonathan Rabinowitz
CHAIRMAN

2024 DEADLINES FOR SUBMITTING AN AGENDA ITEM FOR KHRC MEETING:

Meeting Date:	INDUSTRY Deadline to Submit Meeting Materials to KHRC:	STAFF Deadline:
February 20, 2024	February 2, 2024	February 9, 2024
April 16, 2024	March 29, 2024	April 5, 2024
June 18, 2024	May 31, 2024	June 7, 2024
August 20, 2024	August 2, 2024	August 9, 2024
October 15, 2024	September 27, 2024	October 4, 2024
December 10, 2024	November 22, 2024	November 29, 2024



Andy Beshear
GOVERNOR

Ray A. Perry
SECRETARY

Jacqueline Coleman
LIEUTENANT GOVERNOR

PUBLIC PROTECTION CABINET

**Kentucky Horse Racing
Commission**

4047 Iron Works Parkway
Lexington, KY 40511
Phone: (859) 246-2040
Fax: (859) 246-2039

Jamie Eads
EXECUTIVE DIRECTOR

Jonathan Rabinowitz
CHAIRMAN

TO: Kentucky Horse Racing Commission
FROM: Waqas Ahmed, Deputy Executive Director
DATE: December 11, 2023
RE: **RENEWAL OF CHURCHILL DOWNS RACETRACK, LLC’S LICENSE FOR A SIMULCAST FACILITY**

Pursuant to 810 KAR 3:050, Churchill Downs Racetrack, LLC (“Churchill Downs”) has submitted information to request renewal of its license for a simulcast facility. On October 20, 2020, the Kentucky Horse Racing Commission (“KHRC”) voted unanimously to approve Churchill Downs’ request to establish a simulcast facility. This facility was launched in Fall 2020. Churchill Downs will continue to operate the facility at the Louisville Thoroughbred Society. Keeneland Association, Inc.(“Keeneland”) is a thoroughbred racetrack within 75 miles of the facility. Pursuant to 810 KAR 3:050, Keeneland endorsed this renewal and provides consent to Churchill Downs to operate the simulcast facility. Simulcast offerings at the facility will be identical to those approved for Churchill Downs in its renewal application to conduct live horse racing, simulcasting and pari-mutuel wagering for 2024. KHRC staff has reviewed the information submitted by Churchill Downs and believes it satisfies the suitability requirements per 810 KAR 3:050.

KHRC staff recommends renewal of Churchill Downs’ license for a simulcast facility.

COMMISSION ACTION

_____ Approve
_____ Defer
_____ Deny



CHURCHILL DOWNS

September 24, 2023

Mr. Jonathan Rabinowitz
Chairman
Kentucky Horse Racing Commission
4063 Iron Works Pike, Building B
Lexington, KY 40511
Via E-Mail: jrabinowitz@forthepeople.com

Ms. Jamie Eads
Executive Director
Kentucky Horse Racing Commission
4063 Iron Works Parkway, Building B
Lexington, KY 40511

Mr. Waqas Ahmed
Deputy Executive Director
Kentucky Horse Racing Commission
4063 Iron Works Parkway, Building B
Lexington, KY 40511

Re: Request to the Kentucky Horse Racing Commission (the "Commission") by Churchill Downs Racetrack for license renewal at the Louisville Thoroughbred Society Simulcast Facility in Louisville, KY

Dear Chairman Rabinowitz, Ms. Eads and Mr. Ahmed:

Churchill Downs Racetrack, LLC ("Applicant") respectfully requests the Commission's approval of the renewal license for the Louisville Thoroughbred Society Simulcast Facility in Louisville, KY. Attached is the requisite information.

Further information will be provided to the Commission upon request.

Feel free to contact me with any questions.

Very truly yours,

Michael Ziegler
General Manager



Keeneland Association, Inc.
4201 Versailles Road
P.O. Box 1690
Lexington, KY 40588-1690
859 254-3412 Tel.
800 456-3412
859 288-4348 Fax
www.keeneland.com

September 28, 2023

Mike Anderson
President
Churchill Downs Racetrack, LLC
700 Central Ave.
Louisville, KY 40208

Re: Louisville Thoroughbred Society Simulcasting

Dear Mike,

Keeneland Association hereby grants its consent to Churchill Downs Racetrack, LLC to receive intrastate and interstate simulcast signals and accept pari-mutuel wagering thereon at the Louisville Thoroughbred Society for the 2024 calendar year.

Very truly yours,

Shannon Arvin
President and CEO



Andy Beshear
GOVERNOR

Ray A. Perry
SECRETARY

Jacqueline Coleman
LIEUTENANT GOVERNOR

PUBLIC PROTECTION CABINET

**Kentucky Horse Racing
Commission**

4047 Iron Works Parkway
Lexington, KY 40511
Phone: (859) 246-2040
Fax: (859) 246-2039

Jamie Eads
EXECUTIVE DIRECTOR

Jonathan Rabinowitz
CHAIRMAN

TO: Kentucky Horse Racing Commission
FROM: Andy Conway, Director of Pari-Mutuel Wagering and Compliance
DATE: December 11, 2023
RE: **REQUEST FOR APPROVAL OF TOTALIZATOR SERVICE LICENSES FOR 2024**

Three (3) entities have applied for a license to provide totalizator services to Kentucky licensed associations for the calendar year 2024. All applicants completed and submitted Form KHRC 3-030-1, the totalizator services application, prior to August 1, 2023. In addition, each applicant provided information regarding applicant background and totalizator services. This information is required by 810 KAR 3:030 and allows the KHRC staff to investigate the scope of services offered by applicants. When determining suitability for approval, Commission staff review applicant information, including systems and organizational controls reports, financials, organization compliance with totalizator standards, and additional documentation.

The KHRC staff reviewed all submitted material and made necessary requests for supplemental information. Due to the upcoming licensure deadline, the KHRC staff will review all information provided in response to these requests as the information is made available and, if warranted, recommend any conditions during the year for particular totalizator licenses.

Each application is available for review and a digital version can be provided by the KHRC staff upon request. The KHRC staff recommends approval of a renewal license to provide totalizator services for the calendar year 2024 for the following applicants:

1. Amtote International, Inc.
2. Global Tote US, LLC f/k/a Sportech Racing, LLC
3. United Tote Company

COMMISSION ACTION

_____ Approve

_____ Defer

_____ Deny



Andy Beshear
GOVERNOR

Ray A. Perry
SECRETARY

Jacqueline Coleman
LIEUTENANT GOVERNOR

PUBLIC PROTECTION CABINET

**Kentucky Horse Racing
Commission**

4047 Iron Works Parkway
Lexington, KY 40511
Phone: (859) 246-2040
Fax: (859) 246-2039

Jamie Eads
EXECUTIVE DIRECTOR

Jonathan Rabinowitz
CHAIRMAN

TO: Kentucky Horse Racing Commission

FROM: Andy Conway, Director of Pari-Mutuel Wagering and Compliance

DATE: December 11, 2023

RE: **REQUEST FOR APPROVAL OF ADVANCE DEPOSIT ACCOUNT WAGERING LICENSES FOR 2024**

Eight (8) applicants plan to offer advance deposit account wagering (“ADW”) services to Kentucky residents for the calendar year 2024. All applicants completed and submitted Form KHRC 3-040-1, the ADW application, prior to September 1, 2023. Each applicant provided information regarding its background and ADW operations. This information is required by 810 KAR 3:040 and allows the KHRC staff to investigate the scope of services offered by applicants in addition to suitability with the Kentucky horse racing industry.

Each ADW applicant is bonded or has secured funding for handle and player account balance liabilities. Additionally each ADW applicant has submitted a certified statement ensuring the non-commingling of any player deposits. The KHRC staff reviewed all submitted material and made necessary requests for supplemental information. Due to upcoming licensure deadlines, the KHRC staff will review all information provided in response to these requests and, if warranted, recommend any conditions during the year for particular ADW licenses.

Each application is available for review and a digital version can be provided by the KHRC staff upon request. All applications reviewed are for renewal licenses. The KHRC staff recommends approval of a renewal license to conduct advance deposit account wagering for the calendar year 2024 for the following applicants, conditioned upon sufficient response to the requests for information made for applicable entities:

1. AmWest Entertainment, LLC
2. eBet Technologies, Inc.
3. Lien Games Racing, LLC
4. NYRAbets, LLC

5. ODS Technologies, L.P. d/b/a TVG Network
6. Churchill Downs Technology Initiatives Company
7. WatchandWager.com, LLC
8. Xpressbet, LLC

COMMISSION ACTION

_____ Approve

_____ Defer

_____ Deny



Andy Beshear
GOVERNOR

Ray A. Perry
SECRETARY

Jacqueline Coleman
LIEUTENANT GOVERNOR

PUBLIC PROTECTION CABINET

Jamie Eads
EXECUTIVE DIRECTOR

**Kentucky Horse Racing
Commission**
4047 Iron Works Parkway
Lexington, KY 40511
Phone: (859) 246-2040
Fax: (859) 246-2039

Jonathan Rabinowitz
CHAIRMAN

TO: Kentucky Horse Racing Commission
FROM: Drew Conners, Director of Incentives & Development
DATE: December 11, 2023
RE: **CHURCHILL DOWNS RACETRACK, LLC'S APPLICATION FOR MONIES FROM THE BACKSIDE IMPROVEMENT FUND**

On November 24, 2023, the KHRC received two Backside Improvement Fund Requests from Churchill Downs Racetrack, LLC:

Total for full scope of work: \$247,348

- Multiple Barns: Plywood/Sub-roof replacement: \$233,548
- HBPA Trailer Renovation: \$13,800

KHRC staff confirms the project meets the statutory requirements of KRS 230.218, 810 KAR 7:010 and that funding is available. KHRC will inspect the installation once the project is completed. All invoices, photographs and communication will remain on file for Commission review.

The Kentucky HBPA and the KTA-KTOB recommended approval of these requests.

KHRC Staff Recommends Approval.

COMMISSION ACTION

_____ Approve

_____ Defer

_____ Deny



November 24, 2023

Ms. Jamie Eads
Executive Director
Kentucky Horse Racing Commission
4063 Ironworks Parkway, Building B
Lexington, KY 40511
jamie.eads@khrc.ky.gov
(859) 246-2040

Re: **Application for Approval of Backside Improvement Fund Projects**

Dear Ms. Eads,

Churchill Downs Racetrack (CDRT) is requesting to use Backside Improvement Funds for plywood sub-roof of the following barns on the Backside of Churchill Downs Racetrack: Barns 6, 8, 14, 20, 21, 22, 23, 25, 27, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 42, 43, 44, 45, 46, 47, 48, Pony Barn, & Water Wagon. The estimated cost of the improvements is \$233,548.

Defined project scope and cost estimate provided by ICRC Contracting is attached. A second bid from HKC Roofing is also attached.

If approved, CDRT will submit invoices to the Kentucky Horse Racing Commission for reimbursement after the work has been completed.

Regards,

Mike Ziegler
General Manager & Senior Vice President
Churchill Downs Racetrack
700 Central Ave.
Louisville, KY 40208
Office: (502) 394-1137

Enclosure: Project Estimate



Barn	Repair/Replace	Cost	Plywood Cost	Total Cost
6	Full	30,504	10,450.00	40,954.00
8	1 slope	14,432	4,940.00	19,372.00
14	1 slope	15,416	5,320.00	20,736.00
15	Repair		No Charge	
17	Repair		No Charge	
19	Repair		No Charge	
20	1 slope	15,744	5,396.00	21,140.00
21	Full	61,336	21,090.00	82,426.00
22	1 slope	29,520	10,070.00	39,590.00
23	1 slope	15,744	5,396.00	21,140.00
24	Repair		No Charge	
25	1 slope	15,744	5,396.00	21,140.00
26	Repair		No Charge	
27	1 slope	14,760	5,016.00	19,776.00
28	Repair		No Charge	
29	1 slope	14,760	5,016.00	19,776.00
30	1 slope	14,760	5,016.00	19,776.00
31	1 slope	19,650	6,650.00	26,300.00
32	Full	47,560	16,340.00	63,900.00
33	1 slope	20,336	7,030.00	27,366.00
34	1 slope	20,336	7,030.00	27,366.00
35	1 slope	20,336	7,030.00	27,366.00
36	1 slope	20,336	7,030.00	27,366.00
37	1 slope	20,336	7,030.00	27,366.00
38	1 slope	20,336	7,030.00	27,366.00
39	1 slope	20,336	7,030.00	27,366.00
40	Repair		No Charge	
42	1 slope	15,744	5,396.00	21,140.00
43	1 slope	16,400	5,510.00	21,910.00
44	1 slope	27,224	9,310.00	36,534.00
45	1 slope	27,224	9,310.00	36,534.00
46	1 slope	23,616	8,056.00	31,672.00
47	Full	46,904	15,960.00	62,864.00
48	Full	58,712	20,140.00	78,852.00
Pony Barn	1 slope	7,216	2,470.00	9,686.00
Maintenance Bldg	Repair		No Charge	
Water Wagon	1 slope	6,232	2,090.00	8,322.00
Trackside A	1 Slope	27,552	Not Applicable	27,552
Trackside B	1 Slope	27,552	Not Applicable	27,552
Trackside C	1 Slope	27,552	Not Applicable	27,552
TOTAL				997,758.00



5061 Poplar Level Rd * Louisville KY 40219 * Phone 502-212-1081 * Fax 502-333-0366
RoofYourHouse.com

Date: September 13, 2023

Client: Churchill Downs
700 Central Ave.
Louisville, KY 40208

Project Name: Shingle Roof Replacements – See Exhibit “A”

Based on specific project requirements, and as requested, we propose to furnish all necessary labor, materials, equipment, and disposal for the above project.

Scope of Work:

- Complete tear off and disposal of the existing shingle roof system down to the wood decking.

Provide and install the following new items:

- CertainTeed Landmark Shingles
- CertainTeed Starter Shingles
- CertainTeed Hip/Ridge Cap Shingles
- Synthetic roofing underlayment
- Pre-finished aluminum drip edge
- Pre-finished aluminum turbine vents – as needed
- Pre-finished aluminum step and counter flashings – as needed

Included installation procedure:

- Snap chalk lines on roof deck, valleys, rake lines, and ridges.
- Spray paint all plumbing and HVAC stacks a matching color.
- Clean and sweep project area for nails with high-power magnet.

- All work will be performed according to all manufacturers’ specifications.
- All work will be performed per OSHA safety standards.

Roof Replacement Pricing – See Exhibit “A”

Payment Terms: Per Agreed Terms.

- Price is good for 30 days.
- Scope of work is limited to items specifically listed above.
- Acceptance of this proposal assumes that the contents and limitations listed herein will be considered as part of any written contract.

Warranty: HKC Roofing 5-year workmanship warranty. Manufacturer’s 40-year warranty - see warranty brochure for specifications.



5061 Poplar Level Rd * Louisville KY 40219 * Phone 502-212-1081* Fax 502-333-0366
RoofYourHouse.com

HKC ROOFING appreciates the opportunity to earn your business. If you have any questions regarding the information presented here, please feel free to contact Jason Hornung at 502-432-6557 or email jasonhornung@hkcroofing.com

This agreement is subject to revision or withdrawal by **HKC ROOFING** until signed and accepted by client and executed by Officer of **HKC ROOFING, LLC**. This is the complete agreement between the two parties. No prior or contemporaneous oral agreement, and no other written agreements, except as listed above, shall be binding. The undersigned hereby accepts the agreement and agrees to be legally bound by all the terms and conditions set forth on the terms and conditions page. This agreement shall be governed in accordance with the laws of the state of Kentucky.

Shingle Color: Hunter Green

Client Signature: _____

Date: _____

EXHIBIT "A"

<u>Barn</u>	<u>Repair / Replace</u>	<u>Insurance Approved Cost</u>	<u>HKC Cost</u>	<u>Plywood Cost</u>	<u>Total Cost</u>
6	Full	\$62,771.58	\$58,275.00	\$27,750.00	\$86,025.00
8	1 slope	\$15,347.29	\$13,230.00	\$7,560.00	\$20,790.00
14	1 slope	\$15,347.29	\$13,230.00	\$7,560.00	\$20,790.00
15	Repair	\$500.00	\$400.00		\$400.00
17	Repair	\$500.00	\$400.00		\$400.00
19	Repair	\$500.00	\$400.00		\$400.00
20	1 slope	\$19,436.63	\$17,325.00	\$9,900.00	\$27,225.00
21	Full	\$57,200.19	\$53,550.00	\$25,500.00	\$79,050.00
22	1 slope	\$29,674.56	\$26,775.00	\$15,300.00	\$42,075.00
23	1 slope	\$22,068.45	\$19,845.00	\$11,340.00	\$31,185.00
24	Repair	\$500.00	\$400.00		\$400.00
25	1 slope	\$22,068.45	\$19,845.00	\$11,340.00	\$31,185.00
26	Repair	\$500.00	\$400.00		\$400.00
27	1 slope	\$21,924.94	\$19,690.00	\$11,250.00	\$30,940.00
28	Repair	\$500.00	\$400.00		\$400.00
29	1 slope	\$21,924.94	\$19,690.00	\$11,250.00	\$30,940.00
30	1 slope	\$21,924.94	\$19,690.00	\$11,250.00	\$30,940.00
31	1 slope	\$25,886.19	\$23,310.00	\$13,320.00	\$36,630.00
32	Full	\$60,395.70	\$56,700.00	\$27,000.00	\$83,700.00
33	1 slope	\$25,886.19	\$23,310.00	\$13,320.00	\$36,630.00
34	1 slope	\$31,307.55	\$28,350.00	\$16,200.00	\$44,550.00
35	1 slope	\$25,886.19	\$23,310.00	\$13,320.00	\$36,630.00
36	1 slope	\$31,307.55	\$28,350.00	\$16,200.00	\$44,550.00
37	1 slope	\$25,886.19	\$23,310.00	\$13,320.00	\$36,630.00
38	1 slope	\$31,307.55	\$28,350.00	\$16,200.00	\$44,550.00
39	1 slope	\$25,886.19	\$23,310.00	\$13,320.00	\$36,630.00
40	Repair	\$500.00	\$400.00		\$400.00
42	1 slope	\$21,795.54	\$19,690.00	\$11,250.00	\$30,940.00
43	1 slope	\$21,795.54	\$19,690.00	\$11,250.00	\$30,940.00
44	1 slope	\$35,904.19	\$32,605.00	\$18,630.00	\$51,235.00
45	1 slope	\$35,904.19	\$32,605.00	\$18,630.00	\$51,235.00
46	1 slope	\$29,679.28	\$26,775.00	\$15,300.00	\$42,075.00
47	Full	\$57,200.19	\$53,550.00	\$25,500.00	\$79,050.00
48	Full	\$75,242.09	\$69,930.00	\$33,300.00	\$103,230.00
Pony Barn	1 slope	\$10,319.69	\$7,405.00	\$4,230.00	\$11,635.00
Maintenance Bldg.	Repair	\$500.00	\$400.00		\$400.00
Water Wagon	1 Slope	\$5,988.92	\$5,040.00	\$2,880.00	\$7,920.00
Trackside A	1 Slope	\$33,625.63	\$29,925.00	\$17,100.00	\$47,025.00
Trackside B	1 Slope	\$33,625.63	\$29,925.00	\$17,100.00	\$47,025.00
Trackside C	1 Slope	\$33,625.63	\$29,925.00	\$17,100.00	\$47,025.00
TOTAL		\$992,145.03	\$899,710.00	\$484,470.00	\$1,384,180.00



November 24, 2023

Ms. Jamie Eads
Executive Director
Kentucky Horse Racing Commission
4063 Ironworks Parkway, Building B
Lexington, KY 40511
jamie.eads@khrc.ky.gov
(859) 246-2040

Re: **Application for Approval of Backside Improvement Fund Projects**

Dear Ms. Eads,

Churchill Downs Racetrack (CDRT) is requesting to use Backside Improvement Funds for the renovation of the HBPA trailer on the Churchill Downs Backside. Our intent is to share the cost of the project with the HBPA so we are asking for \$13,800 for half of the project cost.

Defined project scope and sole source quote provided by ICRC Contracting is attached.

If approved, CDRT will submit the invoices to the Kentucky Horse Racing Commission for reimbursement after the work has been completed.

Regards,

Mike Ziegler
General Manager & Senior Vice President
Churchill Downs Racetrack
700 Central Ave.
Louisville, KY 40208
Office: (502) 394-1137

Enclosure: Project Estimate



ICRC Contracting
 310 W Oak St.
 Louisville, KY 40203

10/4/2023

Customer:
 Mr. Rick Hiles
 HBPA
 Churchill Downs
 700 Central Ave.
 Louisville, KY 40208

ESTIMATE
 (HBPA Trailer Renovation)

Tear down front deck and rebuild	
Build roof on top of deck	
Remove metal siding and dispose	
Install OSB sheathing on all exterior walls	
Install vinyl siding (color to be determined)	
Insulate entire trailer	
Inspect floor insulation and replace as needed	
Remove/dispose of existing flooring	
Replace rotten, deteriorated, or damaged subfloor	
Install new laminate floor (color to be determined)	
Remove and replace all existing windows	
Remove and replace front door	
Remove existing interior walls, replace with drywall and paint (color to be determined)	
Upgrade current electrical load center to carry all electrical requirements	

ICRC + +
CONTRACTING

Cover all crawlspace with wooden skirting	\$27,600.00
Inspect existing metal roof for damage, repair as needed, and paint with metal paint to extend roof's life	
Remove and dispose of existing A/C unit and replace with Kilmaire 15,000 BTU A/C with heat pump and SKW heater	
All labor, materials, taxes, and disposal included	

TOTAL: \$27,600.00



Andy Beshear
GOVERNOR

Ray A. Perry
SECRETARY

Jacqueline Coleman
LIEUTENANT GOVERNOR

PUBLIC PROTECTION CABINET

Jamie Eads
EXECUTIVE DIRECTOR

**Kentucky Horse Racing
Commission**
4047 Iron Works Parkway
Lexington, KY 40511
Phone: (859) 246-2040
Fax: (859) 246-2039

Jonathan Rabinowitz
CHAIRMAN

TO: Kentucky Horse Racing Commission
FROM: Drew Conners, Director of Incentives & Development
DATE: December 11, 2023
RE: **KTDF REQUESTS PERTAINING TO TURFWAY PARK, LLC'S 2023 HOLIDAY & 2024 WINTER/SPRING RACE MEET**

At two meetings of the KTDF Advisory Committee, one on November 20, 2023 and the second on November 29, 2023, the KTDF Advisory Committee considered the following requests regarding Turfway Park, LLC's 2023 Holiday and 2024 Winter/Spring Race Meet:

To help Turfway Park fund their KTDF purses while increasing the strength of the overall Kentucky racing circuit, the following are requested:

- Kentucky Downs, LLC requests to transfer \$1 million of KTDF earnings to Turfway Park at the conclusion of Turfway's 2023 Holiday and 2024 Winter/Spring Race Meet in accordance with 810 KAR 7:030 Section 3.
- In accordance with KRS.230.400, Turfway Park, LLC is requesting the use of \$56,000 in KTDF to promote, enhance, improve and encourage the further and continued development of the Thoroughbred breeding industry in Kentucky.

The KTDF Advisory Committee along with the Kentucky HBPA and the KTA-KTOB recommended approval of these requests.

KHRC Staff Recommends Approval.

COMMISSION ACTION

_____ Approve
_____ Defer
_____ Deny



KTDF Advisory Committee
Kentucky Horse Racing Commission
4063 Ironworks Parkway
Lexington, KY 40511

Chairman Landes,

Kentucky Downs respectfully requests KTDF's approval to send \$1 million of KTDF monies to Turfway Park for their upcoming 2023-24 racing season.

Thank you in advance for your assistance.

Sincerely,

Ted Nicholson
Vice President of Racing

KENTUCKY HORSE
RACING COMMISSION
NOV 07 2023

CHURCHILL DOWNS
INCORPORATED



2023 – 2024 KTDF Advertising Request
Turfway Park - Racing

KTDF Advertising Requests Overview

- Turfway Park requests a total of \$56,000 to be used on two different marketing campaigns**
- Workout Videos from Bruno DeJulio - \$16,000**
 - \$4k / month
- Horse Racing Nation Marketing - \$40,000**
 - \$10k / month

Workout videos from Bruno DeJulio

❑ \$16,000 Request

- \$4k per month for workout coverage from Dec – March
- Workout videos from Turfway as well as Trackside throughout winter
- Bruno will also have a representative at Fair Grounds providing videos to KTA website

❑ Month of November delivered over 7,000 views from 1,606 unique visitors and delivered over 50,000 “clicks” to the KTA website

❑ Horseplayers, horse owners and horsemen alike have found the product to be very useful

12:37 📶 🔋

← **Post**

 **Dr Keeneland Dan** ✓
@fatbaldguyracin

kentuckybred.org/workout-videos/
This is how I found Three Polks and loved him off these works at this level . GREAT TOOL , Bruno working hard to do these videos and good for CD to get them on site for us players.

 Workout Videos - Kentucky Thoroughbred Association
kentuckybred.org

2:26 PM · 10/7/23 from Earth · 2.5K Views

1 Quote 6 Likes 1 Bookmark

    

Horse Racing Nation Marketing

❑ \$40,000 Request

- \$10k per month for coverage from Dec – March

❑ Email Marketing

- Weekly emails promoting the upcoming race week to an email list of over 50,000 active users.
- KTDF to be included in each note as well as a mention of the KTDF purse dollars attributed to the races that are featured.

❑ Video Content

- Daily videos on Youtube, Twitter, Facebook and other channels promoting the racing and wagering product. Highlighting certain wagering pools, carryovers or other handicapping topics pertaining to racing at Turfway.
 - 24k subscribers to the HRN Youtube Channel
- KTDF to be mentioned in videos as the “driving force” behind the racing / wagering opportunities that Turfway presents.
- If KTDF has a video ad, we could drop that into the videos but at the very least there will be a “advertising bug” that mentions KTDF as well

Horse Racing Nation Marketing



- ❑ Graphics for Simulcasting and Social Media
 - HRN to provide graphics that promotes stakes races, fair odds or statistics pertaining to Turfway's meet
 - Note - If we get a list of KTDF eligible horses we could even include a logo next to the horse's name.
 - KTDF logo to be featured on the graphics
- ❑ Ron Flatter Podcast Sponsorship
 - KTDF / Turfway Park will be the title sponsor of the Ron Flatter Racing Podcast for December
 - Ron's Breeders' Cup week show produced over 7,000 listens
 - Flatter's podcast to feature Turfway Park connections throughout December highlighting the racing product and discussions about the growth of Turfway thanks to KTDF
- ❑ Turfway Park to be featured in editorial content highlighting the meet and including KTDF

LUKAS CLASSIC
1 1/8 MILES - CHURCHILL DOWNS
SEPT 30 • RACE 10 • 5:26 EDT

POST	HORSE	JOCKEY	ED'S FAIR ODDS
1	Happy American	James Graham	10-1
2	Clapton	Cristian Torres	12-1
3	Warrant	Florent Geroux	15-1
4	Rattle N Roll	Brian Hernandez Jr	4-1
5	Trademark	Martin Garcia	7-1
6	Blue Devil	Ricardo Santana Jr	18-1
7	Whelen Springs	Jose Ferrer	22-1
8	Five Star General	Corey Lanerie	9-2
9	Americanrevolution	Tyler Gaffalione	5-1

Odds by: Ed DeRosa

Midland: Turfway Park is the 'A' track for payouts

By Mark Midland November 28, 2023 10:54am

Turfway Park - stats
2023 North American rankings

Field Size	9.8	#2
Win payoff	\$15.13 (\$2)	#2
Exacta	\$69	#2
Trifecta	\$579	#2
Superfecta	\$5,088	#1
Double	\$69	#2
Pick 3	\$603	#1
Pick 4	\$5,375	#1
Pick 5	\$18,257	#5

People in the racing industry often talk about tracks being "A," "B" or "C" tracks based on the quality of racing. With purses on the rise thanks to funding provided by the [Kentucky Thoroughbred Development Fund](#), Turfway Park now offers maiden special weight races for \$70,000 and higher quality racing every year. But no matter where you rank Turfway for quality, for horseplayers Turfway ranks at the top for field size and payouts. And just glancing at the opening week of [Turfway Park entries](#), they are averaging 13.1, 13, 12.3 and 13.4 horses per race.

Kentucky Wagering on the Rise

Year	Days	Handle	Purses	Races	Runners	Handle / Race
2023	182	\$ 1,520,178,802	\$ 182,535,500	1,693	14,764	\$ 897,920
2022	177	\$ 1,458,211,274	\$ 169,684,000	1,648	14,020	\$ 884,837

- Wagering in KY continues to buck the National trend with total wagering up 4% over 2022
 - 2022 total handle number does not include Breeders' Cup held at Keeneland in 2022
 - Wagering total through 11/25/2023 and the corresponding date in 2022



Andy Beshear
GOVERNOR

Ray A. Perry
SECRETARY

Jacqueline Coleman
LIEUTENANT GOVERNOR

PUBLIC PROTECTION CABINET

**Kentucky Horse Racing
Commission**

4047 Iron Works Parkway
Lexington, KY 40511
Phone: (859) 246-2040
Fax: (859) 246-2039

Jamie Eads
EXECUTIVE DIRECTOR

Jonathan Rabinowitz
CHAIRMAN

TO: Kentucky Horse Racing Commission

FROM: Drew Conners, Director of Incentives & Development

DATE: December 11, 2023

RE: **THE KENTUCKY SIRE STAKES COMMONWEALTH, GOLDENROD AND MINI-SERIES OF 2024**

The KSDF/KSBIF Advisory Panel met on November 16, 2023 and recommends approval for the following Race Dates & Conditions regarding the 2024 Kentucky Sire Stakes following this memo.

Summary of additions to the Kentucky Sire Stakes Program for 2024 include the following:

Oak Grove:

- 2YO & 3YO Early Sires Stake's:
 - Legs increased from \$25,000 to \$40,000 each
- 4YOs will now race two series:
 - Series 1 will consist of 2 legs at \$50,000 each and a final of \$100,000
 - Series 2 will consist of 3 legs at \$50,000 each and a final of \$150,000

Estimated Additional Cost to Program: \$1.1 Million

Red Mile:

- 4YO Series Addition:
 - Series will consist of 3 legs at \$35,000 each
- Addition of the Wildcat Series for 2YO & 3YO Kentucky Sire Stake eligible horses:
 - Series will consist of 5 legs for both 2YOs & 3YOs at \$10,000 each
 - 2YO Conditions:
 - 1st Condition: Non-winners of \$7,500 in 2024. KY Proud Series earnings excluded.
 - 2nd Condition: Non-winners of \$12,500 in 2024. KY Proud Series earnings excluded.
 - 3YO Conditions:

1st Condition: Non-winners of \$12,500 in 2024. KY Proud Series earnings excluded. 2nd Condition: Non-winners of \$20,000 in 2024. KY Proud Series earnings excluded.

Estimated Additional Cost to Program: \$1.02 Million

Cumberland Run:

- 2YO & 3YO Late Sire Stakes:
 - Addition of a second leg for both the 2YOs & 3YOs
 - Legs increased from \$30,000 to \$40,000 each
 - Finals increased from \$70,000 to \$100,000
- 4YO Series:
 - Addition of a second leg
 - Convert the Final and into a third leg (Estimated Savings of \$80,000)
 - Legs increased from \$35,000 to \$50,000 each

Estimated Additional Cost to Program: \$820,000

Kentucky Standardbred Development Fund Stallion Bonus:

Beginning with foals born in 2022, any horse (1) by a stallion nominated to the program per 810 KAR 7:040 and standing in Kentucky, and (2) out of a mare residing in Kentucky for 180 days and nominated to the program per 810 KAR 7:040, is eligible to participate in the KSDF Stallion Bonus Program. Qualifying horses are eligible to receive a 50% bonus on final purse distributions when placed 1st-5th in all 2-year-old and 3-year-old Kentucky Sire Stakes and Kentucky Proud Races. The Stallion Bonus Program is capped at a total of \$2 million dollars annually. All bonuses will be paid once harness racing concludes for the year to the registered owner of the horse at the time it raced. If the \$2 million dollar cap is met within the racing year, then all awards will be paid on a pro rata basis.

Capped at \$2,000,000

Total Estimated Additional Expenditures for 2024 is between \$3.5 and \$5 Million

The following is a brief description of the KYSS and funding for informational purposes:

Kentucky Sire Stakes (KYSS)

The Kentucky Sire Stakes is a culmination of a month-long series of preliminary races, with the biggest money earners getting a chance to compete in the finals at The Red Mile. The series includes two-and-three-year-old pacers and trotters for both fillies & colts.

Kentucky Standardbred Development Fund (KSDF):

This fund is to promote races and to provide purses for races for Kentucky-bred Standardbred horses. The fund is to be distributed to persons, corporations, or associations operating licensed Standardbred racetracks within Kentucky on an equitable basis, for the purposes of conducting separate races for two and three-year-old fillies and colts, both trotting and pacing. The KSDF receives its revenue under the provisions of KRS 138.510, taxes on pari-mutuel wagering.

Kentucky Standardbred Breeders' Incentive Fund (KSBIF):

The Kentucky Standardbred Breeders' Incentive Fund is financed from the 13% of all receipts collected from the 6% sales and use tax on the fees paid for breeding a stallion to a mare in Kentucky, together with any other money contributed, appropriated, or allocated to the fund from all other sources. The money deposited in the KSBIF is used to provide rewards for breeders or owners of Kentucky-bred Standardbred horses.

KHRC Staff Recommends Approval.

COMMISSION ACTION

_____ Approve

_____ Defer

_____ Deny

2024 Kentucky Standardbred Development Fund Race Dates

OAK GROVE

Oak Grove Early Sire Stakes:

2YO Race Dates

Leg 1: 6/24 (All Divisions)

Leg 2: 7/7 (All Divisions)

Final: 7/14

Consolation: 7/15

3YO Race Dates

Leg 1: 6/24 (All Divisions)

Leg 2: 7/7 (All Divisions)

Final: 7/14

Consolation: 7/15

To be eligible, horses must have met all requirements of 810 KAR 7:040. Entry fee for the Early Sire Stakes preliminary legs is \$200. There are no fees for entry into the Finals or Consolations.

2 Legs, Final & Consolation

Legs: \$40,000 Guaranteed

*Final: \$100,000

*Consolation: \$25,000

** Horses must start in at least one leg to be eligible for the Final or Consolation.*

Oak Grove 4YO Series:

4YO Series I Race Dates

Leg 1: 4/22

Leg 2: 5/6

Final: 5/13

Legs (2): \$50,000 Guaranteed

Final: \$100,000

4YO Series II Race Dates

Leg 1: 5/27

Leg 2: 6/4

Leg 3: 6/17

Final: 6/25

Legs (3): \$50,000 Guaranteed

Final: \$150,000

Eligibility & Rules:

- 1) All entries must be a Kentucky-bred as defined by 810 KAR 7:040.
- 2) All KHRC paperwork must be completed.
- 3) All owners, trainers, grooms, and drivers must have a KHRC license.
- 4) Entry Fee: two hundred and fifty (\$250) for each leg; no entry fee on finals or consolations.
- 5) All entries must be made by the time designated on the racetrack condition sheet.
- 6) All entries are subject to approval by the racetrack Race Secretary.
- 7) Horses must show a clean charted line within forty-five (45) days of race.
- 8) All entries must meet the qualifying standards of the racetrack.
- 9) There must be at least four (4) entries, or the leg(s) shall be canceled by the Race Secretary.
- 10) Horses must start in a minimum of one (1) leg of a series to be eligible to the finals for that series.
- 11) The top eight (8) points earners in the legs will make the Final.
- 12) There shall be eight (8) horses on the gate and the race shall split at eleven (11) horses.
- 13) Race Associations and the KHRC have the final decision on any disputes that might arise.

By entering, all involved agree to the rules of the 4YO Series at Oak Grove.

RED MILE

Kentucky Sire Stakes, Commonwealth & Goldenrod:

2YO Race Dates

Leg 1: 7/28 CT; 7/29 FT; 7/30 FP; 8/4 CP
Leg 2: 8/5 CT; 8/11 FP; 8/12 FT; 8/13 CP
Leg 3: 8/18 CT; 8/19 FP; 8/25 CP; 8/26 FT
Leg 4: 9/1 CT & FP; 9/3 CP & FT

Finals:

KYSS Championship: 9/15
*Commonwealth: 9/16
Goldenrod: 9/17

3YO Race Dates

Leg 1: 7/30 FT; 8/4 CP; 8/5 CT; 8/6 FP
Leg 2: 8/11 FT; 8/12 CP; 8/13 CT; 8/18 FP
Leg 3: 8/20 CP & FT; 8/25 CT; 8/27 FP
Leg 4: 9/2 CP & FT; 9/8 CT & FP

Finals:

KYSS Championship: 9/15
*Commonwealth: 9/16
Goldenrod: 9/17

*** There is a possibility that two of the Commonwealth Finals will be held on KYSS Championship Final Day (Sunday, September 15, 2024).*

To be eligible, horses must have met all requirements of 810 KAR 7:040. Entry fee for a Kentucky Sire Stakes (KYSS) – Championship Series preliminary legs is \$400, for all Commonwealth preliminary legs \$150 and for all Golden Rod preliminary legs \$75. There are no fees for entry into any of the Finals.

KENTUCKY SIRE STAKES – CHAMPIONSHIP SERIES

2YO and 3YO
4 Legs + Final
Legs: \$80,000 guaranteed
Finals: \$400,000

COMMONWEALTH SERIES

2YO and 3YO
4 Legs + Final
Legs: \$30,000 Guaranteed
Finals: \$100,000

GOLDEN ROD SERIES

2YO and 3YO
4 Legs + Final
Legs: \$15,000 Guaranteed
Finals: \$50,000

Championship, Commonwealth, and Goldenrod Series: The Championship, Commonwealth, and Goldenrod Series are presently conducted at The Red Mile as 4 Legs and a Final. The following racing conditions apply:

- Eligible horses may move up and down among each of the Championship, Commonwealth, and Goldenrod Series for the first three (3) legs of the Series.
- Points are only accumulated in each series and are not combined at any time between the series. For example, if a horse placed first in one (1) leg of the Championship Series, one (1) leg of the Commonwealth Series and one (1) leg of the Goldenrod Series; the horse will have 50 points in each series (not a combined total of 150 points).
- After the conclusion of the third leg of each series, a horse may continue to move up from the Goldenrod to the Commonwealth or Championship Series, or from the Commonwealth to the Championship Series. Provided, however, a horse that is ranked in the top ten (10) in points earnings after 3 Legs in either the Championship or Commonwealth may not move down from the Championship to the Commonwealth Series or Goldenrod Series or from the Commonwealth Series to the Goldenrod Series. Horses not in the top ten (10) of either the Championship Series or Commonwealth Series may freely move down one level to either the Commonwealth or Goldenrod Series.
- At the conclusion of the 4 preliminary legs, if a horse is one of the top ten in points earned in more than one series, the horse must race in the series final where they have accumulated the most points, with the following exceptions: i) if a horse is one of the top ten (10) point earning horses in the Commonwealth Series, the horse may elect to move up to the Championship Series Final, if there are open spots available for such horse in its appropriate division; and ii) if a horse is one of the top ten (10) point earning horses in the Goldenrod Series, the horse may elect to move up to the Commonwealth Series Final if there are open spots available for such horse in its appropriate division.

For purposes of the Kentucky Sire Stakes – Championship Series Final, Commonwealth Series Final and Goldenrod Series Final, all provisions of 810 KAR 7:040 govern.

Wildcat Series at The Red Mile

2YO Race Dates

Leg 1: 7/28 CT; 7/29 FT; 7/30 FP; 8/4 CP
Leg 2: 8/5 CT; 8/11 FP; 8/12 FT; 8/13 CP
Leg 3: 8/18 CT; 8/19 FP; 8/25 CP; 8/26 FT
Leg 4: 9/1 CT & FP; 9/3 CP & FT
Leg 5: 9/9/CT & FP; 9/10 CP & FT

3YO Race Dates

Leg 1: 7/30 FT; 8/4 CP; 8/5 CT; 8/6 FP
Leg 2: 8/11 FT; 8/12 CP; 8/13 CT; 8/18 FP
Leg 3: 8/20 CP & FT; 8/25 CT; 8/27 FP
Leg 4: 9/2 CP & FT; 9/8 CT & FP
Leg 5: 9/9 FT; 9/10 CP; 9/16 CT & FP

Legs (5): \$10,000 Guaranteed

Legs (5): \$10,000 Guaranteed

To be eligible, horses must have met all requirements of 810 KAR 7:040. Entry fee for all legs is \$50. Races must have a minimum of five (5) entries to draw.

2YO Conditions:

1st condition – Non-winners of \$7,500 in 2024. Kentucky Proud Series earnings excluded.
2nd condition – Non-winners of \$12,500 in 2024. Kentucky Proud Series earnings excluded.

3YO Conditions:

1st condition – Non-winners of \$12,500 in 2024. Kentucky Proud Series earnings excluded.
2nd condition – Non-winners of \$20,000 in 2024. Kentucky Proud Series earnings excluded.

The Red Mile 4YO Series

4YO Race Dates

Leg 1: 7/22 H> & MT; 7/23 H&GP & MP
Leg 2: 8/26 H>, MT; 8/27 H&GP & MP
Leg 3: 9/9 H>, MT; 9/10 H&GP & MP

Legs (3): \$35,000 Guaranteed

Eligibility & Rules:

- 1) All entries must be a Kentucky-bred as defined by 810 KAR 7:040.
- 2) All KHRC paperwork must be completed.
- 3) All owners, trainers, grooms, and drivers must have a KHRC license.
- 4) Entry Fee: One hundred and seventy-five (\$175) for each leg.
- 5) All entries must be made by the time designated on the racetrack condition sheet.
- 6) All entries are subject to approval by the racetrack Race Secretary.
- 7) Horses must show a clean charted line within forty-five (45) days of race.
- 8) All entries must meet the qualifying standards of the racetrack.
- 9) There must be at least four (4) entries, or the leg(s) shall be canceled by the Race Secretary.
- 10) There shall be ten (10) horses on the gate and the race shall split at thirteen (13) horses
- 11) Race Associations and the KHRC have the final decision on any disputes that might arise.

By entering, all involved agree to the rules of the 4YO Series at The Red Mile.

CUMBERLAND RUN

Cumberland Run Late Sire Stakes:

2YO Race Dates

Leg 1: 10/13 (All Divisions)
Leg 2: 10/28 (All Divisions)
Final: 11/5 (All Divisions)

3YO Race Dates

Leg 1: 10/14 (All Divisions)
Leg 2: 10/21 (All Divisions)
Final: 11/5 (All Divisions)

To be eligible, horses must have met all requirements of 810 KAR 7:040. Entry fee for Late Sire Stakes preliminary legs is \$200. There are no fees for entry into the Finals. Horses must start in a minimum of one (1) legs to be eligible for the Final.

2YO and 3YO

Legs (2): \$40,000 Guaranteed
Finals: \$100,000

Cumberland Run 4YO Series:

4YO Race Dates

Leg 1: 10/22 (All Divisions)
Leg 2: 10/29 (All Divisions)
Leg 3: 11/5 (All Divisions)

4YO

Legs (3): \$50,000 Guaranteed

Eligibility & Rules:

- 1) All entries must be a Kentucky-bred as defined by 810 KAR 7:040.
- 2) All KHRC paperwork must be completed.
- 3) All owners, trainers, grooms, and drivers must have a KHRC license.
- 4) Entry Fee: Two hundred fifty (\$250) for each leg.
- 5) All entries must be made by the time designated on the racetrack condition sheet.
- 6) All entries are subject to approval by the racetrack Race Secretary.
- 7) Horses must show a clean charted line within forty-five (45) days of race.
- 8) All entries must meet the qualifying standards of the racetrack.
- 9) There must be at least four (4) entries or the leg(s) shall be canceled by the Race Secretary.
- 10) There shall be eight (8) horses on the gate and the race shall split at eleven (11) horses.
- 11) Race Associations and the KHRC have the final decision on any disputes that might arise.

By entering, all involved agree to the rules of the 4YO Series at Cumberland Run.

Kentucky Standardbred Development Fund Stallion Bonus

Beginning with foals born in 2022, any horse (1) by a stallion nominated to the program per 810 KAR 7:040 and standing in Kentucky, and (2) out of a mare residing in Kentucky for 180 days and nominated to the program per 810 KAR 7:040, is eligible to participate in the KSDF Stallion Bonus Program. Qualifying horses are eligible to receive a 50% bonus on final purse distributions when placed 1st-5th in all 2-year-old and 3-year-old Kentucky Sire Stakes and Kentucky Proud Races. The Stallion Bonus Program is capped at a total of \$2 million dollars annually. All bonuses will be paid once harness racing concludes for the year to the registered owner of the horse at the time it raced. If the \$2 million dollar cap is met within the racing year, then all awards will be paid on a pro rata basis.



Andy Beshear
GOVERNOR

Ray A. Perry
SECRETARY

Jacqueline Coleman
LIEUTENANT GOVERNOR

PUBLIC PROTECTION CABINET

Jamie Eads
EXECUTIVE DIRECTOR

**Kentucky Horse Racing
Commission**
4047 Iron Works Parkway
Lexington, KY 40511
Phone: (859) 246-2040
Fax: (859) 246-2039

Jonathan Rabinowitz
CHAIRMAN

TO: Kentucky Horse Racing Commission
FROM: Drew Conners, Director of Incentives & Development
DATE: December 11, 2023
RE: **THE KENTUCKY PROUD SERIES OF 2024**

The KSDF/KSBIF Advisory Panel met on November 16, 2023 and recommends continued support of harness racing at Kentucky County Fairs through the Kentucky Proud Series. The Proud Series in 2024 will consist of seven events and a final with purses of \$1,500 per entry, per division, with a minimum purse of \$6,000 per division, for each event and a final's purse of \$50,000.

The proposed race dates and conditions for the 2024 Kentucky Proud Series follows this memo.

KHRC Staff Recommends Approval.

COMMISSION ACTION

_____ Approve

_____ Defer

_____ Deny

2024 KENTUCKY PROUD SERIES CONDITIONS

To be eligible for the Kentucky Proud Series, the horse must be a two (2) year old or a three (3) year old that is a Kentucky-bred as defined in 810 KAR 7:040 and has met all requirements of 810 KAR 5:080.

Race Dates:

- Saturday, May 25: Washington County Fair (Lebanon)
- Saturday, June 1: Purchase District Fair (Mayfield)
- Saturday, June 8: Ballard County Fair (LaCenter)
- Tuesday June 18: Western Kentucky State Fair (Oak Grove)
- Wednesday, June 26: Marion County Fair (Lebanon)
- Saturday July 6: Woodford County Fair (Lebanon)
- Saturday, July 13: Mercer County Fair (The Red Mile)
- Sunday, July 21: KY Proud Finals (The Red Mile)

Purses: Each race will have a purse of \$1,500 per entry per division with a minimum purse of \$6,000, per race and a Finals purse of \$50,000.

Fees to participate in 2024: Paid to the Kentucky Horse Racing Commission except when noted.

1. A nomination fee of fifty (\$50) dollars per horse due on or before **March 1, 2024**;
2. A sustaining fee of two hundred (\$200) per horse due on or before **May 1, 2024**;
3. An entry fee of fifty (\$50) dollars per horse, per race, due to the fair prior to post time; and
4. A two hundred (\$200) entry fee shall be due prior to post time for a horse eligible for the finals.

Number of Starters and Purse Distributions: There shall be no more than two (2) trailers in any race.

- On a one (1) mile track, there shall be ten (10) horses on the gate and the race shall split on eleven (11) horses.
- On a half mile track, there shall be five (5) horses on the gate with two (2) trailers, and the race shall split on eight (8) horses.
- On a five-eighths mile track, there shall be eight (8) horses on the gate and the race shall split at nine (9) horses.

The purse for each race shall be divided as follows:

- (a) Five (5) starters - fifty (50) percent, twenty-five (25) percent, twelve (12) percent, eight (8) percent, and five (5) percent;
- (b) Four (4) starters - fifty (50) percent, twenty-five (25) percent, twelve (12) percent, eight (8) percent, and the remaining five (5) percent reverts back to the fund;
- (c) Three (3) starters - fifty (50) percent, twenty-five (25) percent, twelve (12) percent, and the remaining thirteen (13) percent reverts back to the fund;
- (d) Two (2) starters - fifty (50) percent, twenty-five (25) percent, and the remaining twenty-five (25) percent reverts back to the fund; and
- (e) One (1) starter - fifty (50) percent, and the remaining fifty (50) percent reverts back to the fund.

Minimum Number of Starts: In addition to the points set forth below, a horse must have started in at least one-half (50%) of the Kentucky Proud Series to be eligible to race in the Kentucky Proud Series Final.

Points Distribution:

- (1) Points shall be awarded in an early closing race, and any division of an early closing race, as follows:
 - (a) First place finisher - fifty (50) points;
 - (b) Second place finisher - twenty-five (25) points;
 - (c) Third place finisher - twelve (12) points;
 - (d) Fourth place finisher - eight (8) points;
 - (e) Fifth place finisher - five (5) points; and
 - (f) Each starter that finishes out of the money - one (1) point.
- (2) If two (2) horses dead-heat for any position, they shall each receive one-half (1/2) of the points awarded for that position and one-half (1/2) of the points awarded for the next lower position. The same procedure shall be used for the allocation of points if there is a dead-heat of three (3) or more horses.
- (3) A horse that is declared in and then is the subject of a judge's scratch shall be awarded one (1) point based upon the decision of the presiding judge. This decision shall be final.
- (4) If there is a tie among two (2) or more horses with the same number of points, the tie shall be resolved in favor of the horse with the higher earnings in the early closing fair events in which the horses have competed.
- (5) If any races are canceled due to weather conditions and are not rescheduled for a later date, the points for distribution set forth in this section shall not apply, and instead one (1) point shall be awarded to each horse entered for that race date.

The KHRC has the final decision on any disputes that might arise.

Horses eligible for the Kentucky Proud Series may be eligible for early closing events approved by the Kentucky Sire Stakes Advisory panel from time to time.



Andy Beshear
GOVERNOR

Ray A. Perry
SECRETARY

Jacqueline Coleman
LIEUTENANT GOVERNOR

PUBLIC PROTECTION CABINET

**Kentucky Horse Racing
Commission**

4047 Iron Works Parkway
Lexington, KY 40511
Phone: (859) 246-2040
Fax: (859) 246-2039

Jamie Eads
EXECUTIVE DIRECTOR

Jonathan Rabinowitz
CHAIRMAN

TO: Kentucky Horse Racing Commission

FROM: Drew Conners, Director of Incentives & Development

DATE: December 11, 2023

RE: **RELEASE OF UNCASHED PARI-MUTUEL TICKETS TO THE KENTUCKY RACING HEALTH & WELFARE FUND**

The Kentucky Horse Racing Commission has received the attached request from Kentucky Racing Health & Welfare Executive Director, Richard Riedel, seeking transfer of funds from the unclaimed pari-mutuel tickets to the Kentucky Racing Health and Welfare Fund. The total amount is \$1,442,712.93 in accordance with KRS 230.372.

The following documents are enclosed:

- Letter from Richard Riedel seeking transfer of funds;
- Copy of the Kentucky Racing Health and Welfare Fund audit report for 2023 prepared by Monroe Shine;
- Approval of the release of funds from the Kentucky State Auditor;
- Chart reflecting dollars due the fund;
- Chart reflecting dollars paid to fund.

Pursuant, to KRS 230.362, any reported pari-mutuel ticket that has not been claimed within one (1) year from the time the ticket became payable is presumed to be abandoned. Each year, any person or association holding any unclaimed ticket(s) presumed abandoned as of July 1st of that year (in other words, any person holding on July 1st any tickets that have not, as of that date, been claimed for a year or more) is required to create a list of the tickets. The list, which records the amount of each ticket, is then submitted to the Commission by September 1st of the same year. Between November 1st and November 15th, the person or association then turns over to the Commission the sum represented by the tickets as reported.

The tickets turned over to the Kentucky Racing Health and Welfare Fund are over a year old. Specifically, these are tickets that were originally sold to bettors between July 1, 2021, and June 30, 2022, and were still unclaimed a year (or more) later on July 1, 2023. Below is a copy of the statute regarding payments to the Kentucky Racing Health and Welfare Fund, Inc.

230.374 Payments to Kentucky Racing Health and Welfare Fund, Inc.

All sums reported and paid to the authority under the provisions of KRS 230.361 to 230.373, with the exception of funds paid under KRS 230.398, shall be paid by the

authority to the Kentucky Racing Health and Welfare Fund, Inc., a nonprofit charitable corporation, organized for the benefit, aid, assistance, and relief of thoroughbred owners, trainers, jockeys, valets, exercise riders, grooms, stable attendants, pari-mutuel clerks, and other thoroughbred racing personnel employed in connection with racing, and their spouses and children, who can demonstrate their need for financial assistance connected with death, illness, or off-the-job injury and are not otherwise covered by union health and welfare plans, workers' compensation, Social Security, public welfare, or any type of health, medical, death, or accident insurance. These sums shall be paid on or before December 31 in each year, however, no payments shall be made by the authority to the Kentucky Racing Health and Welfare Fund, Inc., unless the authority and the Auditor of Public Accounts are satisfied that the fund is in all respects being operated for the charitable and benevolent purposes as set forth in this section and that no part of the funds paid to the fund by the authority or any net earnings of the fund inure to the benefit of any private individual, director, officer, or member of the fund or any of the persons who turned over sums to the authority representing unclaimed pari-mutuel tickets.

The following is a brief description of the fund for informational purposes.

Kentucky Racing Health and Welfare Fund. The Kentucky Racing Health and Welfare Fund, Inc. is an independent charitable corporation, organized for the benefit, aid, assistance and relief of thoroughbred owners, trainers, jockeys, valets, exercise riders, grooms, stable attendants, pari-mutuel clerks and other thoroughbred racing personnel employed in connection with racing, and their spouses and children, who can demonstrate their need for financial assistance connected with death, illness or off-the-job injury and are not otherwise covered by union health and welfare plans, workers' compensation, Social Security, public welfare or any type of health, medical, death or accident insurance. Proceeds from unclaimed pari-mutuel tickets provide the revenue for this fund.

KHRC Staff Recommends Approval.

COMMISSION ACTION

_____ Approve

_____ Defer

_____ Deny



Kentucky Racing Health & Welfare Fund

RICHARD P. RIEDEL • Executive Director
KAREN PEHLKE • Deputy Executive Director
422 Heywood Avenue
Louisville, KY 40208
(502) 636-2900
Fax (502) 636-2955

November 9, 2023

Kentucky Horse Racing Commission
Attn: Drew Conners, Director of
Incentives and Development
4063 Iron Works Pike, Building B
Lexington, KY 40511

Dear Drew:

Please place our request for the transfer of funds due to the Kentucky Racing Health and Welfare Fund on December 31, 2023 on the agenda of the Commission's December 2023 meeting.

I have enclosed our 2022 Audit Report and the final approval from the Kentucky State Auditor indicating that the Auditor's staff is satisfied that the Kentucky Racing Health and Welfare Fund is, in all respects, being operated for the charitable and benevolent purposes as provided in KRS 230.374.

As always, if there is any additional information you need, please contact me.

I sincerely appreciate your assistance in this matter.

Yours truly,

Richard P. Riedel
Executive Director

Enc.





MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

August 7, 2023

Richard P. Riedel
Executive Director
Kentucky Racing Health and Welfare Fund, Inc.
422 Heywood Avenue
Louisville, KY 40208
Via Email: rpriedel@kyracinghealth.org

RE: KRS 230.374 – Transfer of Funds to the Kentucky Racing Health and Welfare Fund, Inc.

Dear Mr. Riedel:

We have received your correspondence to our former Chief of Staff, Sara Beth Gregory, dated June 16, 2023 requesting a letter stating that our office is satisfied that the Kentucky Racing Health and Welfare Fund, Inc. (Fund) is being operated for charitable and benevolent purposes as provided in KRS 230.374.

We have reviewed the FY 22 Fund financial statement audit report performed by Monroe Shine, which you provided to us, as well as a copy of the Fund's 2023 budget as approved July 28, 2023.

Based on our review of the documents provided, our office is satisfied that the Fund is being operated for the charitable and benevolent purposes, as required by KRS 230.374, or for reasonable administrative purposes.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the financial statements or the budget. Accordingly, we do not express such an opinion. Had we performed an audit or further review, other matters might have come to our attention which would have been reported to you.

Sincerely,

Farrah Petter
Assistant Auditor of Public Accounts



CC: Karen Pehlke, Deputy Executive Director Via Email: kpehlke@kyracinghealth.org
Mike Harmon, Auditor of Public Accounts
Jon Grate, APA Chief of Staff



MONROE SHINE

KNOWLEDGE FOR TODAY . . . VISION FOR TOMORROW



MONROE SHINE
KNOWLEDGE FOR TODAY . . . VISION FOR TOMORROW

**KENTUCKY RACING HEALTH AND
WELFARE FUND, INC. –
LOUISVILLE, KENTUCKY**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

**YEARS ENDED
DECEMBER 31, 2022 AND 2021**

**KENTUCKY HORSE
RACING COMMISSION**
NOV 13 2023

KENTUCKY RACING HEALTH AND WELFARE FUND, INC.

CONTENTS

	Page
Independent Auditor's Report	3-4
STATEMENTS OF NET ASSETS – MODIFIED CASH BASIS	5
STATEMENTS OF REVENUES, EXPENSES AND OTHER CHANGES IN NET ASSETS – MODIFIED CASH BASIS	6
STATEMENTS OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS	7
NOTES TO FINANCIAL STATEMENTS – MODIFIED CASH BASIS.....	8-14
Independent Auditor's Report on Supplementary Information.....	15
ADMINISTRATIVE EXPENSES	16
RETIREMENT PLAN	17



MONROE SHINE

KNOWLEDGE FOR TODAY . . . VISION FOR TOMORROW

500 NORTH HURSTBOURNE PARKWAY, SUITE 150, LOUISVILLE, KENTUCKY 40222 • PHONE: 502.423.0311 • FAX: 502.339.7103

Independent Auditor's Report

Board of Directors
Kentucky Racing Health and Welfare Fund, Inc.
Louisville, Kentucky

Opinion

We have audited the accompanying financial statements of the **Kentucky Racing Health and Welfare Fund, Inc.**, which comprise the statements of net assets – modified cash basis as of December 31, 2022 and 2021, and the related statements of revenues, expenses and other changes in net assets – modified cash basis and functional expenses – modified cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **Kentucky Racing Health and Welfare Fund, Inc.** as of December 31, 2022 and 2021, and its revenues, expenses and other changes in net assets for the years then ended in accordance with the basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Kentucky Racing Health and Welfare Fund, Inc.**, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion was not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **Kentucky Racing Health and Welfare Fund, Inc.'s** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Kentucky Racing Health and Welfare Fund, Inc.'s** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Monroe Shine
Louisville, Kentucky
May 22, 2023

KENTUCKY RACING HEALTH AND WELFARE FUND, INC.
STATEMENTS OF NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2022 AND 2021

ASSETS

	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and cash equivalents:		
Checking and petty cash	\$ 128,682	\$ 171,312
PNC operating cash	445,650	780,384
PNC operating reserve cash	217,072	191,287
Total cash and equivalents	791,404	1,142,983
Marketable securities	5,635,692	6,587,984
Total Current Assets	6,427,096	7,730,967
OTHER ASSETS		
Notes receivable and advances	1,915,971	1,910,321
Land	126,435	126,435
Total Other Assets	2,042,406	2,036,756
	\$ 8,469,502	\$ 9,767,723

NET ASSETS

Without donor restrictions	8,463,880	9,761,995
With donor restrictions	5,622	5,728
Total Net Assets	8,469,502	9,767,723
	\$ 8,469,502	\$ 9,767,723

See notes to financial statements.

KENTUCKY RACING HEALTH AND WELFARE FUND, INC.
STATEMENTS OF REVENUES, EXPENSES, AND OTHER CHANGES
IN NET ASSETS - MODIFIED CASH BASIS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
REVENUE		
KRS 230.374 grant	\$ 709,397	\$ 1,957,985
Other grants	600,000	-
Net realized investment income	147,725	550,313
Unrealized investment loss	(1,069,741)	(187,819)
KRHSC Co-Pay	12,325	7,935
Sublease rental income	975	3,250
Paycheck Protection Program loan forgiveness	-	71,000
Other income	5,475	1,240
Total Revenue	<u>406,156</u>	<u>2,403,904</u>
EXPENSES		
Claims paid:		
Hospitals - approved gross billings	340,553	493,107
Negotiated credit	(277,419)	(400,557)
Doctors - approved gross billings	698,034	864,277
Negotiated credit	(463,519)	(596,807)
Dentists	142,385	156,898
Orthodontia	8,738	7,380
Vision	24,732	35,279
Prescription	93,661	122,015
Periodontia	6,327	6,171
Chiropractors	8,501	4,991
Ambulance and transportation	2,476	2,931
Financial aid	12,124	15,120
Funeral expenses	18,051	15,002
Hearing aids	8,900	3,400
Acupuncture	1,414	1,680
Diagnostic Center	39,455	38,499
Health fair marketing	2,234	1,059
Surgery Center	30,844	16,688
Physical Therapy	23,756	22,829
Kentucky Racing Health Services Center - Louisville	272,949	271,020
Horsemen's Wellness Center - Turfway Park	11,609	7,232
Bereavement and disability expense	2,066	2,628
Administrative	636,902	627,752
Vacant lot maintenance	900	900
Kentucky Race Track Retirement Plan	58,704	70,439
Total Expenses	<u>1,704,377</u>	<u>1,789,933</u>
Increase in Net Assets	(1,298,221)	613,971
Net Assets, Beginning of Year	<u>9,767,723</u>	<u>9,153,752</u>
Net Assets, End of Year	<u>\$ 8,469,502</u>	<u>\$ 9,767,723</u>
Designated operating reserve account	\$ 5,852,764	\$ 6,779,271
Restricted bereavement and disability	5,622	5,728
All other assets	2,611,116	2,982,724
Net Assets, End of Year	<u>\$ 8,469,502</u>	<u>\$ 9,767,723</u>

See notes to financial statements.

KENTUCKY RACING HEALTH AND WELFARE FUND, INC.
STATEMENTS OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			2021		
	<u>Program</u>	<u>Management</u>	<u>Total</u>	<u>Program</u>	<u>Management</u>	<u>Total</u>
	<u>Services</u>	<u>And General</u>		<u>Services</u>	<u>And General</u>	
Claims paid	\$ 721,249	\$ -	\$ 721,249	\$ 809,963	\$ -	\$ 809,963
Grants and contributions	246,480	-	246,480	270,114	-	270,114
Salaries	300,525	33,392	333,917	303,078	33,675	336,753
Payroll taxes	22,454	2,495	24,949	22,808	2,534	25,342
Lab fees	28,887	-	28,887	20,079	-	20,079
Employee retirement plan	19,505	2,167	21,672	18,468	2,052	20,520
Health insurance	45,762	5,085	50,847	60,306	6,700	67,006
Travel	5,466	-	5,466	4,193	363	4,556
Meetings	2,766	-	2,766	1,999	-	1,999
Accounting	-	9,764	9,764	-	8,945	8,945
Audit	-	13,200	13,200	-	12,940	12,940
Legal	6,105	54,945	61,050	4,466	40,193	44,659
General insurance	19,930	2,215	22,145	18,529	2,059	20,588
Kentucky thoroughbred racing record	-	-	-	-	61	61
Telephone	10,995	1,222	12,217	17,743	1,972	19,715
Postage	2,268	181	2,449	2,332	195	2,527
Office supplies	9,822	431	10,253	6,485	485	6,970
Computer and office equipment	10,696	1,188	11,884	2,384	265	2,649
Printing and publications	4,253	-	4,253	4,801	-	4,801
Service contracts	1,104	9,939	11,043	1,065	9,586	10,651
Continuing education	545	61	606	-	-	-
Office cleaning and storage	3,182	215	3,397	2,107	210	2,317
Miscellaneous	16,135	3,385	19,520	8,885	3,355	12,240
Rent	68,125	3,585	71,710	68,124	3,586	71,710
Utilities	10,628	690	11,318	9,451	464	9,915
Website hosting and publishing	339	38	377	404	45	449
Payroll processing	2,662	296	2,958	2,217	247	2,464
	<u>\$1,559,883</u>	<u>\$ 144,494</u>	<u>\$ 1,704,377</u>	<u>\$1,660,001</u>	<u>\$ 129,932</u>	<u>\$1,789,933</u>

See notes to financial statements.

KENTUCKY RACING HEALTH AND WELFARE FUND, INC.
NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS
DECEMBER 31, 2022 AND 2021

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Operations

The Kentucky Racing Health and Welfare Fund, Inc., (Fund) a non-profit charitable corporation, was formed in 1978 pursuant to KRS 230.374.

The Fund is organized for the benefit, aid, assistance and relief of owners, trainers, jockeys, valets, exercise riders, grooms, stable attendants, pari-mutuel clerks and other racing personnel employed in connection with thoroughbred racing and their spouses and children who demonstrate need for financial assistance connected with death, illness, off-the-job injury and are not otherwise covered by union health and welfare plans, workers' compensation, social security, public welfare or any type of health, medical, death or accident insurance.

Pursuant to KRS 230.374 the Fund receives an annual grant which represents uncashed thoroughbred pari-mutuel tickets. No payment is made to the Fund unless the Kentucky Horse Racing Commission and the Kentucky Auditor of Public Accounts are satisfied the Fund is, in all respects, operated for the charitable and benevolent purposes set forth in KRS 230.374 and 230.375 and no part of the grant paid to the Fund or any net earnings of the Fund inure to the benefit of any individual, director, officer, member of the Fund, or persons who turned over sums to the Commission representing unclaimed pari-mutuel tickets. These payments are restricted by law and are only available for use as set forth in KRS 230.374 and 230.375.

The Fund sponsors the Kentucky Race Track Retirement Plan. The Plan, with discretionary contributions, was established pursuant to KRS 230.375 and is administered for the benefit of eligible participants.

Basis of Presentation

These financial statements are presented on the modified cash basis of accounting, another comprehensive basis of accounting. The modified cash basis of accounting incorporates elements of both the cash basis of accounting and generally accepted accounting principles (GAAP). Consequently, revenues are recognized when received and certain expenses and purchases of assets are recognized when cash is disbursed. Depreciation of property and equipment is reported in the financial statements.

The primary differences between the Fund's modified cash basis of accounting and GAAP relates to the recognition of liabilities for claims incurred in one year and paid in the next and recognition of a right-of-use asset and lease liability for leases. GAAP would recognize the liability and expense when incurred whereas the modified cash basis recognizes the expense when paid. Management has concluded determining the amount of these claims and the associated expense is an undue administrative burden, speculative and would provide minimal additional financial information. GAAP would recognize a lease asset and liability for any long-term leases and the rent would be expensed on a straight line basis over the term of the lease whereas the modified cash basis does not recognize a lease asset or liability and recognizes rent expense when paid.

Management has concluded the modified cash basis of accounting provides an accurate reflection of the Fund's economic activity and operations, accommodates the preparation of operating budgets, internal and external financial statements and facilitates the comparison of budgets to financial statements.

KENTUCKY RACING HEALTH AND WELFARE FUND, INC.
NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS - CONTINUED
DECEMBER 31, 2022 AND 2021

(1 – continued)

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board which requires the Fund to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Certain prior year accounts have been reclassified to conform with current year presentations.

Cash and Cash Equivalents

The Fund considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity date of three months or less to be cash and cash equivalents in the financial statements.

Investments

Investments in marketable securities with readily determinable fair values are measured at fair market value in the statement of net assets. The unrealized gains or losses on investments are included in the change in net assets. Gains and losses on the marketable securities are determined based upon the specific securities sold.

Mortgage Notes Receivable

Mortgage notes receivable are carried at their estimated collectable amounts. Interest income on mortgage notes receivable is recognized using the cash method. Interest income on impaired loans is recognized as cash is collected or on a cost-recovery basis. Provisions for losses on mortgage notes receivable are determined on the basis of loss experience, known and inherent risks, the estimated value of underlying collateral, and current economic conditions.

Concentration of Credit Risk

The Fund maintains its cash at financial institutions and at times the balances may be in excess of federally insured limits.

Use of Estimates

The Fund uses estimates and assumptions in preparing these financial statements in accordance with its modified cash basis of accounting. These estimates and assumptions affect the reported amounts of assets and the reported expenses, primarily the capitalization and depreciation of long-lived assets. Actual results could vary from the estimates that were used.

KENTUCKY RACING HEALTH AND WELFARE FUND, INC.
NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS - CONTINUED
DECEMBER 31, 2022 AND 2021

(1 – continued)

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

Income Taxes

The Fund is exempt from federal and state income taxes under Section 501(c) (3) of the Internal Revenue Code. Accordingly, the financial statements do not provide for income taxes.

The Fund has implemented the accounting guidance for uncertainty in income taxes. Under that guidance, tax positions need to be recognized in the financial statements when it is more-likely-than-not the position will be sustained upon examination by the tax authorities. As of December 31, 2022, the Fund has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Fund files a federal Form 990. The Fund is not currently being examined and management believes its tax-exempt status would be upheld under examination.

(2) **LIQUIDITY**

The organization's financial assets available within one year of the balance sheet date for general expenditure are as follows:

	<u>2022</u>	<u>2021</u>
Cash	\$ 791,404	\$ 1,142,983
Marketable securities	<u>5,635,692</u>	<u>6,587,984</u>
	6,427,096	7,730,967
 Less net assets with donor restrictions	 <u>(5,622)</u>	 <u>(5,728)</u>
	 <u>\$ 6,421,474</u>	 <u>\$ 7,725,239</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments such as marketable securities.

KENTUCKY RACING HEALTH AND WELFARE FUND, INC.
NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS - CONTINUED
DECEMBER 31, 2022 AND 2021

(3) INVESTMENT IN MARKETABLE SECURITIES

The following is a summary of the fair value of the Fund's investment, by classification, in a designated reserve account as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Mutual funds – fixed income	\$ 2,826,002	\$ 3,931,033
Mutual funds – equity	410,013	537,886
Exchange traded funds –		
fixed income	1,160,788	668,868
Exchange traded funds – equity	501,811	732,857
Equities	737,078	717,340
	<u>\$ 5,635,692</u>	<u>\$ 6,587,984</u>

The Fund holds the above securities, invested in a designated operating reserve account, to ensure its ability to continue operations as set forth in KRS 230.374 and 230.375. In recent years, the Fund's annual budgeted expenditures have exceeded the grants received from uncashed pari-mutuel tickets. The Fund's board of directors and management consider this operating reserve and the related income generated, necessary to continue the operations of the Fund. The operating reserve investment helps management continue to provide health and welfare benefits despite the uncertainty about the amounts and timing of the grants received and benefits provided.

(4) FAIR VALUE MEASUREMENTS

The Fund adopted the provisions of ASC 820 *Fair Value Measurements*, for financial assets and financial liabilities. The Fund has no nonfinancial assets and nonfinancial liabilities determined at fair value.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that prioritizes the use of inputs used in valuation methodologies into the following three levels:

- Level 1: Inputs to the valuation methodology are quoted prices, unadjusted for identical assets or liabilities in active markets. A quoted market price in an active market provides the most reliable evidence of fair value and shall be used to measure fair value whenever available.
- Level 2: Inputs to the valuation methodology include quoted market prices for similar assets or liabilities in active markets; inputs to the valuation methodology include quoted market prices for identical or similar assets or liabilities in markets that are not active; or inputs to the valuation methodology that are derived principally from or can be corroborated by observable market data by correlation or other means.

KENTUCKY RACING HEALTH AND WELFARE FUND, INC.
NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS - CONTINUED
DECEMBER 31, 2022 AND 2021

(4 – continued)

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities include financial instruments whose value is determined using discounted cash flow methodologies, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

A description of the valuation methodology used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below. The table below presents the balance of the assets measured at fair value on a recurring basis as of December 31, 2022 and 2021.

	Carrying Value			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2022:				
<i>Assets Measured on a Recurring Basis</i>				
Marketable Securities				
Mutual funds – fixed income	\$2,826,002	\$ -	\$ -	\$2,826,002
Mutual funds – equity	410,013	-	-	410,013
Exchange traded funds –				
fixed income	1,160,788	-	-	1,160,788
Exchange traded funds – equity	501,811	-	-	501,811
Equities	737,078	-	-	737,078
December 31, 2021:				
<i>Assets Measured on a Recurring Basis</i>				
Marketable Securities				
Mutual funds – fixed income	\$3,931,033	\$ -	\$ -	\$3,931,033
Mutual funds – equity	537,886	-	-	537,886
Exchange traded funds –				
fixed income	668,868	-	-	668,868
Exchange traded funds – equity	732,857	-	-	732,857

Marketable securities. Marketable securities are reported at fair value on a recurring basis. These securities are classified as Level 1 of the valuation hierarchy where quoted market prices from reputable third-party brokers are available in an active market. If quoted market prices are not available, the Fund obtains fair value measurements from independent pricing services. The Company's valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While management believes the Company's valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

KENTUCKY RACING HEALTH AND WELFARE FUND, INC.
NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS - CONTINUED
DECEMBER 31, 2022 AND 2021

(5) **RELATED PARTY MORTGAGE NOTES AND ADVANCES**

The Fund advanced cash to The Old School, LLC and Back Track, Inc. These entities are related parties with members common to both boards of directors. The advances were for operations, the purchase and renovation of a building, and payment of professional fees. At December 31, 2022 and 2021, unpaid advances to The Old School, LLC amounted to \$1,889,546. At December 31, 2022 and 2021, unpaid advances to Back Track, Inc. amounted to \$15,275.

In 2021 and 2022, the Fund advanced cash to Kentucky Race Track Retirement Plan. This entity is a related party with members common to both boards of directors. The advance was for the payment of professional fees. At December 31, 2022 and 2021, unpaid advances to Kentucky Race Track Retirement Plan amounted to \$11,150 and \$5,500, respectively.

The Fund has non-interest bearing mortgage notes receivable from The Old School, LLC at December 31, 2022 and 2021 as follows:

	<u>2022</u>	<u>2021</u>
Non-interest bearing note to the Fund, due		
November 1, 2032, secured by a 2 nd real estate mortgage	\$ 1,218,931	\$ 1,218,931
Non-interest bearing note to the Fund, due		
November 1, 2032, secured by a 3 rd real estate mortgage	285,538	285,538
Non-interest bearing note to the Fund, due		
November 1, 2032, secured by a 4 th real estate mortgage	173,429	173,429
Non-interest bearing note to the Fund, due		
November 1, 2032, unsecured	211,648	211,648
	211,648	211,648
Total mortgage notes receivable	\$ 1,889,546	\$ 1,889,546

(6) **OPERATING LEASE AND SUBLEASE**

The Fund leases office space from The Old School, LLC. The initial term of the lease expired during 2019 and was extended through October 1, 2020 with fourteen additional one year renewal options.

Rent paid under the lease amounted to \$5,976 per month during the years ended December 31, 2022 and 2021. The lease agreement also contains a provision which requires the Fund to reimburse The Old School, LLC for its share of certain expenses. Total rent expense for the years ended December 31, 2022 and 2021 was \$71,710. For the years ended December 31, 2022 and 2021, \$35,855 was allocated to the Kentucky Racing Health Services Center and \$35,855 was reported as an administrative cost.

The Fund uses a portion of the leased space for its offices and subleases the remaining space. Rent received under this sublease for the years ended December 31, 2022 and 2021 was \$975 and \$3,250, respectively.

KENTUCKY RACING HEALTH AND WELFARE FUND, INC.
NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS - CONTINUED
DECEMBER 31, 2022 AND 2021

(7) **KENTUCKY RACE TRACK RETIREMENT PLAN**

The Kentucky Race Track Retirement Plan is funded with discretionary contributions from the Fund. Contributions to the Plan were \$50,000 and \$62,500 for the years ended December 31, 2022 and 2021, respectively. The Fund also paid related administration expenses for the Plan of \$8,704 and \$7,939 for the years ended December 31, 2022 and 2021, respectively.

(8) **EMPLOYEE RETIREMENT PLAN**

The Fund has a simplified employee retirement plan for all full time employees with over three years of service. The Fund's contribution equals 8% of the participant's compensation. The Fund's contributions to the plan amounted to \$21,672 and \$20,520 for the years ended December 31, 2022 and 2021, respectively.

(9) **DEVELOPER FEE RECEIVABLE**

In 2002, the Fund entered into a development agreement with The Old School, LLC to supervise the rehabilitation of the building owned by The Old School, LLC. The development agreement required The Old School, LLC to pay the Fund a development fee in the amount of \$743,681. The remaining unpaid balance of \$320,252 is evidenced by an unsecured note payable to the Fund. This note carries an interest rate of 6.0% and is due November 1, 2032 with interest.

(10) **PAYCHECK PROTECTION PROGRAM LOAN**

The Fund received \$71,000 in funding through a loan under the Small Business Administration's Paycheck Protection Program in April 2020. This unsecured loan had a maturity of two years and an interest rate of 1%. The Fund accounted for the amount as income when it was formally forgiven on March 16, 2021.

(11) **SUBSEQUENT EVENTS**

In preparing these financial statements, the Fund has evaluated events and transactions for potential recognition or disclosure in the accompanying financial statements and related notes thereto have taken place through May 22, 2023.

The Fund received grants of uncashed pari-mutuel tickets totaling \$995,437 in January and February of 2023. In addition, the Fund received \$500,000 donation from Churchill Downs in February 2023.



MONROE SHINE

KNOWLEDGE FOR TODAY . . . VISION FOR TOMORROW

500 NORTH HURSTBOURNE PARKWAY, SUITE 150, LOUISVILLE, KENTUCKY 40222 • PHONE: 502.423.0311 • FAX: 502.339.7103

Independent Auditor's Report on Supplementary Information

Board of Directors
Kentucky Racing Health and Welfare Fund, Inc.
Louisville, Kentucky

We have audited the financial statements of **Kentucky Racing Health and Welfare Fund, Inc.** for the years ended December 31, 2022 and 2021, and our report thereon dated May 22, 2023, which expressed an unqualified opinion on those financial statements, appears on page three. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included in pages 16 and 17 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with audit standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Monroe Shine

Louisville, Kentucky
May 22, 2023

KENTUCKY RACING HEALTH AND WELFARE FUND, INC.
ADMINISTRATIVE EXPENSES
YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>		<u>2021</u>
Salaries	\$ 333,917	\$	336,753
Payroll taxes	24,949		25,342
Employee retirement plan	21,672		20,520
Health insurance	50,847		67,006
Travel	4,085		3,157
Meetings	2,766		1,999
Accounting	3,744		3,275
Audit	13,200		12,940
Legal	61,050		44,659
General insurance	22,145		20,588
Kentucky thoroughbred racing record	-		61
Telephone	12,217		19,715
Postage	1,806		1,942
Office supplies	4,308		4,848
Computer and office equipment	11,884		2,649
Printing and publications	4,075		4,164
Service contracts	11,043		10,651
Continuing education	606		-
Office cleaning and storage	2,147		2,100
Miscellaneous	4,363		1,966
Rent	35,846		35,855
Utilities	6,897		4,649
Website hosting & publishing	377		449
Payroll processing	2,958		2,464
	\$ 636,902	\$	627,752
Total Administrative Expenses	\$ 636,902	\$	627,752

KENTUCKY RACING HEALTH AND WELFARE FUND, INC.
RETIREMENT PLAN
YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>		<u>2021</u>
Retirement plan contributions	\$ 50,000	\$	62,500
Professional fees	6,020		5,670
Office supplies	1,125		734
Printing and publications	178		499
Travel expense	1,381		1,036
	<hr/>		
Total Retirement Plan	\$ 58,704	\$	70,439



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

August 7, 2023

Richard P. Riedel
Executive Director
Kentucky Racing Health and Welfare Fund, Inc.
422 Heywood Avenue
Louisville, KY 40208
Via Email: rpriedel@kyracinghealth.org

RE: KRS 230.374 – Transfer of Funds to the Kentucky Racing Health and Welfare Fund, Inc.

Dear Mr. Riedel:

We have received your correspondence to our former Chief of Staff, Sara Beth Gregory, dated June 16, 2023 requesting a letter stating that our office is satisfied that the Kentucky Racing Health and Welfare Fund, Inc. (Fund) is being operated for charitable and benevolent purposes as provided in KRS 230.374.

We have reviewed the FY 22 Fund financial statement audit report performed by Monroe Shine, which you provided to us, as well as a copy of the Fund's 2023 budget as approved July 28, 2023.

Based on our review of the documents provided, our office is satisfied that the Fund is being operated for the charitable and benevolent purposes, as required by KRS 230.374, or for reasonable administrative purposes.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the financial statements or the budget. Accordingly, we do not express such an opinion. Had we performed an audit or further review, other matters might have come to our attention which would have been reported to you.

Sincerely,

Farrah Petter
Assistant Auditor of Public Accounts

CC: Karen Pehlke, Deputy Executive Director Via Email: kpehlke@kyracinghealth.org
Mike Harmon, Auditor of Public Accounts
Jon Grate, APA Chief of Staff

209 ST. CLAIR STREET
FRANKFORT, KY 40601-1817

TELEPHONE 502.564.5841
FACSIMILE 502.564.2912
AUDITOR.KY.GOV

AN EQUAL OPPORTUNITY EMPLOYER M/F/D



Unclaimed Parimutuel Tickets for 2023

Kentucky Racing Health & Welfare Fund
Attn: Richard Riedel
422 Heywood Ave
Louisville, KY 40208-1324

Racing Facility	Amount	Amount Claimed	Check Received	Advertising Paid	Total to Fund
Churchill Downs	\$772,422.36	\$29,236.64	\$743,185.72	\$779.53	\$742,406.19
Ellis Park	\$38,373.31	\$0.00	\$38,373.31	\$36.58	\$38,336.73
Keeneland	\$523,997.07	\$448.35	\$523,548.72	\$175.06	\$523,373.66
Kentucky Downs	\$92,873.49	\$35.00	\$92,838.49	\$776.26	\$92,062.23
Turfway Park	\$47,722.14	\$1,063.81	\$46,658.33	\$124.21	\$46,534.12
Total	\$1,475,388.37	\$30,783.80	\$1,444,604.57	\$1,891.64	\$1,442,712.93

Monies to be turned over to the KY Racing Health & Welfare Fund pursuant to KRS 230.374

Fiscal Year	Issued Date	Vendor Legal Name	Posting Amount	Cleared Date
2007	4/2/2007	KENTUCKY RACING HEALTH AND	\$ 2,329,197.66	4/9/2007
2008	12/28/2007	KENTUCKY RACING HEALTH AND	\$ 2,140,152.42	1/7/2008
2008	2/21/2008	KENTUCKY RACING HEALTH AND	\$ 224,601.18	2/27/2008
2009	1/23/2009	KENTUCKY RACING HEALTH AND	\$ 1,513,433.43	1/29/2009
2009	3/2/2009	KENTUCKY RACING HEALTH AND	\$ 889,767.51	3/6/2009
2009	3/12/2009	KENTUCKY RACING HEALTH AND	\$ 182,665.46	3/18/2009
2010	12/28/2009	KENTUCKY RACING HEALTH AND	\$ 1,300,000.00	1/6/2010
2010	2/15/2010	KENTUCKY RACING HEALTH AND	\$ 965,859.01	2/22/2010
2010	4/19/2010	KENTUCKY RACING HEALTH AND	\$ 322,016.10	4/26/2010
2010	6/4/2010	KENTUCKY RACING HEALTH AND	\$ 10,541.30	6/10/2010
2011	12/21/2010	KENTUCKY RACING HEALTH AND	\$ 2,294,541.92	1/5/2011
2012	1/23/2012	KENTUCKY RACING HEALTH AND	\$ 2,111,476.93	1/27/2012
2012	4/6/2012	KENTUCKY RACING HEALTH AND	\$ 182,019.00	4/9/2012
2013	1/25/2013	KENTUCKY RACING HEALTH AND	\$ 1,965,047.22	1/30/2013
2013	2/20/2013	KENTUCKY RACING HEALTH AND	\$ 226,757.39	2/25/2013
2014	1/8/2014	KENTUCKY RACING HEALTH AND	\$ 2,153,777.97	1/13/2014
2014	3/17/2014	KENTUCKY RACING HEALTH AND	\$ 97,950.65	3/21/2014
2015	12/30/2014	KENTUCKY RACING HEALTH AND	\$ 1,544,850.14	1/5/2015
2015	12/31/2014	KENTUCKY RACING HEALTH AND	\$ 604,802.76	1/7/2015
2016	12/4/2015	KENTUCKY RACING HEALTH AND	\$ 1,946,275.49	12/10/2015
2017	12/21/2016	KENTUCKY RACING HEALTH AND	\$ 2,030,904.28	12/30/2016
2017	2/8/2017	KENTUCKY RACING HEALTH AND	\$ 4,400.96	2/14/2017
2018	12/13/2017	KENTUCKY RACING HEALTH AND	\$ 2,220,796.20	12/21/2017
2018	4/12/2018	KENTUCKY RACING HEALTH AND	\$ 152,916.71	4/24/2018
2019	12/14/2018	KENTUCKY RACING HEALTH AND	\$ 1,934,121.71	12/24/2018
2020	1/2/2020	KENTUCKY RACING HEALTH AND	\$ 1,795,191.24	1/9/2020
2020	2/14/2020	KENTUCKY RACING HEALTH AND	\$ 85,109.48	2/28/2020
2021	1/7/2021	KENTUCKY RACING HEALTH AND	\$ 1,831,575.72	1/21/2021
2021	1/21/2021	KENTUCKY RACING HEALTH AND	\$ 126,409.29	2/3/2021
2022	1/13/2022	KENTUCKY RACING HEALTH AND	\$ 706,979.67	1/26/2022
2022	3/21/2022	KENTUCKY RACING HEALTH AND	\$ 2,417.37	3/31/2022
2023	12/28/2022	KENTUCKY RACING HEALTH AND	\$ 901,052.29	1/6/2023
2023	2/23/2023	KENTUCKY RACING HEALTH AND	\$ 94,384.75	2/24/2023

Andy Beshear
GOVERNOR

Jacqueline Coleman
LIEUTENANT GOVERNOR



Ray A. Perry
SECRETARY

Jamie Eads
EXECUTIVE DIRECTOR

Jonathan Rabinowitz
CHAIRMAN

PUBLIC PROTECTION CABINET

**Kentucky Horse Racing
Commission**

4047 Iron Works Parkway
Lexington, KY 40511
Phone: (859) 246-2040
Fax: (859) 246-2039

TO: Kentucky Horse Racing Commission
FROM: Drew Conners, Director of Incentives & Development
DATE: December 11, 2023
RE: **RELEASE OF UNCASHED PARI-MUTUEL TICKETS TO THE KENTUCKY PROUD SERIES**

Any uncashed pari-mutuel tickets at a standardbred track that go unclaimed pursuant to KRS 230.362 shall be used for purses regarding harness racing at county fairs (KY Proud Series) in accordance with KRS 230.398. The tickets are over a year old. Specifically, these are tickets that were originally sold to bettors between July 1, 2021, and June 30, 2022, and were still unclaimed a year (or more) later on July 1, 2023. At this time, staff confirms \$40,955.52 has been collected.

KHRC Staff Recommends Approval.

Racing Association	Amount	Amount Claimed	Check Received	Advertising Paid	Total to Fund
ECL Corbin, LLC (Cumberland Run)	\$ -	\$ -	\$ -	\$ -	\$ -
Lexington Trots Breeders Assoc. (Red Mile)	\$ 22,187.56	\$ -	\$ 22,187.56	\$ 179.40	\$ 22,008.16
WKY Development, LLC (Oak Grove)	\$ 19,007.86		\$ 19,007.86	\$ 60.50	\$ 18,947.36
Total	\$ 41,195.42	\$ -	\$ 41,195.42	\$ 239.90	\$ 40,955.52

COMMISSION ACTION

_____ Approve

_____ Defer

_____ Deny



Andy Beshear
GOVERNOR

Ray A. Perry
SECRETARY

Jacqueline Coleman
LIEUTENANT GOVERNOR

PUBLIC PROTECTION CABINET

**Kentucky Horse Racing
Commission**

4047 Iron Works Parkway
Lexington, KY 40511
Phone: (859) 246-2040
Fax: (859) 246-2039

Jamie Eads
EXECUTIVE DIRECTOR

Jonathan Rabinowitz
CHAIRMAN

TO: Kentucky Horse Racing Commission
FROM: Hans Stokke, Director of Sports Wagering
DATE: December 1, 2023
RE: **RATIFICATION OF EXECUTIVE DIRECTOR EADS' APPROVAL OF THE AMENDMENTS TO KENTUCKY SPORTS WAGERING CATALOG**

In accordance with KRS 230.805, the Kentucky Horse Racing Commission (KHRC) is required to promulgate administrative regulations to establish standards for the conduct of Sports Wagering. As stated in 809 KAR 10:002 Section 2, a licensee shall not offer sports wagering that “has not been approved by the racing commission”. A critical component of each system for sports wagering are the sporting events upon which sports wagers may be conducted.

We first propose the removal of the International Champions Cup, which was cancelled for 2023 and has not been rescheduled.

The eSports catalog entry for Counterstrike Global Offensive (CS:GO) has been renamed as Counter-Strike 2 (CS2), and will be reflected in the catalog as such.

Additions to the Kentucky Sports Wagering Catalog (Catalog) may be considered by the KHRC, each requiring a separate application and supporting exhibits (see attached). In reviewing the sporting events and sport’s governing bodies submitted through November 16, 2023, the KHRC is prepared to recommend the following additions to the Wagering Catalog pursuant to the suitability requirements set forth in 810 KAR 10:002E.

- Athletes Unlimited (Basketball, Lacrosse, Softball, Volleyball)
- NCAA Volleyball
- TGL- Tomorrow’s Golf League (Golf)
- UFC Contender Series (MMA)
- H2H Global Gaming League (eSports)

If Executive Director Jamie Eads’ approval of these amendments to the Catalog is ratified by the KHRC, the amended Catalog will be made available to all licensed entities as well as the public through the KHRC’s website.

COMMISSION ACTION

_____ Ratify

_____ Defer

_____ Deny

Sporting Event	Sports Governing Body	Country of Origin	Date Approved
Athletics	World Athletics	International	8/31/2023
Australian Rules Football	Australian Football League	Australia	8/31/2023
Baseball/Softball	Athletes Unlimited Softball	USA	11/21/2023
Baseball/Softball	Major League Baseball (MLB)	USA	8/31/2023
Baseball/Softball	NCAA Baseball and Softball	USA	8/31/2023
Baseball/Softball	World Baseball Classic (WBC)	International	8/31/2023
Baseball/Softball	Minor League Baseball (MiLB) – Triple A	USA	8/31/2023
Baseball/Softball	Japan Nippon Professional Baseball	Japan	8/31/2023
Baseball/Softball	Chinese Professional Baseball League	Taiwan	8/31/2023
Baseball/Softball	Korean KBO League	South Korea	8/31/2023
Baseball/Softball	Mexican Baseball League (LMB)	Mexico	8/31/2023
Baseball/Softball	Baseball Series de Caribe (CBC)	Caribbean	8/31/2023
Basketball	Athletes Unlimited Basketball	USA	11/21/2023
Basketball	National Basketball Association (NBA)	USA	8/31/2023
Basketball	Women's National Basketball Association (WNBA)	USA	8/31/2023
Basketball	NCAA	USA	8/31/2023
Basketball	Euro League/Euro Cup	Europe	8/31/2023
Basketball	FIBA Sanctioned Events	International	8/31/2023
Basketball	The Basketball Tournament (TBT)	USA	8/31/2023
Basketball	Big Three	USA	8/31/2023
Billiards	World Pool Billiard Association Sanctioned Events	International	8/31/2023
Bowling	Professional Bowlers Associations (PBA)	International	8/31/2023
Bull Riding/Rodeo	Professional Bull Riders (PBR)	International	8/31/2023
Boxing	World Boxing Association (WBA)	International	8/31/2023
Boxing	World Boxing Council (WBC)	International	8/31/2023
Boxing	World Boxing Organization (WBO)	International	8/31/2023
Boxing	International Boxing Federation (IBF)	International	8/31/2023
Boxing	International Boxing Organization (IBO)	International	8/31/2023
Chess	International Chess Federation (FIDE)	International	8/31/2023
Cornhole	American Cornhole League (ACL Pro Division)	USA	8/31/2023
Cricket	International and domestic events sanctioned by ICC	International	8/31/2023
Cycling	Union Cycliste International (UCI) Sanctioned Events	International	8/31/2023
Darts	Professional Darts Corporation (PDC) Sanctioned Events	International	8/31/2023
eSports	Call of Duty League	International	8/31/2023
eSports	Counterstrike-2 (CS2)	International	8/31/2023
eSports	League of Legends (LoL)	International	8/31/2023
eSports	Dota 2	International	8/31/2023
eSports	NBA 2k League	International	8/31/2023
eSports	H2H Global Gaming League- (SIS NBA2K Basketball)	International	11/21/2023
eSports	Overwatch League	International	8/31/2023
eSports	Rainbow 6	International	8/31/2023
eSports	Valorant	International	8/31/2023
Football	National Football League (NFL)	USA	8/31/2023
Football	NCAA	USA	8/31/2023
Football	Canadian Football League (CFL)	Canada	8/31/2023
Football	College Senior Bowl	USA	8/31/2023
Football	USFL	USA	8/31/2023
Football	XFL	USA	8/31/2023
Football	Indoor Football League (IFL)	USA	8/31/2023
Futsal	International and domestic events sanctioned by FIFA	International	8/31/2023
Golf	Events sanctioned by International Federation of PGA Tours	International	8/31/2023
Golf	LIV Golf	International	8/31/2023
Golf	The Match Series	International	8/31/2023
Golf	Tomorrow's Golf League (TGL)	USA	11/21/2023
Golf	Major Championships	International	8/31/2023
Hockey - Ice	National Hockey League (NHL)	USA/Canada	8/31/2023
Hockey - Ice	International and domestic events sanctioned by IIHF	International	8/31/2023
Hockey - Ice	NCAA	USA	8/31/2023
Hockey - Ice	American Hockey League (AHL)	USA/Canada	8/31/2023
Lacrosse	NCAA	USA	8/31/2023
Lacrosse	Premier Lacrosse League	USA	8/31/2023
Mixed Martial Arts (MMA)	Ultimate Fighting Championship (UFC)	International	8/31/2023
Mixed Martial Arts (MMA)	Ultimate Fighting Championship Contender Series (UFC)	USA	11/21/2023
Mixed Martial Arts (MMA)	Bellator	International	9/21/2023
Mixed Martial Arts (MMA)	Professional Fighters League (PFL)	USA	9/21/2023
Olympics (including trials)	Summer Olympics	International	8/31/2023
Olympics (including trials)	Winter Olympics	International	8/31/2023
Racing and other Motor Sports	NASCAR: Xfinity Series	USA	8/31/2023
Racing and other Motor Sports	NASCAR: Camping World Truck Series	USA	8/31/2023
Racing and other Motor Sports	NASCAR: Cup Series	USA	8/31/2023
Racing and other Motor Sports	Fédération Internationale de l'Automobile (FIA) Sanctioned Events (F1)	International	9/21/2023

Racing and other Motor Sports	Indy Racing League (Indy Car)	USA	8/31/2023
Racing and other Motor Sports	Superstar Racing Experience (SRX)	USA	8/31/2023
Racing and other Motor Sports	National Hot Rod Association (NHRA)	USA	8/31/2023
Racing and other Motor Sports	United States Auto Club (USAC) Sanctioned Events	USA	8/31/2023
Netball	ANZ Premiership	New Zealand	8/31/2023
Netball	Super Netball	Australia	8/31/2023
Rugby League	National Rugby League (NRL)	Australia	9/21/2023
Rugby Union	International and domestic events sanctioned by World Rugby	International	8/31/2023
Rugby Union	SANZAAR Sanctioned Events	International	8/31/2023
Sailing	Americas Cup	International	8/31/2023
Sailing	Prada Cup Challenger Selection Series	International	8/31/2023
Snooker	World Snooker Sanctioned Events	International	8/31/2023
Snooker	WPBSA Sanctioned Events	International	8/31/2023
Snooker	WPA Sanctioned Events	International	8/31/2023
Snooker	IWGA Sanctioned Events	International	8/31/2023
Soccer	International and domestic events sanctioned by FIFA	International	8/31/2023
Soccer	Audi Cup	International	8/31/2023
Soccer	NCAA	USA	8/31/2023
Special Events	Nathan's Famous Hot Dog Eating Contest	USA	8/31/2023
Special Events	Major League Eating Sanctioned Events	USA	8/31/2023
Summer Athletics	Commonwealth Games	International	8/31/2023
Summer Athletics	X-Games	International	8/31/2023
Table Tennis	International and domestic events sanctioned by ITTF	International	8/31/2023
Tennis	ATP Tour Events	International	8/31/2023
Tennis	Grand Slam Events	International	8/31/2023
Tennis	ITF Sanctioned Events	International	8/31/2023
Tennis	USTA Sanctioned Events	USA	8/31/2023
Tennis	World Team Tennis	USA	8/31/2023
Tennis	UTR Pro Tennis Tour	International	9/21/2023
Tennis	WTA Tour Events	International	8/31/2023
Volleyball	Athletes Unlimited Volleyball	USA	11/21/2023
Volleyball	International and domestic events sanctioned by FIVB	International	8/31/2023
Volleyball	NCAA Volleyball	USA	11/21/2023
Winter Athletics	X-Games	International	8/31/2023
Winter Athletics	ISU World Championships and World Cup	International	8/31/2023
Winter Athletics	IBSF World Championships	International	8/31/2023
Winter Athletics	FIL World Championships	International	8/31/2023
Winter Athletics	FIS World Cup	International	8/31/2023
Winter Athletics	Four Hills Tournament	Europe	8/31/2023



Andy Beshear
GOVERNOR

Ray A. Perry
SECRETARY

Jacqueline Coleman
LIEUTENANT GOVERNOR

PUBLIC PROTECTION CABINET

Jamie Eads
EXECUTIVE DIRECTOR

Kentucky Horse Racing Commission

4047 Iron Works Parkway
Lexington, KY 40511
Phone: (859) 246-2040
Fax: (859) 246-2039

Jonathan Rabinowitz
CHAIRMAN

TO: Kentucky Horse Racing Commission

FROM: Hans Stokke, Director of Sports Wagering

DATE: December 1, 2023

RE: **REQUEST FOR APPROVAL OF SPORTS WAGERING SERVICE PROVIDER LICENSES FOR 2024**

KRS 230.260 requires the Kentucky Horse Racing Commission (Commission) to "promulgate administrative regulations to establish standards for the conduct of sports wagering." KRS 230.811 and KRS 230.814 permit a licensed service provider to conduct sports wagering in Kentucky. The service provider license requires an initial fee of \$50,000 and a renewal fee of \$10,000.

Pursuant to KRS 230.814, applicants must submit relevant documentation that outlines several items, including their, organizational structure, key personnel, technical requirements and certification, and contract to provide services to a sports wagering operator. Throughout the duration of the license, applicants must furnish details concerning significant changes to ownership structure, server equipment and software, arrangements with third-party service providers, house rules, internal controls, and potential impacts on the Commonwealth of Kentucky. The KHRC staff may request clarification for any documentation submitted prior to or throughout the duration of the license.

Nine applicants were approved for a temporary service provider license on August 22, 2023. Of these, all nine have requested a renewal of the sports wagering service provider license. Pursuant to 809 KAR 1:002E Section 6(3), "Initial applications completed for sports wagering conducted in 2023 may also serve as the renewal application for sports wagering conducted in 2024." As of the deadline, no additional entities have submitted service provider applications for conducting sports wagering activities in Kentucky. The following provides a brief overview of each applicant's background information. For further information, please refer to the applications filed at the KHRC office.

AMERICAN WAGERING, INC. ("CAESARS SPORTSBOOK")

American Wagering, Inc. has filed its initial application along with a renewal fee related to sports wagering operations in 2024. American Wagering, Inc. conducts retail and mobile wagering with Lexington Trots Breeders Association, LLC ("Red Mile") and has requested the renewal of its sports wagering service provider license for 2024.

The KHRC staff recommends approval of American Wagering, Inc.'s license to conduct sports wagering.

BETFAIR INTERACTIVE US, LLC (“FANDUEL SPORTSBOOK”)

Betfair Interactive US, LLC has filed its initial application along with a renewal fee related to sports wagering operations in 2024. Betfair Interactive US, LLC conducts mobile wagering with Turfway Park, LLC ("Turfway Park") and has requested the renewal of its sports wagering service provider license for 2024.

The KHRC staff recommends approval of Betfair Interactive US, LLC's license to conduct sports wagering.

BETMGM, LLC (“BETMGM”)

BetMGM, LLC has filed its initial application along with a renewal fee related to sports wagering operations in 2024. BetMGM, LLC conducts retail and mobile wagering with Revolutionary Racing KY, LLC ("Sandy's Racing & Gaming") and has requested the renewal of its sports wagering service provider license for 2024.

The KHRC staff recommends approval of BetMGM, LLC's license to conduct sports wagering.

CIRCA SPORTS KY, LLC (“CIRCA SPORTS”)

Circa Sports KY, LLC has filed its initial application along with a renewal fee related to sports wagering operations in 2024. Circa Sports KY, LLC has yet to launch operations in Kentucky, and will conduct mobile wagering with Kentucky Downs LLC ("The Mint Gaming Hall at Kentucky Downs") and has requested the renewal of its sports wagering service provider license for 2024.

The KHRC staff recommends approval of Circa Sports KY, LLC license to conduct sports wagering.

CROWN KY, LLC (“DRAFTKINGS SPORTSBOOK”)

Crown KY, LLC has filed its initial application along with a renewal fee related to sports wagering operations in 2024. Crown KY, LLC conducts retail and mobile wagering with ECL Corbin, LLC ("The Mint Gaming Hall Cumberland") and has requested the renewal of its sports wagering service provider license for 2024.

The KHRC staff recommends approval of Crown KY, LLC's license to conduct sports wagering.

FBG GLOBAL HOLDCO, LLC (“FANATICS SPORTSBOOK”)

FBG Global Holdco, LLC has filed its initial application along with a renewal fee related to sports wagering operations in 2024. FBG Global Holdco, LLC conducts mobile wagering with WKY Development, LLC ("Oak Grove Racing, Gaming & Hotel") and has requested the renewal of its sports wagering service provider license for 2024.

The KHRC staff recommends approval of FBG Global Holdco, LLC's license to conduct sports wagering.

HILLSIDE (KENTUCKY), LLC (“BET365”)

Hillside (Kentucky), LLC has filed its initial application along with a renewal fee related to

sports wagering operations in 2024. Hillside (Kentucky), LLC conducts mobile wagering with Revolutionary Racing KY, LLC ("Sandy's Racing & Gaming") and has requested the renewal of its sports wagering service provider license for 2024.

The KHRC staff recommends approval of Hillside (Kentucky), LLC's license to conduct sports wagering.

PENN SPORTS INTERACTIVE, LLC ("ESPNBET")

Penn Sports Interactive, LLC has filed its initial application, since amended to reflect the d/b/a "ESPNBet," along with a renewal fee related to sports wagering operations in 2024. Penn Sports Interactive, LLC conducts mobile wagering with Ellis Entertainment, LLC ("Ellis Park") and has requested the renewal of its sports wagering operator license for 2024.

The KHRC staff recommends approval of Penn Sports Interactive, LLC's license to conduct sports wagering.

SPORTS INFORMATION SERVICES, LTD ("KAMBI")

Sports Information Services, LTD has filed its initial application along with a renewal fee related to sports wagering operations in 2024. Sports Information Services, LTD conducts retail wagering with Churchill Downs Racetrack, LLC ("Churchill Downs Racetrack") Ellis Entertainment, LLC ("Ellis Park"), Turfway Park, LLC ("Turfway Park"), and WKY Development, LLC ("Oak Grove Racing, Gaming & Hotel") and has requested the renewal of its sports wagering operator license for 2024.

The KHRC staff recommends approval of Sports Information Services, LTD's license to conduct sports wagering.

Please note that the above reflects a review by the KHRC staff of the submissions by each service provider as a part of its application. Should any information submitted by the applicants change, an amendment to the applicant's submission must be submitted to the KHRC and may be subject to approval by the KHRC.

COMMISSION ACTION

_____ Approve

_____ Defer

_____ Deny



Andy Beshear
GOVERNOR

Ray A. Perry
SECRETARY

Jacqueline Coleman
LIEUTENANT GOVERNOR

PUBLIC PROTECTION CABINET

**Kentucky Horse Racing
Commission**

4047 Iron Works Parkway
Lexington, KY 40511
Phone: (859) 246-2040
Fax: (859) 246-2039

Jamie Eads
EXECUTIVE DIRECTOR

Jonathan Rabinowitz
CHAIRMAN

TO: Kentucky Horse Racing Commission
FROM: Jennifer Wolsing, General Counsel
DATE: December 11, 2023
RE: **VOLUNTARY IMPLEMENTATION AGREEMENT WITH HORSERACING INTEGRITY AND SAFETY AUTHORITY, INC. AND HORSERACING INTEGRITY AND WELFARE UNIT FOR 2024**

Attorneys from the Horseracing Integrity and Safety Authority (“HISA” or the “Authority”) and the Horseracing Integrity and Welfare Unit (“HIWU” or the “Agency”) have met with KHRC counsel and Executive staff. The parties have discussed the 2024 Voluntary Implementation Agreement (“VIA”).

This year’s VIA contains a few relatively minor changes from last year’s VIA, as follows:

1. The parties acknowledge that the Authority submitted proposed rule modifications on Sept. 21, 2023.
2. The Commission agrees to tell the tracks who our named Safety Directors are and further agrees to advise the Authority if we replace any of them.
3. The Commission will tell the Authority if we replace any of our named Regulatory Vets.
4. The Commission also agrees to coordinate with a diagnostic lab equipped to perform equine necropsies.
5. The KHRC will provide the Agency with a certification that all of our Collection Personnel have completed a criminal background check *and* are in good standing with the tracks where they are completing samples and have completed conflict of interest statements. We will also tell the Agency if any of our Collection Personnel are terminated.
6. The Agency will provide all ADMC program notice letters, charge letters, and atypical findings letters for matters originating in Kentucky to Executive Director Jamie Eads, Deputy Executive Director Waqas Ahmed, Chief Steward Barbara Borden, Safety Steward Beth Bungert, State Steward Brooks “Butch” Becraft, and General Counsel Jennifer Wolsing.
7. The parties agree that the Commission will not “collect, remit, or pay” any fees related to the Authority or the Agency on behalf of the tracks.
8. The parties added Beth Bungert as Safety Steward and removed Dr. Howard as our Equine Medical Director, due to his recent retirement.
9. The VIA also directly addresses certain communication issues that the parties resolved informally in a March 2023 email.

The Commission staff recommends approval of the attached Voluntary Implementation Agreement.

COMMISSION ACTION

_____ Approve

_____ Defer

_____ Deny

VOLUNTARY IMPLEMENTATION AGREEMENT

THIS VOLUNTARY IMPLEMENTATION AGREEMENT (this “Agreement”) is effective as of the 16th day of December, 2023 (the “Effective Date”), by and among the Horseracing Integrity and Safety Authority, Inc., a Delaware non-profit corporation whose mailing address is 401 West Main Street, Unit 222, Lexington, Kentucky 40507 (the “Authority”), the Horseracing Integrity & Welfare Unit, a division of Drug Free Sport, LLC (“Drug Free Sport”), a Delaware limited liability company whose mailing address is 2537 Madison Avenue, Kansas City, Missouri 64108 (the “Agency”), and the Kentucky Horse Racing Commission, an agency of the Kentucky state government whose mailing address is 4047 Iron Works Pkwy., Lexington, KY 40511 (the “Commission”). As used herein, the “Parties” shall mean the Authority, the Agency, and the Commission, collectively; and a “Party” shall mean the Authority, the Agency, or the Commission individually

WHEREAS the Authority is a private, independent, self-regulatory, nonprofit corporation that was recognized for the purpose of developing and implementing a horseracing anti-doping and medication control program and a racetrack safety program for Covered Horses, Covered Persons, and Covered Horseraces by the Horseracing Integrity and Safety Act of 2020 (the “Act”). Any individuals, events, or other matters under the purview of the Kentucky Horse Racing Commission prior to enactment of the Act, and not superseded by the Act, shall continue as regulated by the Kentucky Horse Racing Commission;

WHEREAS Drug Free Sport, a worldwide leader in the sport drug testing industry who administers comprehensive drug testing programs, manages national and international collections, and develops drug testing policies for a wide range of organizations around the world, created an entity to act as the anti-doping and medication control enforcement agency under the Act and to develop and enforce an independent and uniform thoroughbred anti-doping and medication control program (“ADMC Program”);

WHEREAS the Agency was created to act as the anti-doping and medication control enforcement agency under the Act and to develop and enforce the ADMC Program;

WHEREAS the Commission is the independent agency of state government vested with jurisdiction to regulate the conduct of horse racing and pari-mutuel wagering on horse racing and related activities within the state of Kentucky (the “State”);

WHEREAS 15 USC § 3054(e)(2)(A)(i) of the Act permits the Authority to enter into agreements with State racing commissions for services consistent with the enforcement of the racetrack safety program (the “Racetrack Safety Program”);

WHEREAS 15 USC § 3054(e)(2)(A)(ii) of the Act permits the Agency to enter into agreements with State racing commissions for services consistent with the enforcement of the

ADMC Program, and 15 USC § 3060 permits the Authority to enter into agreements with State racing commissions for services consistent with the enforcement of the ADMC Program;

WHEREAS the Authority has determined that the Commission has the ability to implement certain areas of the Racetrack Safety Program in accordance with the rules, standards, and requirements established by the Act and the Authority; and

WHEREAS the Authority and the Agency have determined that the Commission has the ability to implement certain areas of the ADMC Program in accordance with the rules, standards, and requirements established by the Act, the Authority, and the Agency.

WHEREAS, on September 21, 2023, the Authority submitted to the Federal Trade Commission a Proposed Rule Modification to the Rule 2000 Series under the Horseracing Integrity and Safety Act of 2020 (the “Proposed Rule Modification”).

NOW THEREFORE, in consideration of the covenants herein contained and other good and valuable consideration, the sufficiency of which is acknowledged, the Parties agree as follows:

I. Racetrack Safety Program

A. Medical Director. The Executive Director of the Commission shall utilize the Authority’s Medical Director in connection with implementation of the Racetrack Safety Program. The Authority and the Commission agree that the Authority’s Medical Director shall carry out the duties and responsibilities of the Medical Director set forth in the Racetrack Safety Program, including, but not limited to, the duties and responsibilities set forth in Rule 2132 of the Racetrack Safety Program. Any person named to replace the individual named as the Authority’s Medical Director under this section herein shall possess the qualifications set forth in Rule 2132(a) Racetrack Safety Program

B. Safety Director. The Executive Director of the Commission names and appoints Safety Steward Beth Bungert, Chief Veterinarian Dr. Nick Smith, and the Commission’s Equine Medical Director as Safety Directors of the State (the “Safety Director”). The Commission shall provide written notice of the individuals appointed as Safety Directors to a management official for each racetrack under the Commission’s jurisdiction. The Authority and the Commission agree that the Safety Directors shall carry out the duties and responsibilities of the Safety Director set forth in the Racetrack Safety Program, as directed in training provided by the Authority. These duties include, but are not limited to, the duties and responsibilities set forth in Rule 2131 of the Racetrack Safety Program. Any person named by the Commission’s Executive Director to replace the individuals named as Safety Director herein shall possess the necessary qualifications to perform the duties and responsibilities set forth in Rule 2131 of the Racetrack Safety Program. In the event of a replacement, the Commission shall provide written notice to the Authority and a management official for each racetrack under the Commission’s jurisdiction.

C. Stewards. The Executive Director of the Commission agrees that the Commission's stewards shall enforce the safety regulations set forth in the Rule 2200 Series of the Racetrack Safety Program, as directed in training provided by the Authority. The Commission further agrees that the Commission's stewards for Covered Races shall also serve in the adjudicatory capacities directed in training provided by the Authority regarding the Rule Series 8000, "Enforcement Rules."

D. Regulatory Veterinarian. The Executive Director of the Commission names and appoints Chief Veterinarian Dr. Nick Smith and the Commission's Equine Medical Director as the Regulatory Veterinarians of the State (the "Regulatory Veterinarians"). The Authority and the Commission agree that the Regulatory Veterinarians shall carry out the duties and responsibilities of the Regulatory Veterinarians set forth in the Racetrack Safety Program, as directed in training provided by the Authority. These duties include, but are not limited to, the duties and responsibilities set forth in Rule 2135 of the Racetrack Safety Program. Any person named by the Commission's Executive Director to replace any of the individuals named as Regulatory Veterinarians herein shall possess the qualifications set forth in Rule 2134(a) Racetrack Safety Program. In the event of a replacement, the Commission shall provide written notice to the Authority and a management official for each racetrack under the Commission's jurisdiction.

E. Emergency Warning Systems. The Commission agrees to inspect and approve the racetrack emergency warning systems in use on all racing and training tracks at each racetrack under the jurisdiction of the Commission, as directed in training provided by the Authority regarding Rule 2153 of the Racetrack Safety Program. The Commission further agrees to provide the Authority with periodic reports concerning the racetrack emergency warning systems on forms that shall be prescribed by the Authority.

F. Trainers Test. The Commission agrees to continue to require the use of its Kentucky state trainers test, which meets or exceeds the requirements set forth in Rule 2181 of the Racetrack Safety Program. Upon request by the Authority, the Commission shall provide documentation of satisfactory completion of the test for individual licensees. Upon the Authority's request, the Commission shall make its Kentucky state trainers' test available for review by the Authority.

G. Training Opportunities. At least once per year, the Commission agrees to identify existing local training opportunities, of which the Commission is aware, for all Racetrack employees having roles in racetrack safety or direct contact with Covered Horses, as set forth in Rule 2182 of the Racetrack Safety Program. The Commission further agrees that the Authority may request and review information pertaining to the training opportunities available to racetrack employees as specified in Rule 2182 of the Racetrack Safety Program.

H. Testing Program. The Commission agrees to maintain a testing program for drugs and alcohol for Jockeys, as directed in training provided by the Authority regarding Rule 2191 of

the Racetrack Safety Program. The Commission further agrees to submit the protocol for the testing program to the Authority upon request. Upon request by the Authority, the Commission shall share with the Authority information pertaining to positive tests of individual Jockeys and shall make periodic reports concerning the testing program as directed by and on forms prescribed by the Authority.

I. Concussion Management. The Commission agrees to implement a concussion management program for Jockeys, as directed in training provided by the Authority regarding Rule 2192 of the Racetrack Safety Program. The Commission further agrees to submit the protocol for the concussion management program to the Authority upon request.

J. Racetrack Safety Program Scope of Work. The scope of work and reporting obligations for the Racetrack Safety Program under this Agreement are those set forth in training provided by the Authority regarding the Rule 2000 Series, "Racetrack Safety and Accreditation," and any additional policies and procedures implemented by the Authority which are consistent with the Act and any regulations approved by the Federal Trade Commission pursuant to the Act ("HISA Policies"). Copies of HISA Policies shall be communicated to the Commission in a manner that allows for timely implementation by the Commission, which may involve regulatory changes that are subject to review by appropriate administrative or legislative bodies. The Commission and the Authority shall work together to achieve an agreement on the Commission's role in implementing and administering any and all Authority policies that are not promulgated as regulations approved by the Federal Trade Commission. The Commission agrees to provide performance metrics in reasonable detail, upon request by the Authority, and on forms prescribed by the Authority. The Parties agree to meet and confer on a regular basis, and at least quarterly, to discuss and collaborate on the effective and efficient implementation and administration of the Racetrack Safety Program and the duties and responsibilities set forth in this Section.

K. Coordination with Diagnostic Laboratory. The Parties acknowledge that, as part of the Proposed Rule Modification, HISA submitted to the Federal Trade Commission a proposed modification to Rule 2170 of the Racetrack Safety Program which states in pertinent part: "Racetracks or State Racing Commissions where the applicable State Racing Commission elects to enter into an agreement with the Authority shall coordinate with a diagnostic laboratory equipped with the facilities and trained personnel necessary to perform equine necropsies." If and when the Proposed Rule Modification is approved by the Federal Trade Commission, the Commission agrees to coordinate with a diagnostic laboratory equipped with the facilities and trained personnel necessary to perform equine necropsies as contemplated in Rule 2170. If requested by the Commission, the Authority agrees to utilize best efforts to assist the Commission in coordinating with a diagnostic laboratory.

L. Indemnification. The Authority expressly agrees to indemnify and hold harmless the Commission and its agents or employees from and against any and all claims, loss, damages, injury, liability and costs, including but not limited to reasonable attorneys' fees and court costs, resulting from, arising out of, or in any way connected with the Racetrack Safety Program Scope

of Work as defined in this Agreement, except to the extent that such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by, or result from, the willful misconduct of the Commission or its employees or agents. Any enforcement actions related to the Racetrack Safety Program Scope of Work shall be the responsibility of and shall be defended by the Authority. Any appeals or challenges to actions taken by Commission agents or employees when enforcing the Act or federal rules or regulations promulgated pursuant to the Act shall proceed pursuant to the enforcement rules of the Act and shall be defended by the Authority. Notwithstanding anything set forth in this Agreement to the contrary, this Agreement shall not be construed to waive any immunity under applicable state law, including, but not limited to, sovereign or qualified immunity, possessed by the Commission and its agents or employees.

M. Authority Protocols Policies, Procedures, and Forms. The Authority shall provide the Commission with a copy of all existing amended and new training materials, regulations, policies, procedures, and forms. This notification shall be provided to the Commission's Deputy Executive Director Waqas Ahmed, or his successor, within seventy-two (72) hours of implementation. The Commission shall be afforded a reasonable time to implement any such changes once notice of a new regulation, protocol, or procedure is provided to the Commission by the Authority. Commission Executive Director Jamie Eads and Deputy Director Waqas Ahmed shall be notified within 24 hours after a new training is scheduled for one or more Commission employees.

N. Reimbursement for Investigations. The Authority agrees to reimburse the Commission for any actual costs or expenses incurred in connection with any Authority investigation conducted in the State pursuant to the Racetrack Safety portion of this Agreement, which were incurred over and above typical duties that would have been performed in the course of their Commission employment. This reimbursement is contemplated for at least the following potential costs: the cost of using Commission employees as investigators or as witnesses at a hearing or trial (including witness preparation and testimony), as well as the travel, copying, and other resources utilized or expensed in performing these tasks. The Commission agrees to invoice the Authority quarterly for such costs and expenses.

O. Non-Compliant Conduct. If at any time during the term of this Agreement, the Authority, with good cause, believes that the Commission or any individual State Personnel is not satisfying the requirements set forth in this Agreement, it shall notify the Commission's Executive Director with specificity and particularity of the reasons for its good faith basis in writing. The Commission agrees to take any necessary action to promptly correct the non-compliant conduct or prevent any future non-compliance to the satisfaction of the Authority. Any action by the Authority under this subsection shall in no way affect the employment status of any individual and shall in no way impair the Commission's right to continue to employ such individual.

II. ADMC Program

A. ADMC Program Testing.

(1) The Commission agrees that the personnel currently used to conduct equine sample collections for thoroughbred race horses in the State (including, but not limited to, its employees and/or contractors) shall conduct sample collections in the State for, and under the authority of, the Agency. All sample collection shall comply with training as directed and provided by the Agency regarding the Rule Series 3000, "Equine Anti-Doping and Controlled Medication Protocol," including, but not limited to, the regulations under Rule 3130 (Testing & Investigations), and Rule Series 5000, "Equine Testing and Investigation Standards," of the ADMC Program. Compliant sample collection shall include, but shall not be limited to, Post-Race Samples, Post-Work Samples, TCO2 testing, testing of Claimed Horses, and Out-of-Competition Samples (the "Agency Samples"). Pursuant to Rule 5450, the Agency shall authorize these personnel (the "Agency-Authorized Collection Personnel") to conduct sample collections for the ADMC Program.

(2) Testing Liaison. The Executive Director of the Commission names and appoints Chief Veterinarian Dr. Nick Smith and the Commission's Equine Medical Director as the HIWU Testing Liaisons of the State (the "Testing Liaisons"). The Agency and the Commission agree that the HIWU Testing Liaisons shall be the point-of-contact with the Agency for (a) the scheduling of the collections of Agency Samples by Agency-Authorized Collection Personnel, (b) any problems or issues that arise during collections of Agency Samples by Agency-Authorized Collection Personnel, and (c) the delivery of any notice required under Rule Series 3000, "Equine Anti-Doping and Controlled Medication Protocol," to individuals present at racetracks or training facilities in the State and under the jurisdiction of the Commission, as directed by training provided by the Agency. Any person named to replace one of the individuals named as the HIWU Testing Liaisons shall be confirmed in written notice to the Agency.

(3) The Commission agrees that Agency-Authorized Collection Personnel shall comply with the policies, procedures and instructions of the Agency while collecting Agency Samples in the State. The Commission shall not be involved in the physical collection of Agency Samples. This prohibition on Commission involvement includes instructing or directing Agency-Authorized Sample Collection Personnel on how to conduct any portion of a sample collection. However, the Commission may schedule Agency-Authorized Collection Personnel's time and work assignments, monitor State Sample Collection Personnel, and address employee hiring, corrective actions or discipline. The Commission agrees that only Agency-Authorized Collection Personnel, the Commission's Equine Medical Director, and Chief Veterinarian Dr. Nick Smith (as HIWU Testing Liaison) shall be involved in the physical collection of Agency Samples, including giving directions and instructions to other Agency-Authorized Collection Personnel with respect to how to conduct any portion of a Sample collection.

(4) The Commission understands that, under the Act, its employees and contractors shall not test Covered Horses in the State, unless it is at the direction of the Agency or has been authorized in advance and in writing by the Agency.

B. ADMC Program Investigations.

(1) The Commission agrees that personnel currently used to conduct investigations in the State, including, but not limited to, its employees and/or contractors, (the “State Investigative Personnel”) shall conduct investigations in the State for, and at the direction of, the Agency. All investigations pursuant to this Agreement (the “Agency Investigations”) shall comply with training as directed by the Agency, regarding the Rule Series 3000, “Equine Anti-Doping and Controlled Medication Protocol,” including, but not limited to, the regulations under Rule 3130 (Testing & Investigations). All investigations pursuant to this Agreement shall also comply with training provided by the Authority regarding the Rule Series 5000, “Equine Testing and Investigation Standards,” including the regulations under Rule 5700 (Standards for Investigations).

(2) Investigations Liaison. The Executive Director of the Commission names and appoints Paul Brooker as the Investigations Liaison of the State (the “Investigations Liaison”). The Agency and the Commission agree that the Investigations Liaison shall be the point-of-contact with the Agency for the scheduling of any investigatory work requested by the Agency pursuant to subsection (1) above. Any person named to replace the individual named as Investigations Liaison shall be confirmed by written notice to the Agency. In connection with Agency Investigations, the Investigations Liaison and State Investigative Personnel shall be deemed designees of the Authority pursuant to Rule 8400 (Investigatory Powers).

(3) The Commission agrees that State Investigative Personnel shall comply with the Agency’s policies, procedures and instructions while conducting Agency Investigations, as directed in training provided by the Authority. The Commission further agrees that the Commission shall not, in any way, be involved in decision-making in connection with these Agency Investigations, including, but not limited to, instructing or directing such State Investigative Personnel on which individuals or horses should be investigated, or when or where to conduct any portion of an Agency Investigation. However, the Commission reserves the right to address personnel issues, including, but not limited to, scheduling State Investigative Personnel’s time and work assignments, as well as employee hiring, corrective actions or discipline.

(4) The Commission understands that, under the Act, the Commission shall not conduct any investigation in the State covered by the ADMC Program, including, but not limited to, any interviews or searches of any kind, relating to any Covered Horse unless it is at the direction of the Agency.

C. Access to Racetracks.

The Commission agrees that any individual who presents a credential or letter of authorization issued by the Agency shall be permitted access to any participating racetrack in the State at which Covered Horses compete, and such access shall include all areas of the racetracks, including, but not limited to, the backside. The Agency agrees to provide to the other Parties an example credential or letter of authorization to facilitate enforcement of this Section. Any changes to such credential or letter of authorization shall be communicated by the Agency to the other Parties.

D. Regulatory Veterinarian.

As set forth in Section I.D supra, the Executive Director of the Commission names and appoints Chief Veterinarian Dr. Nick Smith and the Commission's Equine Medical Director as the Regulatory Veterinarians of the State ("Regulatory Veterinarians"). The Parties agree that the Regulatory Veterinarians shall carry out the duties and responsibilities of the Regulatory Veterinarians set forth in the ADMC Program as directed in training provided by the Agency, including, but not limited to, the duties and responsibilities set forth in Rule Series 3000, "Equine Anti-Doping and Controlled Medication Protocol," and Rule Series 5000, "Equine Testing and Investigation Standards." Any person named by the Executive Director of the Commission to replace any of the individuals named as Regulatory Veterinarians herein shall possess the qualifications set forth in Rule 2134(a) of the Racetrack Safety Program under the Act, and such replacement requires the prior written approval of the Agency.

E. Additional Testing.

(1) In addition to any Agency Samples collected at the direction of the Agency, the Commission may, under Rule 3132 (Authority to Test), request additional samples be collected from Covered Horses present in the State. Any such request must be made in writing to the Agency (attention: Kate Mittelstadt, Chief of Operations at HIWU@hiwu.org) and must include specific details of the requested testing (e.g., sample types, dates, location, rationale).

(2) Under Rule 3132 (Authority to Test), the Agency may, in its absolute discretion, approve or reject the request to collect and test additional samples. If the request is rejected, the Commission agrees that the requested testing shall not be conducted by any person, organization, or entity within its authority or control. If the request is granted, (i) the Agency shall determine which sample collection personnel shall conduct the testing (i.e., Agency-Authorized Collection Personnel or personnel retained by the Agency); (ii) the collections shall comply with Rule Series 3000, "Equine Anti-Doping and Controlled Medication Protocol," and Rule Series 5000, "Equine Testing and Investigation Standards"; and (iii) all of the results of such testing shall be sent to, and processed by, the Agency pursuant to Rule Series 3000, "Equine Anti-Doping and Controlled Medication Protocol," including all of the regulations in Rules 3240 and 3340 (Results Management).

(3) For each calendar year in which additional testing in the State is approved and conducted pursuant to this Section II.E, the Commission shall either cover expenses or transmit expenses as needed for such additional testing: the actual cost for collection personnel, equipment, shipping, and laboratory expenses.

F. Testing Laboratories.

(1) For the 2023 calendar year, the Commission agrees that all Agency Samples shall be sent to, and the Agency Samples which are “A” samples shall be analyzed by, the University of Kentucky Equine Analytical Chemistry Laboratory, located at 427 Gluck Research Center, 1400 Nicholasville Rd., Lexington, KY 40546 (the “State-Appointed Testing Laboratory”). For each subsequent year of this Agreement, the Commission shall appoint the State-Appointed Testing Laboratory by September 30 of the prior year by providing written notice of the appointment to the Agency. (For example, the Commission shall appoint the State-Appointed Testing Laboratory by September 30, 2023 for use in 2024.) If the Commission does not appoint a State-Appointed Testing Laboratory by the September 30 deadline, then the Commission’s State-Appointed Testing Laboratory shall remain unchanged from the prior year. If the State-Appointed Testing Laboratory loses accreditation during a year, then the Commission or its designee shall appoint a new accredited State-Appointed Testing Laboratory within ten (10) business days. The State-Appointed Testing Laboratory shall be a laboratory accredited by the Agency and appointed by the Commission or its designee.

(2) The Commission understands that, under the Act, any analysis performed on Agency Samples that are “B” Samples shall be sent to, and analyzed by, a laboratory selected by the Agency that is different from the State-Appointed Testing Laboratory.

(3) Notwithstanding any laboratory selection made by the Commission pursuant to subsection (1) above, if the laboratory selected by the Commission cannot adequately analyze any Agency Sample for any specific substance or method requested by the Agency, the Commission understands that, under the Act, the Agency shall have the Samples (both “A” and “B”) sent to a different laboratory of the Agency’s choosing. The Commission also understands that the Agency has the authority to direct further analysis on all Agency Samples at its discretion.

G. Reimbursement for Investigations. The Agency agrees to reimburse the Commission for any actual costs or expenses incurred in connection with any Agency Investigation in the State conducted pursuant to Section II.B above. This reimbursement is contemplated for at least the following potential costs: the cost of using Commission employees as investigators or as witnesses at a hearing or trial (including witness preparation and testimony), as well as the travel, copying, and other expenses necessarily incurred in service of this Agreement. The Commission agrees to invoice the Agency quarterly for such costs and expenses.

H. Training Opportunities. At least once per year, the Commission agrees to work in conjunction with the Agency to ensure that training opportunities are available for all Agency-

Authorized Collection Personnel and State Investigations Personnel to be organized in conjunction with the Agency, as required under Rule 5450. The Commission shall provide a suitable location or locations for all necessary trainings. The Agency shall facilitate and deliver all necessary trainings. If one or more Commission employees are unable to attend a scheduled training, the Agency shall use its best efforts to facilitate and deliver at least one (1) additional annual training to accommodate said employees. The Commission further agrees that the Agency may review information pertaining to the training opportunities available to Agency-Authorized Collection Personnel and State Investigations Personnel.

I. Arbitration Procedures. The Commission understands that, under the Act, any anti-doping rule or controlled medication rule violations alleged to have occurred in the State shall be processed pursuant to Rule Series 7000, “Arbitration Procedures.” Under these regulations, alleged anti-doping rule violations shall be heard by the Arbitral Body and alleged controlled medication rule violations shall be heard by the Internal Adjudication Panel. The Commission agrees that its employees, consultants, and other agents (including, but not limited to, Agency-Authorized Collection Personnel and State Investigative Personnel) shall cooperate with any process or proceeding conducted pursuant to the Arbitration Procedures, including, but not limited to, providing documents and testimony in connection with the case or matter.

J. ADMC Program Scope of Work.

(1) The scope of work and reporting obligations for the ADMC Program (“State Requirements”) under this Agreement are those set forth in the training provided by the Agency regarding Rule Series 3000, “Equine Anti-Doping and Controlled Medication Protocol”; Rule Series 5000, “Equine Testing and Investigation Standards”; any additional policies and procedures implemented by the Agency that are consistent with the Act; and any regulations approved by the Federal Trade Commission pursuant to the Act (“HIWU Policies”). Copies of HIWU Policies shall be communicated to the Commission in a manner to allow for timely implementation by the Commission, which may involve regulatory changes that are subject to review by appropriate administrative or legislative bodies. The Commission and the Agency shall work together to achieve an agreement on the Commission’s role in implementing and administering any and all Agency policies that are not promulgated as regulations approved by the Federal Trade Commission. The HIWU Policies shall include a process that is part of the Test Distribution Plan that shall permit Commission Stewards to select Covered Horses for Post-Race testing, with or without input from the Regulatory Veterinarians. General State Requirements are set forth on Exhibit A to this Agreement. The Parties agree to meet and confer on a regular basis, and at least quarterly, to discuss and collaborate on the effective and efficient implementation and administration of the ADMC Program and the duties and responsibilities set forth in this Section.

(2) The Commission understands that Agency-Authorized Collection Personnel shall acquire and maintain professional certification from the Agency in order to be permitted to conduct collections of Agency Samples. As directed in training provided by the Agency, the Commission

agrees to provide information relating to the compliance of its Agency-Authorized Collection Personnel with the Rule Series 3000, "Equine Anti-Doping and Controlled Medication Protocol," Rule Series 5000, "Equine Testing and Investigation Standards," and HIWU Policies upon request by the Agency and on forms to be specified by the Agency.

(3) The Commission agrees to provide the Agency with (a) a certification or affidavit confirming that all Agency-Authorized Collection Personnel (i) have satisfactorily completed a criminal background check within a completion date no earlier than one (1) year prior to the individual's Certification, and (ii) are in good standing with the relevant racetrack(s) at which they will collect samples; and (b) completed conflict of interest statements (in a form specified by the Agency) from all Agency-Authorized Collection Personnel. The Commission understands that the requirements of subsections (a) and (b) are a condition of certification and recertification of Agency-Authorized Collection Personnel by the Agency. Additionally, the Commission agrees to notify the Agency immediately upon any termination of employment or contract of Agency-Authorized Collection Personnel.

(4) If at any time during the term of this Agreement, the Agency, with good cause, believes that the Commission or any individual Agency-Authorized Collection Personnel or State Investigative Personnel is not satisfying the requirements set forth in this Agreement, it shall notify the Commission's Executive Director of the reasons for its good faith basis in writing, with specificity and particularity. The Commission agrees to take any necessary action to promptly correct the non-compliant conduct or prevent any future non-compliance to the satisfaction of the Agency. If the individual at issue continues to be non-compliant, or if the initial conduct was so egregious as to warrant removal from the individual's position as Agency-Authorized Collection Personnel or State Investigative Personnel (as determined by the Agency in its sole discretion), then the Agency may revoke the individual's certification and require the Commission to cease assigning said individual to perform further services under this Agreement. The Commission shall promptly comply with such request. Any action by the Agency under this subsection shall in no way affect the employment status of any individual and shall in no way impair the Commission's right to continue to employ such individual. The Agency acknowledges that Agency-Authorized Collection Personnel and State Investigative Personnel are not employees of the Agency.

K. Information Sharing.

(1) The Commission agrees that Chief Veterinarian Dr. Nick Smith, Chief Steward Barbara Borden, the Commission's Equine Medical Director, and/or Commission General Counsel Jennifer Wolsing shall provide the Agency, on a timely basis, with any information, documentation, or evidence that these individuals receive or discover relating to known or probable violations of the ADMC Program. The Commission further agrees that it will advise its Commissioners to inform the Agency of known or probable violations of the ADMC Program.

(2) The Agency agrees that it shall provide the Commission, on a timely basis, with any information, documentation, or evidence that it receives or discovers relating to known or probable violations of the State's laws, regulations, or rules, which are not preempted by the Act.

(3) In addition to any notifications required by the Act to be made by the Agency to the Commission, the Agency shall notify the Commission of negative tests from the Agency Samples that are "A" Samples for a specific Race Day within three (3) business days of the Agency's receipt of those results from the State-Appointed Testing Laboratory. This notification shall be made by email to Chief Veterinarian Dr. Nick Smith (nick.smith@ky.gov) and Chief Steward Barbara Borden (barbara.borden@ky.gov) or their respective successors. This notification shall not be made for a specific Race Day until all of the results for that day have been received by the Agency.

(4) The Agency shall provide a copy of all ADMC Program notice letters, charge letters, and atypical findings for matters originating in Kentucky to Commission General Counsel Jennifer Wolsing, Executive Director Jamie Eads, Deputy Director Waqas Ahmed, Safety Steward Beth Bungert, Chief Steward Barbara Borden, and State Steward Brooks Becraft.

L. Confidentiality.

(1) The Commission agrees that the content of any notices, including Equine Anti-Doping ("EAD") Notices under Rule 3245 and Equine Controlled Medication ("ECM") Notices under Rule 3345, received by it from the Agency pursuant to the Rule Series 3000, "Equine Anti-Doping and Controlled Medication Protocol," (the "Confidential Information") shall not be publicly disclosed by the Commission or its officers, directors, employees, or agents unless and until (a) that information has been publicly disclosed by the Agency pursuant to the requirements of the Act, or (b) the Agency has given written consent for the information to be disclosed. In addition, the Commission agrees not to disclose the Confidential Information to any person other than to such of its officers, directors, employees, or agents who have a need to know and who agree to be bound by the confidentiality provisions hereof. The Commission agrees that it shall be responsible for any breach of this Agreement by its officers, directors, employees, or agents, in that the Commission shall take prompt action to correct the non-compliant conduct or prevent any future non-compliance, as set forth in Section J.(4). Likewise, the Agency agrees that any such notices shall bear a watermark or other marking agreed upon by the Parties denoting the confidential and proprietary nature of the document.

(2) The Parties agree that the Commission is required to comply with the requirements of the Kentucky Open Records Act, as set forth in KRS 61.870, *et seq.* The Open Records Act's requirements supersede any contractual requirements set forth in this Agreement. Notwithstanding the foregoing, the Parties acknowledge that KRS 61.878(1)(k) permits withholding of certain information deemed confidential pursuant to the regulations promulgated under the Horseracing Integrity and Safety Act of 2020 (the "Act"), including Rule 3610 (Confidentiality and Reporting), and Section 3054(b) of the Act, which states that the Act preempts any provision of state law with

respect to matters within the jurisdiction of the Authority. Upon receipt of an Open Records Request seeking the disclosure of documents relating to Rule 3610 and Section 3054(b) of the ADMC Program, the Commission agrees to provide the Authority and/or the Agency with appropriate notification and opportunity to challenge the disclosure of such records. The Commission shall only disclose records that are confidential under Section 3054(b) of the Horseracing Integrity and Safety Act of 2020 and/or Authority Rule 3610, in the event of (a) a Court Order requiring same, following the exhaustion of all appeals; or (b) permission from the Agency or Authority after notification.

M. Indemnification. The Authority expressly agrees to indemnify and hold harmless the Commission and its employees or agents from and against any and all claims, losses, damages, injury, liability and costs, including, but not limited to, reasonable attorneys' fees and court costs, resulting from, or arising out of, or in any way connected with, the ADMC Program Scope of Work as defined in Section I.K above, except to the extent that such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by, or result from, the willful misconduct of the Commission or its employees or agents. Any enforcement actions related to the ADMC Program Scope of Work shall be the responsibility of, and shall be defended by, the Authority and the Agency. Any appeals or challenges to actions taken by Commission employees or agents when enforcing the Act or federal rules or regulations promulgated pursuant to the Act shall proceed pursuant to the enforcement rules of the Act and shall be defended by the Authority and the Agency. Notwithstanding anything set forth in this Agreement to the contrary, this Agreement shall not be construed to waive any immunity under applicable state law, including, but not limited to, sovereign or qualified immunity, possessed by the Commission and its employees or agents.

N. HIWU Regulations, Policies, Procedures, and Forms. The Agency shall provide the Commission with a copy of all existing, amended, and new training materials, regulations, policies, procedures, and forms. This notification shall be provided to Commission Deputy Executive Director Waqas Ahmed or his successor within twenty-four (24) hours of implementation. The Commission shall be afforded a reasonable time to implement any such changes once notice of a new regulation, protocol, or procedure is provided to the Commission by the Agency.

III. General Provisions

A. Term and Termination

(1) This Agreement shall be effective on the Effective Date. If the Agreement requires further approvals of any other agency, commission, board or authority under applicable state law, and such approval does not occur on or before the Effective Date, this Agreement shall terminate and be of no force or effect. This Agreement shall terminate on December 31, 2024, unless the Parties agree in writing, on or before December 13, 2024, to extend the term of the Agreement beyond that date.

(2) This Agreement may be terminated by any Party upon one hundred twenty (120) days written notice to each Party or its successor. This Agreement may be terminated immediately by the Commission if either (a) the Horseracing Integrity and Safety Act of 2020 (as amended) is found unconstitutional by a court of competent jurisdiction, with all appeals being exhausted; or (b) the Horseracing Integrity and Safety Authority or the Horseracing Integrity & Welfare Unit is enjoined or restrained from operation by a court of competent jurisdiction.

(3) This Agreement may be terminated by the Agency upon sixty (60) days written notice if the Agency has determined, in good faith, that the Commission, Agency-Authorized Collection Personnel, or State Investigative Personnel have (a) failed to substantially comply with the requirements of Rule Series 3000, “Equine Anti-Doping and Controlled Medication Protocol,” Rule Series 5000, “Equine Testing and Investigation Standards,” or any HIWU Policy; and (b) failed to achieve compliance within thirty (30) days after written notice of this breach was provided to the Commission pursuant to Section III.B. of this Agreement. Any written notice provided pursuant to this subsection shall include the basis for the Agency’s determination.

(4) If any Party defaults in a material obligation under this Agreement and continues in default for a period of thirty (30) days after written notice of default is given to it by another Party, the other Party may terminate and cancel this Agreement, immediately upon written notice of termination given to the defaulting Party. The written notice of default shall include specific citations to events related to the defaulting Party’s obligations in service of this Agreement.

(5) If this Agreement is terminated pursuant to this Section III.A, (a) the certification of all Agency-Authorized Collection Personnel shall be revoked by the Agency, and (b) the Agency shall, pursuant to the Act, take direct control of all anti-doping and controlled medication testing and investigative operations in the State with respect to Covered Horses.

B. Notices. All notices required to be provided hereunder shall be in writing and shall be deemed delivered if (1) if sent by overnight courier with signature confirmation of the receiving party’s authorized personnel as set forth below, by the date after mailing to the addressees set forth below or their successors (with a copy emailed to the email addresses set forth below or their successors), (2) if provided by hand delivery, upon actual receipt or (3) if sent by certified mail, return receipt requested and postage prepaid, on the third business day after deposit in the mail, to the addressees set forth below or their successors (with a copy emailed to the email addresses set forth below or their successors) or at such other location as such Party notifies the other pursuant to this provision.

If to the Authority:

401 West Main Street, Unit 222
Lexington, Kentucky 40507
Attention: Lisa Lazarus
lisa.lazarus@hisaus.org

with a copy to:

Ransdell Roach & Royse PLLC
176 Pasadena Drive, Building One
Lexington, Kentucky 40502
Attention: John C. Roach
john@rrrfirm.com

If to the Agency:
4801 Main Street, Suite 350
Kansas City, MO 64112
Attention: Ben Mosier,
Executive Director
bmosier@hiwu.org

with a copy to:
Michelle Pujals,
HIWU General Counsel
mpujals@hiwu.org

If to the Commission:
Kentucky Horse Racing Commission
4047 Iron Works Pkwy.
Lexington, KY 40511
Attention: Executive Director Jamie Eads
jamie.eads@ky.gov

with a copy to:

Kentucky Horse Racing Commission
4047 Iron Works Pkwy.
Lexington, KY 40511
Attention: Deputy Executive Director Waqas Ahmed
waqas.ahmed@ky.gov

C. Severability. If any part of this Agreement is determined to be invalid or illegal by any court or agency of competent jurisdiction, then that part shall be limited or curtailed to the extent necessary to make such provision valid, and all other remaining terms of this Agreement shall remain in full force and effect. If such an event occurs and the Parties are unable to make the provision or the Agreement valid or legal, then any unused funds paid to the Authority shall be returned to the racetracks.

D. Entire Agreement. This Agreement constitutes the entire agreement among the Parties and supersedes all prior and contemporaneous agreements and understandings, whether written or oral, among the Parties with respect to the subject matter hereof.

E. Amendment and Waiver. This Agreement may be modified or amended only in a writing signed by all Parties. A Party's failure to act hereunder shall not indicate a waiver of its rights hereto. No waiver of any provision of this Agreement shall be valid unless made in writing and signed by the waiving Party. The failure of any Party to require the performance of any term or obligation of this Agreement or the waiver by any Party of any breach of this Agreement shall not prevent any subsequent enforcement of such term and shall not be deemed a waiver of any subsequent breach.

F. Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the state of Kentucky, without regard to its conflicts of laws principles. Any dispute concerning this Agreement will be heard in the U.S. District Court for the Eastern District of Kentucky.

G. Assignability. The Agency may assign this Agreement to an affiliate, a successor in connection with a merger, acquisition, or consolidation, or to the purchaser in connection with the sale of all or substantially all of Service Provider's assets without consent of the Commission but with appropriate notice to the Commission of no less than ten (10) business days. This Agreement and all of the terms and provisions hereof shall be binding upon, enforceable against, and shall inure to the benefit of, the Parties hereto and their respective successors and assigns.

H. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Any signature page delivered by facsimile, telecopy machine, portable document format (.pdf) or email shall be binding to the same extent as an original.

I. Headings; Interpretation. The headings in this Agreement have been included solely for ease of reference and shall not be considered in the interpretation or construction of this Agreement. All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, as appropriate.

J. Reimbursement. The Authority and Agency expressly agree the Commission may seek reimbursement for any costs and/or expenses incurred as part of its administration and enforcement of the ADMC Program and Racetrack Safety Program directly from the racetracks licensed by the Commission. The Authority and Agency expressly agree they will not argue or allege such reimbursement is prohibited by 15 U.S.C. 3052. Additionally, the parties expressly agree that The Commission shall not collect, remit, or pay any fees to the Authority or the Agency from the Thoroughbred tracks under the Commission's jurisdiction.

IN WITNESS WHEREOF, the undersigned have executed this Voluntary Implementation Agreement as of date first written above.

HORSERACING INTEGRITY AND SAFETY AUTHORITY, INC.

By: _____

Name: Lisa Lazarus
Title: Chief Executive Officer

HORSERACING INTEGRITY & WELFARE UNIT,
A DIVISION OF DRUG FREE SPORT, LLC

By: _____

Name: Ben Mosier
Title: Executive Director

KENTUCKY HORSE RACING COMMISSION

By: _____

Name: Jonathan Rabinowitz
Title: Chairman, Kentucky Horse Racing Commission

EXHIBIT A

STATE REQUIREMENTS

The State Requirements set forth below are general in nature and for illustrative purposes only. The specific requirements shall be set forth in the HIWU Policies.

- Race Day Agency-Authorized Collection Personnel (at a minimum, 1 Veterinarian, 1 Veterinarian Tech, 1 Test Barn Supervisor, and 5 assistants)
- Security guard for Test Barn, which may include track security
- Agency-Authorized Collection Personnel for Veterinarians' List and Post-Workout Testing (including at least 1 Veterinarian)
- Scheduling of personnel for Race Day, Veterinarians' List and Post-Workout Testing
- Notification (within 48 hours) to Agency of Veterinarians' List and Post-Workout Testing; the specific requirements for notification will be set forth in HIWU Policies
- Agency-Authorized Collection Personnel for Out-of-Competition Testing (if applicable)
- Coordination of shipping of Agency Samples to selected laboratories
- State Investigative Personnel for service of notices and accompanying searches
- State Investigative Personnel for other tasks as requested by the Agency and agreed upon by the Commission
- Coordination of Stewards to assist with directing the selection of Covered Horses to the Test Barn on Race Days pursuant to HIWU Policies
- Coordination of training and maintaining certification of Agency-Authorized Collection Personnel
- Coordination of training of State Investigative Personnel
- Minimum employment and workers' compensation insurance policies required by law
- Required work permits/authorizations for Agency-Authorized Collection Personnel and State Investigative Personnel

THOROUGHBRED RULINGS

2023 TB RULINGS LIST BY CATEGORY (Through December 3, 2023)

MEDICATION VIOLATIONS

<u>Medication Class</u>	<u>Total</u>	<u>Fines</u>	<u>Suspensions</u>	<u>Disqualifications</u>	<u>Appeals</u>	<u>Explanations</u>
Class A	1	1	1	0	0	Temazepam
Class B	0	0	0	0	0	
Class C	4	4	1	4	0	Methocarbamol, Phenylbutazone (suspension for 2nd offense), Flunixin
Class D	0	0	0	0	0	
ARCI Class 4	2	2	0	0	0	Mofebutazone
Multiple NSAIDS	0	0	0	0	0	
TCO2	<u>0</u>	0	0	0	0	
Subtotal	7	\$5,000				

NON-MEDICATION VIOLATIONS

Jockey Violations

Careless Riding	18	0	18	0	3	Routine riding offenses - one appeal withdrawn and suspension served
Overly Aggressive Riding	0	0	0	0	0	

Other Disciplinary Violations	9	6	3	0	0	Failure to honor calls, failure to fulfill engagements, failure to comply with advertising regulation, failure to properly serve suspension, failure to heed loose horse warning, display of temper during running of the race, eased up without adequate cause
Subtotal	<u>27</u>	\$1,800				

Other Licensee Violations

Misc. violations by licensees	15	14	1	0	0	Violated entries regulation, violated scratch regulation, violated claiming regulation, failure to submit timely pre-race exam, overuse of riding crop during training, Jockey Agent failure to honor call
-------------------------------	----	----	---	---	---	--

Disorderly conduct and formal ejections	10	2	8	0	0	Abusive language to racing official, display of temper, suspended pending appearance before stewards for pending criminal charges, possession of contraband, disorderly conduct, falsification of license application, positive human drug test
---	----	---	---	---	---	---

Suspended for non payment of fines	0	0	0	0	0	
------------------------------------	---	---	---	---	---	--

Subtotal	<u>25</u>	\$14,500				
----------	-----------	----------	--	--	--	--

Other Rulings Issued	15	0	0	0	0	The remaining 15 rulings that have been issued in 2023 are for information only and include purse redistribution and licensee reinstatement to good standing, withdrawal of appeal, license type change
----------------------	----	---	---	---	---	---

TOTAL 2023 RULINGS	<u><u>74</u></u>	<u>\$21,300</u>				
---------------------------	------------------	-----------------	--	--	--	--

2023 THOROUGHBRED RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG CLASS	PENALTY OR ACTION	FINE	STATUS
23-0072	11/1/2023	10/28/2023	Gerardo Corrales	Eased up on his mount without adequate case		Suspended 3 days November 8 through Noveber 10, 2023 (inclusive)		Suspension served
23-0073	11/1/2023	11/1/2023	Ruben H. Munoz	Failed to honor the call on ROYAL SPA for November 8, 2023		Fined	\$ 250	Not Paid
23-0074	11/22/2023	11/18/2023	Fausto Gutierrez	Violated the regulation that governs scratches		Fined	\$ 500	Paid

STANDARD BRED RULINGS

STANDARD BRED RULINGS 2023

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	LICENSE CATEGORY	COMMENTS	PENALTY/ ACTION	FINE	STATUS
	4/23/2023	4/23/2023	Gary Campbell	O/T/D		excessive or indiscriminate use of the whip	\$100	paid
	5/1/2023	5/1/2023	Tyler Shehan	O/T/D		excessive or indiscriminate use of the whip	\$100	paid
	5/1/2023	5/1/2023	Tyler Shehan	O/T/D	second offense	excessive or indiscriminate use of the whip	\$300	paid
2023-OG-9	5/1/2023	5/1/2023	Devon Tharpes	T/D		disturbing the peace	\$100	paid
	5/15/2023	5/15/2023	Randy Crisler	O/T/D		using other than wrist/elbow	\$100	paid
2023-OG-13	5/15/2023	5/15/2023	Joey Putnam	O/T/D		using other than wrist/elbow	\$100	paid
2023-OG-4	5/21/2023	5/21/2023	James Stillner	O/T/D		using other than wrist/elbow	\$100	paid
	5/21/2023	5/21/2023	Cornelius Cavett	O/T/D		excessive or indiscriminate use of the whip	\$100	paid
	5/27/2023	5/27/2023	Carson Conrad	T/D		excessive or indiscriminate use of the whip	\$100	paid
2023-OG-5	5/28/2023	5/28/2023	Archie Buford	O/T/D		excessive or indiscriminate use of the whip	\$100	paid
	5/28/2023	5/28/2023	Jamal Denson	O/T/D		excessive or indiscriminate use of the whip	\$100	paid
	6/4/2023	6/4/2023	Deshawn Horton	O/T/D	fighting in paddock	conduct detrimental to the best interest of horse racing	suspended 30 days and placed on probation for remainder of year	suspension served

STANDARD BRED RULINGS 2023

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	LICENSE CATEGORY	COMMENTS	PENALTY/ ACTION	FINE	STATUS
	6/4/2023	6/4/2023	Jordan Patton	O/T/D	fighting in paddock	conduct detrimental to the best interest of horse racing	suspended 30 days and placed on probation for remainder of year	suspension served
	6/10/2023	6/10/2023	Archie Buford	O/T/D		crowding/putting a wheel under another horse or driver	3 day suspension	suspension served
	6/11/2023	6/11/2023	Derek Burklund	O/T	trainer must be stabled on association grounds to race in Kentucky	suspended 38 days for failure to cooperate with KHRC investigators during an investigation of alleged trainer impropriety		suspension served
2023-OG-19	7/2/2023	7/2/2023	Dale L. Knox	O/T/D		excessive or indiscriminate use of the whip	\$100	paid
	7/2/2023	7/2/2022	Carson Conrad	T/D		excessive or indiscriminate use of the whip	\$100	paid
J2023--032	8/17/2023	8/15/2023	Joseph D. Putnam	T/D		failure to drive when programmed	\$50	paid
J2023--022	8/14/2023	7/30/2023	Trent P Stohler	O/T		failure to provide accurate or proper declaration information	\$500	paid
J2023-023	8/14/2023	8/8/2023	Marvin Luna	D		excessive or indiscriminate use of the whip leaving welts	\$300	paid

STANDARD BRED RULINGS 2023

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	LICENSE CATEGORY	COMMENTS	PENALTY/ ACTION	FINE	STATUS
J2023-024	8/16/2023	8/15/2023	Andy R. Miller	O/T/D		failure to drive when programmed	\$50	paid
J2023-025	8/17/2023	8/15/2023	Andy R. Miller	O/T/D		failure to drive when programmed	\$50	paid
J2023-027	8/22/2023	8/13/2023	Jeffrey Brewer	O/T		brought wrong horse to the paddock necessitating a late scratch	\$200	paid
J2023-028	8/22/2023	8/15/2023	Marvin Luna	D	driver was in the confines of the whipping rule	excessive or indiscriminate use of the whip leaving welts	\$300	paid
J2023-029	9/3/2023	8/28/2023	Jeremy Bobbitt	D		using whip in an unconventional manner between the horses legs	\$200	paid
J2023-030	8/29/2023	8/27/2023	James Stiltner, II	D		using whip in an unconventional manner between the horses legs	\$200	paid
J2023-031	8/29/2023	8/27/2023	Patrick Curtin	D		excessive or indiscriminate use of the whip	\$200	paid
J2023-032	8/17/2023	8/15/2023	Joseph D. Putnam	D		failure to drive when programmed	\$50	paid
J2023-033	8/29/2023	8/27/2023	Jamaal Denson	D		using other than wrist and elbow while whipping	\$200	paid

STANDARD BRED RULINGS 2023

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	LICENSE CATEGORY	COMMENTS	PENALTY/ ACTION	FINE	STATUS
J2023-034	9/11/2023	8/31/2023	Brandon Bates	D	must appear before the KY the KY Presiding Judge before 2024 licensing	license suspended indefinitely reciprocity of suspension by the Indiana Racing Commission.	restored to good standing pending Judges hearing	
J2023-035	9/12/2023	9/5/2023	Anette Lorentzon	O/T		failure to honor declaration scratched horse to race in another jurisdiction	\$300	paid
J2023-036	9/12/2023	9/10/2023	Trevor G Smith	D		failure to drive when programmed	\$150	paid
J2023-037	9/18/2023	9/5/2023	David S Miller	D		excessive use of the whip leaving welts	\$500	paid
J2023-038	9/26/2023	9/19/2023	Curtis Hill, Jr.	O/T		several driver changes during Red Mile meet	\$200	paid
J2023-039	9/26/2023	9/18/2023	Andrew J McCarthy	D		excessive use of the whip leaving welts	\$500	paid
J2023-040	9/29/2023	9/19/2023	Yannick Gingras	D		excessive use of the whip leaving welts	\$500	paid
J2023-041	10/15/2023	10/8/2023	Mark J MacDonald	D		using other than wrist and elbow while whipping	\$500	paid
J2023-042	10/13/2023	8/16/2023	Gina Dailey	O		Entering backside of RM to draw blood from Diamond Creek Farm horses	suspended 70 days 10/23/2023-12/31/2023 and placed on probation for 2024	

STANDARD BRED RULINGS 2023

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	LICENSE CATEGORY	COMMENTS	PENALTY/ ACTION	FINE	STATUS
J2023-043	10/16/2023	8/16/2023	Adam S Bowden	O		Full responsibility for actions of Diamond Creek Farm employee	\$5,000	paid
J2023-44	10/23/2023	9/23/2023	Ake Svanstedt	D/T		Failure to drive when programmed	\$100	unpaid
J2023-45	10/22/2023	9/30/2023	Andrew J McCarthy	D		Failure to drive when programmed 9 races	\$450	paid
J2023-46	11/7/2023	10/30/2023	Marvin Luna	D		excessive use of the whip leaving welts third violation	\$500 fine and five day suspension	fine paid and suspension served
J2023-47	11/7/2023	10/27/2023	Brandon Bates	D		license restored w/out prejudice, must appear for Judges hearing for 2024 licensing		
J2023-48	11/7/2023	10/31/2023	Tyler Shehan	D		violated previous whipping violation and is suspended 20 days		suspension served

KHRC Veterinary Report

Keeneland Fall Meet 2023

Total Starts	1474
Post Race Samples	399
tCO ₂	206
Veterinary Scratches	39
Pre-Race	30
On-Track	9
Soundness related	6
Gate/paddock Injury	3
KHRC Veterinary List	63
Scratches	39
Race Injuries/post race lame/test barn lame	15
EIPH/Epistaxis	6
Heat Distress	3
Claimed horses	116
Voided Claims	11
Ambulance Runs	12
Racing Fatalities	1
Musculo-skeletal	1
Training Fatalities	0

KHRC Veterinary Report

Churchill Downs Fall Meet 2023

Total Starts	1742
Post Race Samples	529
tCO ₂	192
Veterinary Scratches	44
Pre-Race	29
On-Track	15
Soundness related	12
Gate/paddock Injury	3
KHRC Veterinary List	44
Scratches	44
Race Injuries/post race lame/test barn lame	30
EIPH/Epistaxis	3
Heat Distress	0
Claimed horses	206
Voided Claims	22
Ambulance Runs	7
Racing Fatalities	2
Musculo-skeletal	2
Training Fatalities	2
Musculo-skeletal	2

Occurrence of Thoroughbred race-related fatalities in Kentucky 2007 to present

Year	Category Non-musculoskeletal: EIPH, Sudden Death, Racing Accident	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Starts (incompass)	Fatalities per 1,000 starts
2007	Musculoskeletal	2	1	5	2	4	3	4	2	2	3	4	5	37	23,180	1.60
	Non-musculoskeletal	0	0	0	0	0	0	0	0	0	1	0	0	1		0.04
	TOTAL	2	1	5	2	4	3	4	2	2	4	4	5	38		1.64
2008	Musculoskeletal	3	0	4	2	3	2	2	2	3	2	4	8	35	22,278	1.57
	Non-musculoskeletal	0	0	0	0	0	0	0	0	0	0	0	0	0		0.00
	TOTAL	3	0	4	2	3	2	2	2	3	2	4	8	35		1.57
2009	Musculoskeletal	3	5	1	2	4	1	2	4	3	3	2	3	33	20,142	1.64
	Non-musculoskeletal	0	0	0	0	0	0	0	0	0	0	0	0	0		0.00
	TOTAL	3	5	1	2	4	1	2	4	3	3	2	3	33		1.64
2010	Musculoskeletal	2	1	2	0	0	2	4	2	1	3	7	1	25	18,167	1.38
	Non-musculoskeletal	0	0	1	1	0	0	0	0	0	0	0	0	2		0.11
	TOTAL	2	1	3	1	0	2	4	2	1	3	7	1	27		1.49
2011	Musculoskeletal	2	2	1	1	2	5	1	3	2	5	3	1	28	18,258	1.53
	Non-musculoskeletal	0	0	0	0	0	0	0	0	1	0	0	0	1		0.05
	TOTAL	2	2	1	1	2	5	1	3	3	5	3	1	29		1.59
2012	Musculoskeletal	0	0	1	2	9	2	0	2	0	3	5	3	27	17,513	1.54
	Non-musculoskeletal	0	0	0	0	0	0	0	0	0	1	0	0	1		0.06
	TOTAL	0	0	1	2	9	2	0	2	0	4	5	3	28		1.60

Year	Category Non-musculoskeletal: EIPH, Sudden Death, Racing Accident	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Starts (incompass)	Fatalities per 1,000 starts
2013	Musculoskeletal	2	2	0	0	1	2	2	5	3	1	1	3	22	16,242	1.35
	Non-musculoskeletal	0	0	0	0	0	0	0	0	1	0	0	0	1		0.06
	TOTAL	2	2	0	0	1	2	1	5	4	1	1	3	23		1.42
2014	Musculoskeletal	2	2	0	0	3	0	1	1	1	3	3	0	16	14,460	1.11
	Non-musculoskeletal	0	0	0	0	0	0	0	0	0	0	0	0	0		0.00
	TOTAL	2	2	0	0	3	0	1	1	1	3	3	0	16		1.11
2015	Musculoskeletal	3	1	1	0	3	2	1	1	3	3	2	1	21	15,514	1.35
	Non-musculoskeletal	0	0	0	0	0	1	0	1	0	0	0	0	2		0.13
	TOTAL	3	1	1	0	3	3	1	2	3	3	3	1	23		1.48
2016	Musculoskeletal	0	2	0	4	4	3	1	0	1	2	5	1	23	16,495	1.39
	Non-musculoskeletal	0	0	0	0	0	2	1	0	0	0	0	0	3		0.18
	TOTAL	0	2	0	4	4	5	2	0	1	2	5	1	26		1.58
2017	Musculoskeletal	1	2	1	2	1	3	0	1	2	3	2	0	18	15,032	1.20
	Non-musculoskeletal	0	0	0	0	0	2	0	0	0	0	0	0	2		0.13
	TOTAL	1	2	1	2	1	5	0	1	2	3	2	0	20		1.33
2018	Musculoskeletal	2	1	0	4	3	1	6	0	7	1	3	4	32	15,049	2.13
	Non-musculoskeletal	0	0	1	0	1	0	0	1	0	0	1	0	4		0.27
	TOTAL	2	1	1	4	4	1	6	1	7	1	4	4	36		2.39
2019	Musculoskeletal	0	1	1	4	1	0	0	1	1	5	2	3	19	15,456	1.23
	Non-musculoskeletal	0	0	0	0	0	2	0	1	0	0	0	0	3		0.19
	TOTAL	0	1	1	4	1	2	0	2	1	5	2	3	22		1.42

Year	Category Non-musculoskeletal: EIPH, Sudden Death, Racing Accident	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Starts (incompass)	Fatalities per 1,000 starts
2020	Musculoskeletal	1	0	1	0	1	0	0	3	4	1	4	1	16	13,872	1.15
	Non-musculoskeletal	0	0	3	0	0	0	0	0	0	0	0	0	3		0.22
	TOTAL	1	0	4	0	1	0	0	3	4	1	4	1	19		1.37
2021	Musculoskeletal	2	1	0	0	1	2	1	1	4	3	2	2	19	14,676	1.29
	Non-musculoskeletal	0	0	0	0	0	0	0	0	0	0	0	0	0		0
	TOTAL	2	1	0	0	1	2	1	1	4	3	2	2	19		1.29
2022	Musculoskeletal	0	1	0	1	2	1	2	2	0	1	3	0	13	15,913	0.82
	Non-Musculoskeletal	0	1	0	0	0	1	0	0	0	0	0	0	2		0.13
	TOTAL	0	2	0	1	2	2	2	2	0	1	3	0	15		0.94
2023	Musculoskeletal	1	2	3	3	8	1	1	0	0	1	2		22	14,988	1.47
	Non-Musculoskeletal	0	0	0	1	1	0	0	0	0	0	0		2		0.15
	TOTAL	1	2	3	4	9	1	1	0	0	1	2		24		1.6

PARI-MUTUEL WAGERING DIVISION

Pari-Mutuel Wagering for October 2023

Select Period - Month
October 2023

THE FOLLOWING REPORTING IS FOR ILLUSTRATIVE PURPOSES ONLY AND MAY BE AMENDED AS DEEMED SUITABLE BY THE KENTUCKY HORSE RACING COMMISSION. THE DISTRIBUTIONS FROM THE EXCISE TAX HAVE BEEN CALCULATED PURSUANT TO KRS 138 AND GUIDANCE FROM THE DEPARTMENT OF REVENUE.

On-Track Wagers on Live Horse Racing

	Licensee / Facility										Grand Total
	Churchill Downs Racetrack, LLC		ECL Corbin, LLC	Ellis Entertainment, LLC	Keeneland Association, Inc.	Kentucky Downs, LLC	Lexington Trots Breeders Association, LLC	Revolutionary Racing Kentucky, LLC	Turfway Park, LLC	WKY Development, LLC	
	Churchill Downs Racetrack	Louisville Thoroughbred Society	Cumberland Run Racetrack	Ellis Park Racetrack	Keeneland Racetrack	Kentucky Downs Racetrack	Red Mile Racetrack	Revolutionary Racing Kentucky, LLC	Turfway Park Racetrack	Oak Grove Racetrack	
Race Dates	2	0	9	0	17	0	3	0	0	0	31
On-Track Handle	\$418,268		\$25,616	\$0	\$16,270,885	\$0	\$238,651	\$0	\$0	\$0	\$16,953,420
Return to Public	\$327,815		\$17,079	\$0	\$12,440,543	\$0	\$173,670	\$0	\$0	\$0	\$12,959,108
Commission	\$80,115		\$5,161	\$0	\$2,923,899	\$0	\$47,768	\$0	\$0	\$0	\$3,056,943
Settlement	\$9,979		\$3,384	\$0	\$893,996	\$0	\$17,727	\$0	\$0	\$0	\$925,086
Breakage	\$373		\$66	\$0	\$12,685	\$0	\$152	\$0	\$0	\$0	\$13,275
Minus Pools	(\$13)		(\$74)	\$0	(\$239)	\$0	(\$666)	\$0	\$0	\$0	(\$993)
Daily Average Live Handle	\$209,134		\$2,846	\$0	\$957,111	\$0	\$79,550	\$0	\$0	\$0	\$546,885
Backside Improvement Fund	\$2,091		\$0	\$0	\$81,354	\$0	\$0	\$0	\$0	\$0	\$83,446
Excise Tax	\$6,274		\$384	\$0	\$244,063	\$0	\$3,580	\$0	\$0	\$0	\$254,301
Thoroughbred Development Fund	\$3,137	\$0	\$0	\$0	\$122,032	\$0	\$0	\$0	\$0	\$0	\$125,169
Standardbred Development Fund	\$0		\$256	\$0	\$0	\$0	\$2,387	\$0	\$0	\$0	\$2,643
Quarter Horse Development Fund	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equine Drug Research	\$418		\$26	\$0	\$16,271	\$0	\$239	\$0	\$0	\$0	\$16,953
Higher Ed Equine Trust	\$418		\$26	\$0	\$16,271	\$0	\$239	\$0	\$0	\$0	\$16,953
Equine Industry Programs	\$837		\$51	\$0	\$32,542	\$0	\$477	\$0	\$0	\$0	\$33,907
General Fund	\$1,464		\$26	\$0	\$56,948	\$0	\$239	\$0	\$0	\$0	\$58,676

Simulcast Wagers on Interstate and Intertrack Live Horse Racing

	Churchill Downs Racetrack	Louisville Thoroughbred Society	Cumberland Run Racetrack	Ellis Park Racetrack	Keeneland Racetrack	Kentucky Downs Racetrack	Red Mile Racetrack	Revolutionary Racing Kentucky, LLC	Turfway Park Racetrack	Oak Grove Racetrack	Grand Total
Off-Track Handle (Simulcast)	\$1,710,247	\$23,542	\$95,968	\$916,939	\$2,160,355	\$1,035,131	\$1,199,488	\$14,162	\$752,999	\$161,611	\$8,070,442
Thoroughbred	\$1,677,336	\$22,113	\$88,513	\$869,145	\$2,152,779	\$951,592	\$0	\$12,279	\$721,329	\$126,924	\$6,622,008
Standardbred	\$28,874	\$992	\$4,540	\$44,677	\$0	\$62,846	\$1,184,195	\$1,727	\$19,189	\$29,999	\$1,377,038
All Other Breeds	\$4,038	\$438	\$2,916	\$3,118	\$7,578	\$20,693	\$15,293	\$156	\$12,480	\$4,688	\$71,395
Excise Tax - Simulcast	\$25,654	\$0	\$0	\$13,754	\$32,405	\$15,527	\$0	\$0	\$11,295	\$0	\$98,635
Thoroughbred Development Fund	\$16,773	\$0	\$0	\$8,691	\$21,528	\$9,516	\$0	\$123	\$7,213	\$0	\$63,845
Standardbred Development Fund	\$289	\$0	\$0	\$447	\$0	\$628	\$0	\$17	\$192	\$0	\$1,573
Quarter Horse Development Fund	\$40	\$0	\$0	\$31	\$76	\$207	\$0	\$2	\$125	\$0	\$481
Equine Drug Research	\$855	\$0	\$0	\$458	\$1,080	\$518	\$0	\$0	\$376	\$0	\$3,289
Higher Education Equine Trust	\$855	\$0	\$0	\$458	\$1,080	\$518	\$0	\$0	\$376	\$0	\$3,289
Equine Industry Programs	\$428	\$0	\$0	\$229	\$540	\$259	\$0	\$0	\$188	\$0	\$1,644
General Fund	\$6,413	\$0	\$0	\$3,439	\$8,101	\$3,882	\$0	(\$142)	\$2,824	\$0	\$24,517

Pari-Mutuel Wagering for October 2023

Select Period - Month
October 2023

THE FOLLOWING REPORTING IS FOR ILLUSTRATIVE PURPOSES ONLY AND MAY BE AMENDED AS DEEMED SUITABLE BY THE KENTUCKY HORSE RACING COMMISSION. THE DISTRIBUTIONS FROM THE EXCISE TAX HAVE BEEN CALCULATED PURSUANT TO KRS 139 AND GUIDANCE FROM THE DEPARTMENT OF REVENUE.

On-Track Wagers on Historical Horse Racing

	Licensee / Facility											Grand Total
	Churchill Downs Racetrack, LLC	ECL Corbin, LLC		Ellis Entertainment, LLC	Kentucky Downs, LLC		Lexington Trot Breeders Association, LLC	Revolutionary Racing Kentucky, LLC	Turfway Park, LLC		WKY Development, LLC	
	Derby City Gaming	Corbin	Williamsburg	Henderson	Bowling Green	Franklin	Red Mile	Sandy's Racing and Gaming	Newport	Turfway Park	Oak Grove	
On-Track Handle	\$191,898,197	\$3,076,773	\$35,133,576	\$20,461,970	\$37,719,738	\$142,784,376	\$80,514,277	\$9,238,190	\$26,941,073	\$52,431,332	\$132,023,604	\$732,223,105
Return to Public	\$174,349,702	\$2,700,409	\$31,524,166	\$18,498,378	\$34,181,184	\$130,140,178	\$73,595,118	\$8,341,283	\$24,369,987	\$47,360,152	\$120,220,090	\$665,280,647
Pool Growth	\$273,912	\$68,455	\$176,930	\$55,075	\$14,611	\$284,680	(\$101,735)	\$75,403	\$52,162	\$52,075	(\$46,494)	\$903,094
Breakage	\$0	\$28	\$618	\$441	\$354	\$4,431	\$6,207	\$195	\$0	\$0	\$0	\$12,274
Gross Commission - Win	\$17,274,583	\$309,851	\$3,431,861	\$1,908,076	\$3,523,589	\$12,355,088	\$7,014,688	\$821,309	\$2,518,904	\$5,019,105	\$11,850,008	\$66,027,092
Excise Tax - HHR	\$2,878,473	\$46,152	\$527,004	\$306,930	\$565,796	\$2,141,766	\$1,207,714	\$138,573	\$404,116	\$786,470	\$1,980,354	\$10,983,347
Thoroughbred Development Fund	\$1,439,236	\$0	\$0	\$153,465	\$282,898	\$1,070,883	\$301,929	\$0	\$202,058	\$393,235	\$495,089	\$4,338,792
Standardbred Development Fund	\$0	\$30,768	\$351,336	\$0	\$0	\$0	\$402,571	\$0	\$0	\$0	\$660,118	\$1,444,793
Quarter Horse Development Fund -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$92,382	\$0	\$0	\$0	\$92,382
General Fund and Other	\$1,960,261	\$46,152	\$527,004	\$153,465	\$565,796	\$2,141,766	\$503,214	\$46,191	\$202,058	\$393,235	\$825,148	\$7,364,288
Adjusted Commission - Win	\$14,396,110	\$263,730	\$2,904,858	\$1,601,148	\$2,957,793	\$10,213,322	\$5,806,974	\$682,736	\$2,114,788	\$4,232,635	\$9,869,654	\$55,043,745
Average Terminal Count	1,299	51	445	300	445	1,050	841	170	461	842	1,225	7,129
Adj. Commission-Win/Unit	\$11,081	\$5,197	\$6,531	\$5,335	\$6,648	\$9,723	\$6,905	\$4,024	\$4,586	\$5,025	\$8,056	\$7,721

Advance Deposit Account Wagering

	Licensee									Grand Total
	AmWest Entertainment	eBet Technologies	Lien Games Racing	NYRABets	TVG	Twinspires	WatchandWager.com	Xpressbet		
Total Handle	\$167,345	\$66,783	\$127,416	\$1,068,862	\$10,816,179	\$15,399,173	\$27,377	\$3,123,912		\$30,797,047
In-State Races	\$52,797	\$14,957	\$20,953	\$458,752	\$4,806,941	\$8,654,009		\$14,885	\$2,070,073	\$16,093,368
Out-of-State Races	\$114,548	\$51,826	\$106,462	\$610,110	\$6,009,238	\$6,745,164		\$12,492	\$1,053,839	\$14,703,678
Excise Tax - ADW	\$2,510	\$1,002	\$1,911	\$16,033	\$162,243	\$230,968		\$411	\$46,859	\$461,956
Host Track - Purses	\$1,067	\$426	\$812	\$6,814	\$68,953	\$98,170		\$175	\$19,915	\$196,331
Host Tracks	\$1,067	\$426	\$812	\$6,814	\$68,953	\$98,170		\$175	\$19,915	\$196,331
General Fund	\$377	\$150	\$287	\$2,405	\$24,336	\$34,648		\$62	\$7,029	\$69,293

Total Distributions by Account

The General Fund line includes amounts that are deposited to various accounts. These caps are calculated from deposits resulting from the excise tax for conducting pari-mutuel wagering on historical horse racing. Since these amounts are calculated as a whole and not per licensee, a one-time transfer will be made once the caps are met within the fiscal year. At the end of the fiscal year, approximately \$2M must be deducted from this line in order to determine the actual amount retained by the General Fund. Please contact the Department of Revenue with any questions regarding these transfers.

Total Excise Tax	\$13,962,766
Equine Drug Research	\$20,241
Equine Industry Program	\$35,551
Higher Education Program	\$20,241
K. Thoroughbred Development Fund	\$4,527,805
K. Standardbred Development Fund	\$1,449,009
K. Quarter Horse Development Fund	\$481
Host Track - Purses	\$196,331
Host Tracks	\$196,331
General Fund (See Note on Caps)	\$7,516,775
Backside Improvement Fund	\$83,446

Pari-Mutuel Wagering for FY 2024 (YTD)

Select Period - Fiscal Year
FY 2024

THE FOLLOWING REPORTING IS FOR ILLUSTRATIVE PURPOSES ONLY AND MAY BE AMENDED AS DEEMED SUITABLE BY THE KENTUCKY HORSE RACING COMMISSION. THE DISTRIBUTIONS FROM THE EXCISE TAX HAVE BEEN CALCULATED PURSUANT TO KRS 138 AND GUIDANCE FROM THE DEPARTMENT OF REVENUE.

On-Track Wagers on Live Horse Racing

	Licensee / Facility										Grand Total
	Churchill Downs Racetrack, LLC		ECL Corbin, LLC	Ellis Entertainment, LLC	Keeneland Association, Inc.	Kentucky Downs, LLC	Lexington Trots Breeders Association, LLC	Revolutionary Racing Kentucky, LLC	Turfway Park, LLC	WKY Development, LLC	
	Churchill Downs Racetrack	Louisville Thoroughbred Society	Cumberland Run Racetrack	Ellis Park Racetrack	Keeneland Racetrack	Kentucky Downs Racetrack	Red Mile Racetrack	Revolutionary Racing Kentucky, LLC	Turfway Park Racetrack	Oak Grove Racetrack	
Race Dates	19	0	9	24	17	7	33	0	0	5	114
On-Track Handle	\$3,970,375		\$25,616	\$2,569,884	\$16,270,885	\$1,887,813	\$1,062,341	\$0	\$0	\$42,113	\$25,829,027
Return to Public	\$2,951,565		\$17,079	\$1,953,798	\$12,440,543	\$1,376,480	\$827,703	\$0	\$0	\$35,984	\$19,603,153
Commission	\$761,589		\$5,161	\$495,512	\$2,923,899	\$341,273	\$216,984	\$0	\$0	\$8,955	\$4,753,375
Settlement	\$254,696		\$3,384	\$118,748	\$893,996	\$168,970	\$20,834	\$0	\$0	(\$2,861)	\$1,457,767
Breakage	\$3,195		\$66	\$2,169	\$12,885	\$1,430	\$693	\$0	\$0	\$45	\$20,284
Minus Pools	(\$671)		(\$74)	(\$343)	(\$239)	(\$340)	(\$3,872)	\$0	\$0	(\$10)	(\$5,551)
Daily Average Live Handle	\$208,967		\$2,846	\$107,079	\$957,111	\$269,688	\$32,192	\$0	\$0	\$8,423	\$226,570
Backside Improvement Fund	\$19,852		\$0	\$12,849	\$81,354	\$9,439	\$0	\$0	\$0	\$0	\$123,495
Excise Tax	\$59,556		\$384	\$38,548	\$244,063	\$28,317	\$15,935	\$0	\$0	\$632	\$387,435
Thoroughbred Development Fund	\$29,778	\$0	\$0	\$19,274	\$122,032	\$14,159	\$0	\$0	\$0	\$0	\$185,242
Standardbred Development Fund	\$0		\$256	\$0	\$0	\$0	\$10,623	\$0	\$0	\$421	\$11,301
Quarter Horse Development Fund	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equine Drug Research	\$3,970		\$26	\$2,570	\$16,271	\$1,888	\$1,062	\$0	\$0	\$42	\$25,829
Higher Ed Equine Trust	\$3,970		\$26	\$2,570	\$16,271	\$1,888	\$1,062	\$0	\$0	\$42	\$25,829
Equine Industry Programs	\$7,941		\$51	\$5,140	\$32,542	\$3,776	\$2,125	\$0	\$0	\$84	\$51,658
General Fund	\$13,896		\$26	\$8,995	\$56,948	\$6,607	\$1,062	\$0	\$0	\$42	\$87,576

Simulcast Wagers on Interstate and Intertrack Live Horse Racing

	Churchill Downs Racetrack	Louisville Thoroughbred Society	Cumberland Run Racetrack	Ellis Park Racetrack	Keeneland Racetrack	Kentucky Downs Racetrack	Red Mile Racetrack	Revolutionary Racing Kentucky, LLC	Turfway Park Racetrack	Oak Grove Racetrack	Grand Total
Off-Track Handle (Simulcast)	\$6,814,139	\$57,414	\$472,453	\$3,636,009	\$8,636,651	\$4,226,659	\$5,395,841	\$14,162	\$3,120,539	\$647,807	\$32,821,673
Thoroughbred	\$6,443,019	\$55,173	\$439,398	\$3,358,148	\$8,588,242	\$3,921,982	\$122	\$12,279	\$3,012,934	\$500,286	\$26,331,583
Standardbred	\$135,233	\$1,428	\$27,612	\$257,621	\$0	\$255,453	\$5,360,903	\$1,727	\$75,405	\$128,806	\$6,244,188
All Other Breeds	\$35,888	\$814	\$5,443	\$20,240	\$48,408	\$49,224	\$34,816	\$156	\$32,199	\$18,715	\$245,903
Excise Tax - Simulcast	\$99,212	\$0	\$0	\$54,540	\$129,550	\$63,400	\$0	\$0	\$46,808	\$0	\$393,510
Thoroughbred Development Fund	\$64,430	\$0	\$0	\$33,581	\$85,882	\$39,220	\$0	\$123	\$30,129	\$0	\$253,366
Standardbred Development Fund	\$1,352	\$0	\$0	\$2,576	\$0	\$2,555	\$0	\$17	\$754	\$0	\$7,254
Quarter Horse Development Fund	\$359	\$0	\$0	\$202	\$484	\$492	\$0	\$2	\$322	\$0	\$1,861
Equine Drug Research	\$3,307	\$0	\$0	\$1,818	\$4,318	\$2,113	\$0	\$0	\$1,560	\$0	\$13,117
Higher Education Equine Trust	\$3,307	\$0	\$0	\$1,818	\$4,318	\$2,113	\$0	\$0	\$1,560	\$0	\$13,117
Equine Industry Programs	\$1,654	\$0	\$0	\$909	\$2,159	\$1,057	\$0	\$0	\$780	\$0	\$6,558
General Fund	\$24,803	\$0	\$0	\$13,635	\$32,387	\$15,850	\$0	(\$142)	\$11,702	\$0	\$88,236

Pari-Mutuel Wagering for FY 2024 (YTD)

Select Period - Fiscal Year
FY 2024

THE FOLLOWING REPORTING IS FOR ILLUSTRATIVE PURPOSES ONLY AND MAY BE AMENDED AS DEEMED SUITABLE BY THE KENTUCKY HORSE RACING COMMISSION. THE DISTRIBUTIONS FROM THE EXCISE TAX HAVE BEEN CALCULATED PURSUANT TO KRS 138 AND GUIDANCE FROM THE DEPARTMENT OF REVENUE.

On-Track Wagers on Historical Horse Racing

	Licensee / Facility											Grand Total
	Churchill Downs Racetrack, LLC	ECL Corbin, LLC		Ellis Entertainment, LLC	Kentucky Downs, LLC		Lexington Trots Breeders Association, LLC	Revolutionary Racing Kentucky, LLC	Turfway Park, LLC		WKY Development, LLC	
	Derby City Gaming	Corbin	Williamsburg	Henderson	Bowling Green	Franklin	Red Mile	Sandy's Racing and Gaming	Newport	Turfway Park	Oak Grove	
On-Track Handle	\$781,621,506	\$9,936,839	\$146,272,378	\$92,829,117	\$160,242,505	\$603,021,345	\$318,512,273	\$9,238,190	\$108,412,402	\$213,745,470	\$568,239,256	\$3,012,071,282
Return to Public	\$710,086,740	\$8,815,425	\$131,270,469	\$84,187,145	\$145,027,069	\$550,331,135	\$289,832,237	\$8,341,283	\$97,908,463	\$193,014,638	\$516,865,262	\$2,735,679,868
Pool Growth	\$1,017,983	\$100,633	\$610,228	\$29,534	\$284,706	\$562,179	\$887,150	\$75,403	\$341,175	\$291,530	\$546,304	\$4,746,825
Breakage	\$0	\$94	\$2,788	\$1,919	\$1,445	\$25,895	\$25,343	\$195	\$0	\$0	\$0	\$57,679
Gross Commission - Win	\$70,516,782	\$1,020,687	\$14,388,893	\$8,610,520	\$14,929,286	\$52,102,138	\$27,767,548	\$821,309	\$10,162,763	\$20,439,302	\$50,827,691	\$271,586,918
Excise Tax - HHR	\$11,724,323	\$149,053	\$2,194,086	\$1,392,437	\$2,403,638	\$9,045,320	\$4,777,684	\$138,573	\$1,626,186	\$3,206,182	\$8,523,589	\$45,181,069
Thoroughbred Development Fund	\$5,862,161	\$0	\$0	\$696,218	\$1,201,819	\$4,522,660	\$1,194,421	\$0	\$813,093	\$1,603,091	\$2,130,897	\$18,024,361
Standardbred Development Fund	\$0	\$99,368	\$1,462,724	\$0	\$0	\$0	\$1,592,561	\$0	\$0	\$0	\$2,841,196	\$5,995,850
General Fund and Other	\$6,560,889	\$149,053	\$2,194,086	\$696,218	\$2,403,638	\$9,045,320	\$1,990,702	\$46,191	\$813,093	\$1,603,091	\$3,551,495	\$29,053,776
Adjusted Commission - Win	\$58,792,460	\$871,635	\$12,194,807	\$7,218,083	\$12,525,648	\$43,056,818	\$22,889,864	\$682,736	\$8,536,577	\$17,233,120	\$42,304,102	\$226,405,849
Average Adj. Commission-Win/Unit	\$11,327	\$5,389	\$6,846	\$6,038	\$7,031	\$10,190	\$6,870	\$4,024	\$4,630	\$5,121	\$8,618	\$8,095

Advance Deposit Account Wagering

	Licensee									Grand Total
	AmWest Entertainment	eBet Technologies	Lien Games Racing	NYRABets	TVG	Twinspires	WatchandWager.com	Xpressbet		
Total Handle	\$880,350	\$193,677	\$546,832	\$4,334,189	\$37,592,970	\$59,874,527	\$145,157	\$14,393,914		\$117,961,615
In-State Races	\$83,781	\$25,283	\$33,356	\$905,903	\$9,040,958	\$17,741,398	\$34,550	\$4,948,656		\$32,813,885
Out-of-State Races	\$796,570	\$168,394	\$513,475	\$3,428,286	\$28,552,012	\$42,133,128	\$110,607	\$9,445,259		\$85,147,730
Excise Tax - ADW	\$13,205	\$2,905	\$3,202	\$65,013	\$563,895	\$898,118	\$2,177	\$215,909		\$1,769,424
Host Track - Purses	\$5,612	\$1,235	\$3,486	\$27,630	\$239,655	\$381,700	\$925	\$91,761		\$752,005
Host Tracks	\$5,612	\$1,235	\$3,486	\$27,630	\$239,655	\$381,700	\$925	\$91,761		\$752,005
General Fund	\$1,981	\$436	\$1,230	\$9,752	\$84,584	\$134,718	\$327	\$32,386		\$265,414

Total Distributions by Account

The General Fund line includes amounts that are deposited to various accounts. These caps are calculated from deposits resulting from the excise tax for conducting pari-mutuel wagering on historical horse racing. Since these amounts are calculated as a whole and not per licensee, a one-time transfer will be made once the caps are met within the fiscal year. At the end of the fiscal year, approximately \$2M must be deducted from this line in order to determine the actual amount retained by the General Fund. Please contact the Department of Revenue with any questions regarding these transfers.

Total Excise Tax	\$55,624,356
Equine Drug Research	\$38,946
Equine Industry Program	\$58,217
Higher Education Program	\$38,946
K. Thoroughbred Development Fund	\$18,462,969
K. Standardbred Development Fund	\$6,014,405
K. Quarter Horse Development Fund	\$1,861
Host Track - Purses	\$752,005
Host Tracks	\$752,005
General Fund (See Note on Caps)	\$29,505,002
Backside Improvement Fund	\$123,495

KENTUCKY HORSE RACING COMMISSION

Sports Wagering Division- Market Reports

The following reports include September and October of fiscal year 2024. The fiscal calendar for the KHRC runs from July 2023 through June 2024, fiscal year-to-date numbers are reflected in this context.

Going forward, these reports will be released on a monthly cadence. The deadline for monthly Kentucky Sports Wagering Excise Tax filings is the 20th day of each subsequent month. The KHRC staff will proceed to audit these filings and prepare the monthly Sports Wagering Market Reports once the data has been reconciled.

KENTUCKY HORSE RACING COMMISSION

Sports Wagering Division- Market Report (September 2023)

The following reporting is for illustrative purposes only and may be amended as deemed suitable by the Kentucky Horse Racing Commission. |

Retail Licensee	Handle	AGR	Hold	KY Excise Tax
Churchill Downs Racetrack	3,024,575.43	376,737.33	12.73%	36,731.89
ECL Corbin- The Mint Cumberland	475,148.00	(4,764.00)	-0.70%	-
Ellis Park Racing	100,087.67	27,676.56	27.91%	2,698.46
Oak Grove Racing, Gaming and Hotel	499,188.49	115,163.17	23.32%	11,228.41
Red Mile Gaming and Racing	3,860,191.71	435,620.83	11.28%	42,473.03
Sandy's Racing and Gaming	x	x	x	x
Turfway Park Racing and Gaming	1,093,636.62	137,588.43	12.86%	13,414.87

Retail Total- Sept '23 Retail	9,052,827.92	1,088,022.32	12.04%	106,546.66
Total- Fiscal YTD '24	9,052,827.92	1,088,022.32	12.04%	106,546.66

Mobile Licensee	Handle	AGR	Hold	Promotional Credit Issued	KY Excise Tax
Bet365	2,629,122.00	665,334.00	25.31%	4,851,176.00	94,810.00
BetMGM	1,917,861.51	368,017.51	19.19%	796,849.16	52,442.50
Caesars	1,141,716.73	83,981.42	7.36%	269,773.00	11,967.35
DraftKings	15,457,063.25	223,078.95	1.44%	5,709,693.85	31,788.75
FanDuel	15,128,797.51	165,414.62	10.93%	15,539,541.90	23,571.58
Fanatics	269,165.75	(4,334.29)	-1.61%	115,796.82	-
Penn Sports (Barstool Sportsbook)	266,346.93	5,887.30	2.20%	39,654.38	838.94

Mobile Total- Sept '23 Mobile	36,810,074.00	1,507,397.74	4.10%	27,322,485.11	215,419.25
Total- Fiscal YTD '24	36,810,074.00	1,507,397.74	4.10%	27,322,485.11	215,419.25
Retail & Mobile Sum Total- Sept '23	45,862,901.92	2,595,402.06	5.67%	27,322,485.11	321,965.91
Retail & Mobile Sum Total- FYTD '24	45,862,901.92	2,595,402.06	5.67%	27,322,485.11	321,965.91

KENTUCKY HORSE RACING COMMISSION

Sports Wagering Division- Market Report (October 2023)

The following reporting is for illustrative purposes only and may be amended as deemed suitable by the Kentucky Horse Racing Commission.

Retail Licensee	Handle	AGR	Hold	KY Excise Tax
Churchill Downs Racetrack	2,888,197.23	260,893.91	9.29%	25,437.16
ECL Corbin- The Mint Cumberland	358,498.00	78,117.00	22.04%	7,151.92
Ellis Park Racing	108,592.39	(5,837.60)	-5.05%	10.00
Oak Grove Racing, Gaming and Hotel	650,665.40	71,680.35	11.26%	6,988.83
Red Mile Gaming and Racing	2,922,055.79	531,010.60	18.17%	51,773.53
Sandy's Racing and Gaming	49,363.85	8,449.25	17.11%	823.80
Turfway Park Racing and Gaming	1,171,716.36	111,329.85	9.73%	10,854.66

Retail Total- Oct '23	8,149,089.02	1,055,643.36	12.98%	103,039.90
-----------------------	--------------	--------------	--------	------------

Retail Total- Fiscal YTD '24	17,201,916.94	2,143,665.68	12.49%	209,586.56
------------------------------	---------------	--------------	--------	------------

Mobile Licensee	Handle	AGR	Hold	Promotional Credit Issued	KY Excise Tax
Bet365	28,598,614.00	7,916,602.00	27.68%	16,540,564.00	1,128,116.00
BetMGM	12,794,422.00	2,375,301.27	18.57%	2,789,866.36	338,480.43
Caesars	12,882,102.71	2,151,478.31	16.70%	2,341,804.62	306,585.66
DraftKings	109,480,551.05	19,262,461.80	17.59%	23,047,579.51	2,744,900.83
FanDuel	116,023,141.90	20,162,256.65	17.38%	26,995,654.23	2,873,121.57
Fanatics	4,365,598.78	487,344.48	11.16%	733,156.82	68,828.95
Penn Sports (Barstool Sportsbook)	2,656,699.43	375,861.20	14.10%	39,920.97	55,714.36

Mobile Total- Oct '23	286,801,130.14	52,731,305.90	18.40%	72,488,546.51	7,515,747.61
-----------------------	----------------	---------------	--------	---------------	--------------

Mobile Total-Fiscal YTD '24	323,611,204.14	54,238,685.64	16.80%	99,811,031.62	7,731,166.86
-----------------------------	----------------	---------------	--------	---------------	--------------

Retail & Mobile Sum Total- Oct '23	294,950,219.16	53,786,949.26	18.28%	72,488,546.51	7,618,787.15
------------------------------------	----------------	---------------	--------	---------------	--------------

Retail & Mobile Sum Total- Fiscal YTD '24	340,813,121.08	56,382,351.32	16.58%	99,811,031.62	7,940,753.42
---	----------------	---------------	--------	---------------	--------------

KENTUCKY HORSE RACING COMMISSION

Sports Wagering Division- Market Report (FY 2024 through October)

The following reporting is for illustrative purposes only and may be amended as deemed suitable by the Kentucky Horse Racing Commission.

Retail Licensee	Handle	AGR	Hold	KY Excise Tax
Churchill Downs Racetrack	5,912,772.66	637,631.24	10.81%	62,169.05
ECL Corbin- The Mint Cumberland	833,646.00	73,353.00	8.82%	7,151.92
Ellis Park Racing	208,680.06	21,838.96	10.49%	2,708.46
Oak Grove Racing, Gaming and Hotel	1,149,853.89	186,843.52	16.28%	18,217.24
Red Mile Gaming and Racing	6,782,247.50	966,631.43	14.28%	94,246.56
Sandy's Racing and Gaming	49,363.85	8,449.25	17.11%	823.80
Turfway Park Racing and Gaming	2,265,352.98	248,918.28	11.01%	24,269.53
Cumulative- All Retail Licensees	17,201,916.94	2,143,665.68	12.49	209,586.56

Mobile Licensee	Handle	AGR	Hold	Promotional Credit Issued	KY Excise Tax
Bet365	31,227,737.00	8,581,936.00	27.55%	21,391,740.00	1,222,926.00
BetMGM	14,712,283.51	2,743,318.78	18.69%	3,586,715.52	390,922.93
Caesars	14,023,819.44	2,235,459.73	15.98%	2,611,577.62	318,553.01
DraftKings	124,937,614.30	19,485,540.75	15.63%	28,757,273.36	2,776,689.58
FanDuel	131,151,939.41	20,327,671.27	15.53%	42,535,196.13	2,896,693.15
Fanatics	4,634,764.53	483,010.19	10.44%	848,953.64	68,828.95
Penn Sports (Barstool Sportsbook)	2,923,046.36	381,748.50	13.09%	79,575.35	56,553.30
Cumulative- All Mobile Licensees	323,611,204.55	54,238,685	16.80%	99,811,032	7,731,166.92

Cumulative Retail & Mobile Sum Total- Fiscal YTD '24	340,813,121.08	56,382,351.32	16.58%	99,811,031.62	7,940,753.42
---	-----------------------	----------------------	---------------	----------------------	---------------------