

Kentucky Horse Racing Commission

Established 1906



2017/2018 Biennial Report

Calendar Years
(except as noted)

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Lexington, KY 40511
(859) 246-2040

khrc.ky.gov



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MATTHEW G. BEVIN
GOVERNOR

FRANKLIN S. KLING, JR.
CHAIRMAN



K. GAIL RUSSELL
SECRETARY

MARC A. GUILFOIL
EXECUTIVE DIRECTOR

PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
ESTABLISHED 1906
4063 IRON WORKS PKWY., BLDG. B
LEXINGTON, KENTUCKY 40511
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The Honorable Matthew G. Bevin
Commonwealth of Kentucky
700 Capitol Avenue
Frankfort, KY 40601

Dear Governor Bevin:

As Chairman of the Kentucky Horse Racing Commission, I am once again pleased to submit to you, pursuant to KRS 230.270, the Kentucky Horse Racing Commission's biennial report. The information for calendar year 2017 and 2018 reflects significant changes in the landscape of the Commonwealth's equine industry over the past two years. The Kentucky equine industry has three strategic interdependent components: breeding, racing, and auction sales. The following thoroughbred data prepared by The Jockey Club demonstrates the strength of those components in Kentucky.

The **Annual Mares Bred to Kentucky Stallions** reported continued record-breaking years. In 2017 and 2018, Kentucky sires covered 52.0 % and 54.8% respectively of all mares bred in North America. The latest **Annual Kentucky Registered Foal Crop** reported Kentucky-breds with approximately 37% of the North America foal crop for 2016 and 2017. Our goal is to remain number one in North America with both statistics and to focus on retaining an even larger percentage of covered mares in the Commonwealth.

The **Kentucky Racing Overview** reported \$115,778,833 for Kentucky purses in 2018— an all-time record. This was an increase of over \$15,000,000 from 2015, the last year during which Kentucky hosted the Breeders' Cup. Kentucky is currently fourth in the nation in purses. Our goal is to reach third place within the next three years.

The **Kentucky-bred Racing Statistics by Racing Year** reported two all-time records for 2018. Total Earnings amounted to \$494,907,746, and average earnings per starter



were \$29,445. Our goal is to remain number one in North America and improve on Kentucky-breds' 43-plus percentage earnings of all North America purses.

The Kentucky Standardbred industry data also mirrors a leadership position in breeding, racing, and auction sales. Total nominations and registrations for the Kentucky Standardbred Development and Kentucky Standardbred Breeders Incentive Funds in Kentucky increased from 427 in 2014 to 1,801 in 2018. Our goal is to continue the exceptional growth in nominations and registrations.

Pari-mutuel wagering on historical horse races generated 80% of the Kentucky Thoroughbred Development Fund (purse money) in 2017 and 83% in 2018. The Kentucky Standardbred Development Fund received 94% in 2017 and 97% in 2018 of its funding from pari-mutuel wagering on historical horse racing.

While our responsibilities have grown in recent years, the commitment of the Kentucky Horse Racing Commission to regulating the conduct of horse racing, pari-mutuel wagering, and related activities within the Commonwealth remains steadfast. We are mindful of our responsibility and grateful for the support we have received from the Governor, the General Assembly, and other agencies in executing our mission.

By drawing on the collective knowledge and experience of the commissioners, the KHRC staff, and our equine industry partners, we have been able to build on the success of our first two years. Together we will strive to ensure that Kentucky remains the "Horse Capital of the World."

Sincerely,



Franklin S. Kling, Jr.
Chairman
Kentucky Horse Racing Commission



MATTHEW G. BEVIN
GOVERNOR

FRANKLIN S. KLING, JR.
CHAIRMAN



K. GAIL RUSSELL
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The Honorable Matthew G. Bevin
Commonwealth of Kentucky
700 Capitol Avenue
Frankfort, KY 40601

Dear Governor Bevin:

As I contemplate the progress of the Kentucky Horse Racing Commission over the past two years, I am continually grateful for your sound support and that of the Legislature in helping our state remain as the international leader and center of the horse racing industry. Under your direction, Kentucky racing and breeding have flourished. The Racing Commission is committed in our efforts to continue our leadership for the sake of the Commonwealth and for all Kentuckians that depend on our industry for their livelihoods.

This biennial report summarizes the many achievements of the Racing Commission during 2017 and 2018. These years have seen a steady increase in support of the General Fund through expansion of wagering platforms. This increase has, in turn, supported the growth of breeder development programs, as well as equine research.

In 2018, Kentucky stallions bred more mares than all other states combined! Churchill Downs once again proudly hosted the Breeders' Cup World Championships, and the Kentucky Derby saw KY-bred Justify win the first leg of his eventual Triple Crown, only the second horse to win the Crown with an undefeated record. Lexington's harness racing track, The Red Mile, also successfully hosted, in conjunction with the Bluegrass Sports Commission, its first annual "Fayette County Fair" simultaneous with the annual Kentucky Sire Stakes, a \$4.5 million dollar competition culminating a month-long series of races.



As the Racing Commission's Executive Director, I am fortunate and privileged to work with an outstanding group of individuals. The dedicated members of the Kentucky Horse Racing Commission unselfishly devote their time and talents through participation in commission meetings and committee assignments, ensuring the unmatched integrity, enduring strength, and continuing growth of the Commonwealth's equine industry. I am also supported on a daily basis by a committed and professional team of employees that proudly work to maintain our state's standing as a leader in all aspects of the sport and in the welfare of the horse. I would like to express my sincere thanks to each and every one.

Respectfully,

Marc A. Guilfoil
Executive Director
Kentucky Horse Racing Commission



The Kentucky Horse Racing Commission met on the following dates in 2017 and 2018, and all meetings were open to the public.

2017 MEETING DATES

February 21
April 18
June 20
August 15
October 17
December 12

2018 MEETING DATES

February 20
April 17
June 19
July 17
August 21
September 25
October 16
October 30
November 16
December 11

KENTUCKY HORSE RACING COMMISSION MEMBERS

The commission is composed of 15 gubernatorial appointees. The Secretary of the Tourism, Arts and Heritage Cabinet, the Secretary of the Public Protection Cabinet, and the Secretary of the Cabinet for Economic Development also serve as ex-officio members of the commission.

The following racing industry and community leaders, appointed by Governor Matthew G. Bevin, continue to serve as voting members of the commission (changes during 2017-2018 are noted).

Franklin S. Kling, Jr. – Chair

John C. Roach – Vice Chair (served until July 27, 2018)

Mark Simendinger - Vice Chair (current member appointed Vice Chair
July 27, 2018)

J. Gatewood Bell, Jr.

Larry J. Bisig (appointed July 27, 2018)

Stuart E. Brown II, D.V.M.

Kerry T. Cauthen

Kiki Courtelis

Patrick A. Day

Douglas A. Hendrickson

Gerald W. Holt

Lesley Ann May Howard

Kenneth A. Jackson

Bret Jones

Foster Northrop D.V.M.

J. David Richardson, M.D.

The KHRC was honored to have the following Cabinet secretaries serve as ex-officio non-voting members of the Board:

1. Public Protection Cabinet
 - a. K. Gail Russel, Acting Secretary (appointed June 12, 2018)
 - b. David A. Dickerson, Secretary (served until June 12, 2018)
2. Cabinet for Economic Development
 - a. Terry Gill, Secretary (appointed January 2017)
In his absence, Jessica Burke serves as designee.
3. Tourism, Arts and Heritage Cabinet
 - a. Don Parkinson, Secretary
In his absence, Leigh Powers serves as designee.

KHRC EXECUTIVE STAFF

Gregory Berry, Director, Division of Licensing (served until November 4, 2018)
Barbara Borden, Chief State Steward
Paul L. Brooker, Director, Division of Enforcement (appointed on October 29, 2018)
Chris Clark, Director, Division of Enforcement (served until October 1, 2018)
Jamie H. Eads, Executive Advisor/Deputy Executive Director and
Director, Division of Incentives and Development
John Forgy, General Counsel
Marc A. Guilfoil, Executive Director
Bruce Howard, D.V.M., Chief Racing Veterinarian
Steve May, Director, Division of Pari-Mutuel Wagering and Compliance
Mary Scollay, D.V.M., Equine Medical Director

OFFICE OF THE EXECUTIVE DIRECTOR

Katherine Bennett, Executive Advisor/Deputy General Counsel (served until
January 31, 2017)
Shawn D. Chapman, Executive Advisor/Deputy General Counsel (appointed
April 30, 2018)
Amber Hobbs, Fiscal Manager
Taylor Hooks, Executive Administrative Secretary (served until
June 2, 2017)
Sienna Hooper, Executive Advisor/Office Manager
Susan Nash, Executive Administrative Secretary (appointed August 13, 2018)
George Seay, Executive Advisor/Deputy General Counsel (appointed
March 23, 2017; served until September 23, 2017)
Margi Stout, Paralegal Consultant
L. Dianne Weidner, Executive Administrative Secretary (appointed June 16, 2017;
served until July 21, 2018)

DIVISION OF PARI-MUTUEL WAGERING AND COMPLIANCE

David Brown, Auditor II

DIVISION OF ENFORCEMENT

Daniel Hyland, Investigator II
Don Kolioutas, Investigator III

DIVISION OF INCENTIVES AND DEVELOPMENT

Drew Conners, Internal Policy Analyst II

Patricia Cooksey, Assistant Director

Angela Trosclair Cox, Program Coordinator (served until April 14, 2018)

DIVISION OF LICENSING

George Haydon, Program Coordinator

Carol Hays, Racing License Administrator (appointed May 16, 2017)

Betty Moran, Racing License Administrator

Alicia Ritter, Racing License Administrator

DIVISION OF STEWARDS

Brooks Becraft III, State Steward

DIVISION OF VETERINARY SERVICES

Victor M. Arias, Detention Barn Assistant

Dionne Benson, D.V.M., Horse Racing Veterinarian (Part-Time)

Brent Cassady, D.V.M., Horse Racing Veterinarian (Part-Time until appointed to Full-Time August 1, 2018)

Jennifer Engel, Administrative Specialist III (appointed January 1, 2017)

David Harris, D.V.M., Horse Racing Veterinarian

Louis Johnson, D.V.M., Horse Racing Veterinarian

Jennifer Kaak, D.V.M., Horse Racing Veterinarian (served until August 27, 2018)

Patricia Ludwig, Veterinary Technician II (voluntary change in position from Full-Time to Part-Time as of October 1, 2018)

Megan Romano, D.V.M., Horse Racing Veterinarian (served until May 15, 2017)

Nicholas Smith, D.V.M., Horse Racing Veterinarian

Robin Sauer, Veterinary Technician II (appointed September 1, 2018)

J Saunderson, Veterinary Technician II

John Taormina, D.V.M., Horse Racing Veterinarian

ADVISORY COMMITTEES and WORKING GROUPS

Committees and working groups are appointed by the governor or chairman to advise commission members on issues pertinent to the duties of the KHRC. For a list of current KHRC committees and members, go to <http://khrc.ky.gov/pages/committees.aspx>.

Kentucky Equine Drug Research Council

The Kentucky Equine Drug Research Council (EDRC) supports equine research related to the detection of prohibited substances, the regulation of therapeutic medications, the development of drug testing methods, investigation into emerging doping threats, and topics related to the health, safety, and welfare of race horses. Beginning in 2017, the EDRC partnered with the Racing Medication and Testing Consortium in pioneering a double-blind quality assurance program intended to ensure that drug testing laboratory performance is consistent across North America. The EDRC recommended funding for drug testing of samples collected from horses treated with therapeutic medications to verify that the medication was cleared from the horse before it was entered to race.

The council met three times in 2017 and six times in 2018.

Current members of the council include:

Chair:

Stuart E. Brown II, D.V.M., Versailles, is a veterinarian in private practice, representing the KHRC.

Members:

Marcus Cheney, D.V.M., Lexington, is a veterinarian in private practice, representing Thoroughbred horsemen (appointed February 2017).

Michael Kilgore, PhD, Lexington, is a professor at the University of Kentucky, representing pharmacologists.

James Morehead, D.V.M., Lexington, is a veterinarian in private practice, representing equine veterinarians.

Andrew M. Roberts, D.V.M., Lexington, is a veterinarian in private practice, representing harness horsemen.

Johnny Mac Smith, D.V.M., Versailles, is a veterinarian, representing Thoroughbred breeders.

Senator Damon Thayer, Georgetown, is Majority Floor Leader, State Senate District 17, representing Kentucky legislators.

Mike Ziegler, Louisville, is Executive Director of Racing for Churchill Downs, Inc, representing licensed racing associations.

Arthur B. Zubrod, Lexington, representing the harness racing industry.

Kentucky Horse Breeders' Incentive Fund Advisory Committee

This committee advises, assists, and makes recommendations to the commission regarding the structure and operation of the Kentucky Horse Breeders' Incentive Fund, the first incentive fund in the country to address multiple non-racing breeds.

The committee met three times in 2017.

Current members of the committee include:

Chair:

Kiki Courtelis, representing the KHRC (reappointed July 1, 2018)

Members:

Sarah Coleman, New Vocations Racehorse Adoption Program (reappointed July 1, 2018)

Frank Penn, representing the Kentucky Equine Education Project (reappointed July 1, 2018)

For additional information regarding the Horse Breeders' Incentive Fund, see the section in this report titled "Incentives and Development, Kentucky Horse Breeders' Incentive Fund."

Kentucky Standardbred Development Fund and Kentucky Standardbred Breeders' Incentive Fund Advisory Panel

This Panel advises, assists and makes recommendations to the commission regarding the administration of the Kentucky Sire Stakes. The Kentucky Sire Stakes provides rewards for owners of horses by registered Kentucky stallions or out of registered resident mares. The Kentucky Sire Stakes is funded with revenue from the Kentucky Standardbred Development Fund and the Kentucky Standardbred Breeders' Incentive Fund. For additional information regarding the Sires Stakes program, see the section in this report titled, "Incentives and Development, Kentucky Standardbred Breeders' Incentive Fund."

The panel met twice in 2017 and once in 2018.

Current members of the panel include:

Chair:

Kenneth A. Jackson, representing the KHRC (reappointed July 1, 2018)

Members:

Joe Costa, representing The Red Mile, Host racetrack (reappointed July 1, 2018)

Ben Robards, representing the Kentucky Standardbred Development Fund,
registered stallion owner (reappointed July 1, 2018)

Steve Stewart, representing the Kentucky Harness Horseman's Association
(reappointed July 1, 2018)

Arthur B. Zubrod, representing the Kentucky Standardbred Breeders' Association
(reappointed July 1, 2018)

Kentucky Thoroughbred Breeders' Incentive Fund Advisory Committee

This committee reviewed 810 KAR 1:070 to determine if any changes were necessary to ensure the regulation was accomplishing the mission and purpose of the fund. The fund was established in 2005.

Current and past members of the committee include:

Members:

Stuart E. Brown II, D.V.M., representing the KHRC (reappointed July 1, 2018)

Kerry T. Cauthen, representing the KHRC (reappointed July 1, 2018)

Douglas A. Hendrickson, representing the KHRC (reappointed July 1, 2018)

Neil Howard, breeder, Gainesway Farm (reappointed July 1, 2018)

Matthew Koch, breeder, Shawhan Place (served until November 2018)

For additional information regarding the Thoroughbred Breeders' Incentive Fund, see the section in this report titled, "Incentives and Development, Kentucky Thoroughbred Breeders' Incentive Fund."

Kentucky Thoroughbred Development Fund Advisory Committee

This committee advises and assists the KHRC regarding the supplemental purse program funded by a portion of the pari-mutuel tax. The committee meets on a regular basis to approve KTDF purse schedules for each association. For additional information regarding the Kentucky Thoroughbred Development Fund (KTDF), go to: www.kentuckybred.org.

The committee met four times in 2017 and four in 2018.
Current member of the committee include:

Chair:

William L.S. Landes III, representing Thoroughbred breeders (KyTOBA)
(reappointed July 1, 2018)

Members:

Douglas A. Hendrickson, representing the KHRC (reappointed July 1, 2018)

Dan Bork, representing the licensed associations (January 1 – June 30, 2017)

Tom Minneci, representing the licensed associations (July 1, 2017 –
June 30, 2018)

Ted Nicholson, representing the licensed associations (appointed July 1 –
December 31, 2018)

J. David Richardson, M.D., representing Thoroughbred breeders (KYTOBA)
(reappointed July 1, 2018)

Pete Salmen, representing the Kentucky Horsemen's Benevolent and Protective
Association (KYHBPA) (reappointed July 1, 2018)

Money from the KTDF is allocated to each licensed association in an amount equal to the amount the association contributed to the fund. This fund is used for purses and advertising. The KTDF receives an amount which is 0.75 percent of all wagers from Thoroughbred racetracks on live races and 2 percent of all wagers on simulcast races. It is an incentive program that seeks to encourage owners to buy from Kentucky markets, to board and breed mares on Kentucky farms, to mate them with Kentucky stallions, then to race the Kentucky-foaled horse at Kentucky tracks. This program was created in 1978 and placed under the general jurisdiction of the KHRC.

A five-member Advisory Committee is appointed on July 1 of each year to advise and assist the KHRC with the implementation of this program. KTDF money supplements purses in stakes, handicap, allowance and non-claiming maiden races and allowance optional claiming races for a claiming price of not less than twenty-five thousand dollars (\$25,000) contested at licensed Thoroughbred race meetings in Kentucky. Only registered Kentucky-sired, Kentucky-foaled horses are eligible to share in fund purse supplements. Funds that are reverted to the KTDF are a result of non-eligible horses placing in the designated race receiving those funds. These monies are not distributed to the owner since the horse is not eligible or KTDF registered, but returned to the association for distribution on

another designated race. The following tables document the Kentucky Thoroughbred Development Fund in 2017 and 2018:

2017 KTDF			
Track / Meet	KTDF Offered	KTDF Disbursed	Reverted
Ellis Park: Summer	\$1,619,000	\$1,432,652	\$186,348
Churchill Downs: Spring/Summer	\$1,070,700	\$883,725	\$186,975
Churchill Downs: September	\$264,500	\$218,668	\$45,832
Churchill Downs: Fall (November)	\$319,900	\$272,108	\$47,792
Keeneland: Spring	\$1,205,700	\$968,612	\$237,088
Keeneland: Fall	\$1,103,000	\$965,472	\$137,528
Kentucky Downs	\$4,395,000	\$4,024,396	\$370,604
Turfway Park: Holiday	\$367,500	\$250,349	\$117,151
Turfway Park: Winter/Spring	\$985,000	\$617,386	\$367,614
Grand Total:	\$11,330,300	\$9,633,368	\$1,696,932

2018 KTDF			
Track / Meet	KTDF Offered	KTDF Disbursed	Reverted
Ellis Park: Summer	\$1,684,500	\$1,467,035	\$217,465
Churchill Downs: Spring/Summer	\$1,098,600	\$938,261	\$160,339
Churchill Downs: September	\$141,400	\$121,996	\$19,404
Churchill Downs: Fall (November)	\$981,600	\$864,082	\$117,518
Keeneland: Spring	\$1,238,100	\$1,025,509	\$212,591
Keeneland: Fall	\$1,026,400	\$967,016	\$59,384
Kentucky Downs	\$4,995,000	\$4,649,130	\$345,870
Turfway Park: Holiday	\$464,500	\$273,247	\$191,253
Turfway Park: Winter/Spring	\$779,000	\$446,453	\$332,547
Grand Total:	\$12,409,100	\$10,752,729	\$1,656,371

License Review Committee

Pursuant to 810 KAR 1:025, the License Review Committee is composed of commissioners and staff members who review license applications that require additional scrutiny and background research beyond that of a routine application.

The committee met twice in 2017 and twice in 2018.

Current and recent past members of the committee include:

Chair:

Kenneth A. Jackson, representing the commission (reappointed July 1, 2018)

Members:

Chris Clark, representing the KHRC (served until October 1, 2018)
Greg Berry, representing the KHRC (served until November 4, 2018)
Lesley Ann May Howard, representing the KHRC (reappointed July 1, 2018)
Steve May, Steward Designee (reappointed July 1, 2018)
Marc A. Guilfoil, representing the KHRC (reappointed July 1, 2018)

Race Dates Committee

This committee reviews the racetrack license applications and the race dates requests and makes a recommendation to KHRC.

The committee did not meet in 2017 and met once in 2018.
Current and recent past members of the committee include:

Chair:

Franklin S. Kling, Jr., representing the KHRC (reappointed July 1, 2018)

Members:

J. Gatewood Bell, Jr., representing the KHRC (reappointed July 1, 2018)
Kerry T. Cauthen, representing the KHRC (reappointed July 1, 2018)
Douglas A. Hendrickson, representing the KHRC (appointed July 1, 2018)
Kenneth A. Jackson, representing the KHRC (appointed July 1, 2018)
Bret Jones, representing the KHRC (reappointed July 1, 2018)
Foster Northrop, D.V.M., representing the KHRC (reappointed July 1, 2018)
John C. Roach, representing the KHRC (served until July 27, 2018)
Mark Simendinger, representing the KHRC (reappointed July 1, 2018)

Rules Committee

This committee reviews the regulatory structure of the KHRC and makes recommendations regarding regulations governing the horse industry.

The committee did not meet in 2017 and met three times in 2018.
Current and recent past members of the committee include:

Chair:

Mark Simendinger representing the KHRC (reappointed July 1, 2018)

Members:

J. Gatewood Bell, Jr. representing the KHRC (reappointed July 1, 2018)
Larry J. Bisig representing the KHRC (appointed July 28, 2018)
John Forgy, representing the KHRC (served until June 30, 2018)
Gerald W. Holt representing the KHRC (reappointed July 1, 2018)
Bret Jones representing the KHRC (reappointed July 1, 2018)
John C. Roach, representing the KHRC (served until July 27, 2018)

Safety and Welfare Committee

This committee identifies issues of concern and makes recommendations to promote human and equine safety and welfare in Kentucky horse racing.

The committee met two times in 2017 and one time in 2018.

Current members of the committee include:

Chair:

Patrick A. Day, representing the KHRC (reappointed July 1, 2018)

Members:

Stuart E. Brown II, D.V.M., representing the KHRC (reappointed July 1, 2018)
Douglas A. Hendrickson, representing the KHRC (reappointed July 1, 2018)
Bret Jones, representing the KHRC (reappointed July 1, 2018)
Daisy Phipps Pulito (reappointed July 1, 2018)

Wagering Integrity Committee

This committee is charged with investigating wagering integrity and security issues and making recommendations to the KHRC. It reviews license applications related to wagering operations and gathers information from various sources relating to wagering integrity issues.

The committee met one time in 2017.

Current and recent past members of the committee include:

Chair:

Franklin S. Kling, Jr., representing the KHRC (reappointed July 1, 2018)

Members:

Chuck Grubbs, representing a participant in the sport (reappointed July 1, 2018)

David Ingordo, representing a participant in the sport (reappointed July 1, 2018)
Kenneth A. Jackson, representing the KHRC (reappointed July 1, 2018)
Mike Maloney, representing a participant in the sport (reappointed July 1, 2018)
J. David Richardson, M.D., representing the KHRC (reappointed July 1, 2018)
Julie Sorrell, representing the racetracks (appointed July 1, 2018)
Mike Ziegler, representing the racetracks (served until June 30, 2017)

Funds attached to the Kentucky Horse Racing Commission

Kentucky Racing Health and Welfare Fund

The Kentucky Racing Health and Welfare Fund is a charitable, non-profit organization that helps eligible individuals in the Kentucky Thoroughbred racing industry who demonstrate need. The Fund was founded in 1978 by an act of the Kentucky legislature. It provides funding toward the payment of medical, hospital, vision and funeral expenses for backstretch workers. It is not an insurance company and does not provide insurance benefits.

The Fund provides benefits for off-the-job injuries and illnesses that are not covered by union health and welfare plans, worker's compensation, social security, public welfare, military benefits, veterans' benefits or any other type of health, medical, dental or accident insurance. Richard Riedel is the executive director of the fund.

The Fund's board of directors met April 18, July 19, September 27 and December 13 in 2017 and April 18, July 24, September 25 and December 13 in 2018. For additional information, regarding the Kentucky Racing Health and Welfare Fund, please visit www.kyracinghealth.org.

Board of Directors as of December 31, 2018:

Officers:

Rick Hiles, Chairman
Frank L. Jones, Jr., Vice-Chairman
Carol Hebel, Secretary
Randy Scheen, M.D., Treasurer

Members:

Andre Regard, appointee of Governor Matthew Bevin
Burr Travis, Jr. appointee of the Chairman of the Racing Commission

The Kentucky Racing Health and Welfare Fund receives funding from un-cashed pari-mutuel tickets that are over one year old. Pursuant to KRS 230.362, any

reported pari-mutuel ticket that has not been claimed within one year from the time the ticket became payable is presumed to be abandoned. Each year, any person or association holding on July 1 any tickets that have not as of that date, been claimed for one year or more is required to create a list of the tickets with corresponding amounts. The list is then submitted to the KHRC by September 1 of the same year. Between November 1 and November 15, the person or association then relinquishes the sum of tickets to the KHRC, less any advertising paid pursuant to KRS 230.362.

**Thoroughbred Unclaimed Pari-mutuel Tickets
Remitted to KY Health and Welfare Fund by December 31, 2017**

Racing Facility	Amount	Amount Claimed	Advertising Paid	Total to Fund
Churchill Downs	\$984,229.85	\$4,756.20	\$704.53	\$978,769.12
Ellis Park	\$152,978.66	\$0.00	\$61.95	\$152,916.71
Keeneland	\$994,967.67	\$3,303.08	\$3,903.06	\$987,761.53
Kentucky Downs	\$84,480.75	\$4,560.37	\$344.00	\$79,576.38
Turfway Park	\$174,779.27	\$51.50	\$38.60	\$174,689.17
Total	\$2,391,436.20	\$12,671.15	\$5,052.14	\$2,373,712.91

**Thoroughbred Unclaimed Pari-mutuel Tickets
Remitted to KY Health and Welfare Fund by December 31, 2018**

Racing Facility	Amount	Amount Claimed	Advertising Paid	Total to Fund
Churchill Downs	\$968,187.27	\$2,932.50	\$561.20	\$964,693.57
Ellis Park	\$153,236.34	\$0.00	\$50.74	\$153,185.60
Keeneland	\$563,230.37	\$1,083.60	\$196.56	\$561,950.21
Kentucky Downs	\$110,546.32	\$19,303.15	\$324.00	\$90,919.17
Turfway Park	\$163,413.20	\$0.00	\$40.04	\$163,373.16
Total	\$1,958,613.50	\$23,319.25	\$1,172.54	\$1,934,121.71

County Fair Purse Fund

The Kentucky Colt Association, also known as Kentucky Fair Racing, administers harness racing at county fairs in Kentucky. Purses for Kentucky fair races are funded by Standardbred unclaimed pari-mutuel tickets.

In 2017 and 2018, the KHRC approved purse payments up to \$250,000 to the County Fairs from the Standardbred Development Fund and Standardbred Breeders' Incentive Fund. There were races at eight fairs throughout the Commonwealth. The races began in June and ended with the fair finals in August. There were separate divisions for two-and-three-year-old trotters and pacers and separate divisions for fillies and colts. Horses that are eligible for the fair races must have been nominated and owned wholly or in part by Kentucky residents. In 2017/2018, there was no pari-mutuel wagering at the fairs. For additional information regarding harness racing at county fairs, go to <http://www.kentuckycoltassociation.com>.

2017 Kentucky Fair Schedule:

Purchase District Fair (Mayfield)	June 6
Ballard County Fair (LaCenter)	June 13
McCracken County Fair (Paducah)	June 19
Marion County Fair (Lebanon)	July 4
Washington County Fair (Lebanon)	July 15
Woodford County Fair (Lebanon)	July 22
Mercer County Fair (Red Mile)	July 28
Fair Finals (Red Mile)	August 5

2018 Kentucky Fair Schedule:

Purchase District Fair (Mayfield)	June 5
Ballard County Fair (LaCenter)	June 12
McCracken County Fair (Paducah)	June 25
Marion County Fair (Lebanon)	July 3
Washington County Fair (Lebanon)	July 13
Woodford County Fair (Lebanon)	July 20
Mercer County Fair (Red Mile)	July 27
Fair Finals (Red Mile)	August 4

**Standardbred Unclaimed Pari-mutuel Tickets in 2017 - Turned over to KHRC
to remit to Kentucky Colt Racing Association for County Fair Purse Fund**

Racing Facility	Amount	Amount Claimed	Advertising Paid	Total to Fund
Bluegrass Players Downs	\$20,932.06	\$0.00	\$0.00	\$20,932.06
The Red Mile	\$25,004.98	\$0.00	\$3,903.06	\$21,101.92
Thunder Ridge	\$10,911.19	\$0.00	\$530.40	\$10,380.79
Total	\$56,848.23	\$0.00	\$4,433.46	\$52,414.77

**Standardbred Unclaimed Pari-mutuel Tickets in 2018 - Turned over to KHRC
to remit to Kentucky Colt Racing Association for County Fair Purse Fund**

Racing Facility	Amount	Amount Claimed	Advertising Paid	Total to Fund
Bluegrass Players Downs	\$13,640.64	\$0.00	\$0.00	\$13,640.64
The Red Mile	\$23,145.25	\$14.30	\$196.58	\$22,934.37
Total	\$36,785.89	\$14.30	\$196.58	\$36,575.01

FINANCIAL ANALYSIS:

The following is the statement of activities-cash basis for the KHRC for the fiscal years ended June 30, 2018, and June 30, 2017.

	<u>6/30/2018</u>	<u>6/30/2017</u>
REVENUES:		
General fund allotment	2,379,800	2,623,000
Track assessments	703,539	801,970
License fees	1,436,313	1,569,454
Fines	18,425	18,100
Interest	129	159
Other receipts	347,301	296,208
Proceeds from asset disposition	<u>5,930</u>	<u>2,700</u>
Total revenue	4,891,437	5,311,591
EXPENSES:		
Personnel	\$ 3,570,683	\$ 3,329,343
Operating	751,456	713,830
Capital outlay	<u>19,455</u>	<u>64,830</u>
Total expenses	4,341,594	4,108,003
Net program income	<u>549,843</u>	<u>1,203,588</u>
Transfer to PPC/OAS	(266,155)	(278,800)
Transfer to General Fund	<u></u>	<u>(2,000,000)</u>
Change in net position	283,688	(1,075,212)
NET POSITION- BEGINNING	<u>1,179,552</u>	<u>2,254,764</u>
NET POSITION- ENDING	<u>\$ 1,463,240</u>	<u>\$ 1,179,552</u>

Discussion of Financial Analysis

For the fiscal year ending June 30, 2017, the KHRC started the year with a balance carry-forward of \$2,254,764 and received funding from the following sources: General Fund allotment, track assessments, participant licensing fees, fines, interest, other receipts, and gains from assets disposition in the amount of \$5,311,591. The carry-forward and receipts were reduced during the fiscal year by non-revenue receipts (i.e., governmental transfers for support services) in the

amount of \$278,800, a fund transfer to the General Fund in the amount of \$2,000,000, and total expenses of \$4,108,003, resulting in a net position ending balance of \$1,179,552 for the KHRC.

For the fiscal year ending June 30, 2018, the KHRC started the year with a balance carry-forward of \$1,179,552 and received funding from the following sources: General Fund allotment, track assessments, participant licensing fees, fines, other receipts, and gains from assets disposition in the amount of \$4,891,437. The carry-forward and receipts were reduced during the fiscal year by non-revenue receipts (i.e. governmental transfers for support services) in the amount of \$266,155, and total expenses of \$4,341,594, resulting in a net position ending balance of \$1,463,240 for the KHRC.

DIVISION of PARI-MUTUEL WAGERING and COMPLIANCE

The Pari-Mutuel Wagering Division was created in 2009 and renamed Division of Pari-Mutuel Wagering and Compliance in 2016 to account for additional responsibilities. This division is responsible for the oversight of all wagering on live horse racing, simulcasting and historical horse racing operations in the Commonwealth. This includes compliance auditing of associations, totalizator companies, and licensed advance deposit wagering companies operating in the state and conducts on-site testing of live and historical horse racing pari-mutuel wagering systems at all of the racing associations in the Commonwealth.

The division is also responsible for the review of license applications for all totalizator and advance deposit wagering licensees and reviews all proposed changes to historical horse racing systems in the Commonwealth with the assistance of two internationally-known independent, third party testing laboratories under contract with the commission.

Over the past two years, this division has continued to work closely with CHRIMS, an internationally known data provider of pari-mutuel handle information, to further improve the accuracy of the data received from the associations, totalizator companies, and advance deposit wagering operations. This reporting assists to ensure that the correct taxation is paid on pari-mutuel wagering handle. The division is committed to reporting pari-mutuel handle to promote the transparency of wagering data and continues to improve these reports.

Kentucky Handle, Excise Tax and BIF Report for FY 2017 & 2018

	Fiscal Year 2017 Handle Data	% of Fiscal Year 2017 Handle	Fiscal Year 2018 Handle Data	% of Fiscal Year 2018 Handle	% Change from FY17 to FY18
Live Racing Dates	274		244		
On-Track Live Handle	\$ 110,341,295	7.9%	\$ 109,401,963	6.88%	-10.95%
On-Track Simulcast Handle	\$ 165,330,457	11.8%	\$ 152,655,557	9.60%	-0.85%
Kentucky Resident ADW Handle	\$ 208,021,481	14.8%	\$ 236,917,908	14.89%	-7.67%
Historical Horse Racing Handle	\$ 920,331,753	65.5%	\$1,091,766,502	68.63%	13.89%
Total Handle	\$1,404,024,986	100.0%	\$1,590,741,930	100.00%	18.63%
					13.30%

	Fiscal Year 2017 Tax Data	% of Fiscal Year 2017 Excise Tax	Fiscal Year 2018 Tax Data	% of Fiscal Year 2018 Excise Tax	% Change from FY17 to FY18
TB Development Fund	\$ 9,358,556	44.2%	\$ 10,370,832	44.08%	10.82%
SB Development Fund	\$ 1,445,257	6.8%	\$ 1,509,323	6.41%	4.43%
QH/Arabian Development Fund	\$ 16,928	0.1%	\$ 17,191	0.07%	1.56%
Backside Improvement Fund	\$ 545,158	2.6%	\$ 540,119	2.30%	-0.92%
Equine Industry Program	\$ 939,212	4.4%	\$ 931,860	3.96%	-0.78%
Equine Drug Research	\$ 567,400	2.7%	\$ 555,514	2.36%	-2.09%
Higher Education Fund	\$ 567,400	2.7%	\$ 555,514	2.36%	-2.09%
ADW Host Track Allocation (Note 1)	\$ 442,046	2.1%	\$ 503,451	2.14%	13.89%
ADW Purse Allocation (Note 1)	\$ 442,046	2.1%	\$ 503,451	2.14%	13.89%
KY General Fund	\$ 6,836,392	32.3%	\$ 8,041,793	34.18%	17.63%
Total KY Excise Tax	\$ 21,160,395	100.0%	\$ 23,529,048	100.00%	11.19%



Note 1 - As per KRS 138.530

Kentucky Pari-Mutuel Excise Tax and BIF by Source for Fiscal Year 2017

Track/ADW Provider	Line	Interclubbed Development Fund			Standards/bred Development Fund			QH/Other Development Fund			Equine Industry Program			Equine Drug Research			Higher Education Fund			Backside Improvement Fund			ADW Host Track Allocation			ADW Pursue Allocation			Kentucky General Fund			Total Excise Tax FY17		
		FY17	% of Total	Total	FY17	% of Total	Total	FY17	% of Total	Total	FY17	% of Total	Total	FY17	% of Total	Total	FY17	% of Total	Total	FY17	% of Total	Total	FY17	% of Total	Total	FY17	% of Total	Total	FY17	% of Total	Total			
		\$817,737	8.7%	\$16,372	1.1%			\$220,683	23.50%	\$110,341	19.45%	\$110,341	19.45%		\$110,341	19.45%	\$545,158	100.00%					\$382,820	5.60%	\$2,203,552	10.41%								
Blue Grass Downs								\$34	0.00%	\$17	0.00%				\$17	0.00%							\$17	0.00%	\$299	0.00%								
Churchill Downs		\$477,671	5.1%	\$214	0.0%			\$127,379	13.56%	\$63,689	11.22%				\$63,689	11.22%	\$318,447	58.41%					\$222,913	3.26%	\$1,273,789	6.02%								
Ellis Park		\$34,988	0.4%					\$9,330	0.99%	\$4,665	0.8%				\$4,665	0.8%	\$23,326	4.28%					\$16,438	0.24%	\$93,303	0.44%								
Keeneland		\$265,968	2.8%					\$70,925	7.55%	\$35,462	6.25%				\$35,462	6.25%	\$177,312	32.57%					\$124,118	1.82%	\$709,248	3.35%								
Kentucky Downs		\$6,971	0.1%					\$1,859	0.20%	\$929	0.16%				\$929	0.16%	\$4,647	0.85%					\$3,253	0.05%	\$18,588	0.09%								
The Red Mile				\$16,143	1.1%			\$2,583	0.28%	\$1,291	0.23%				\$1,291	0.23%							\$1,291	0.02%	\$22,600	0.11%								
Thunder Ridge				\$15	0.0%			\$2	0.00%	\$1	0.00%				\$1	0.00%							\$1	0.00%	\$21	0.00%								
Turfway Park		\$32,139	0.3%					\$8,570	0.91%	\$4,285	0.76%				\$4,285	0.76%	\$21,426	3.93%					\$14,998	0.22%	\$85,704	0.41%								
Simulcast		\$1,667,248	28.5%	\$56,997	3.9%			\$68,525	7.30%	\$137,059	24.16%	\$137,059	24.16%		\$137,059	24.16%							\$1,027,940	15.00%	\$4,111,759	19.43%								
Blue Grass Downs																																		
Churchill Downs		\$752,731	8.0%	\$3,000	0.2%			\$19,006	2.02%	\$38,012	6.70%				\$38,012	6.70%							\$285,093	4.17%	\$1,140,371	5.39%								
Ellis Park		\$347,107	3.7%	\$24,996	1.7%			\$9,330	0.99%	\$18,660	3.29%				\$18,660	3.29%							\$139,950	2.05%	\$559,801	2.65%								
Keeneland		\$829,167	8.9%					\$20,781	2.21%	\$41,563	7.33%				\$41,563	7.33%							\$311,720	4.56%	\$1,246,879	5.89%								
Kentucky Downs		\$239,924	2.6%	\$15,125	1.0%			\$6,537	0.70%	\$13,073	2.30%				\$13,073	2.30%							\$98,050	1.43%	\$392,201	1.85%								
Thunder Ridge																																		
Turfway Park		\$498,318	5.3%	\$13,876	1.0%			\$12,875	1.37%	\$25,750	4.54%				\$25,750	4.54%							\$193,127	2.82%	\$773,508	3.65%								
ADW																																		
AmWest Entertainment																																		
eBet Technologies																																		
Len Games																																		
NVRA Bets																																		
TVG																																		
TwinSpires																																		
Watch And Wager																																		
XpressBet																																		
HHR		\$5,873,572	62.8%	\$1,371,888	94.9%			\$650,000	69.21%	\$320,000	56.40%	\$320,000	56.40%		\$320,000	56.40%							\$5,269,517	77.08%	\$13,804,377	63.34%								
Ellis Park		\$554,655	5.9%					\$70,841	7.54%	\$34,973	6.16%				\$34,973	6.16%							\$413,869	6.05%	\$1,109,310	5.24%								
Keeneland/Red Mile		\$1,028,916	11.0%	\$1,371,888	94.9%			\$196,994	20.97%	\$97,032	17.10%				\$97,032	17.10%							\$1,373,803	19.36%	\$4,115,665	19.45%								
Kentucky Downs		\$4,290,001	45.8%					\$382,166	40.65%	\$187,995	33.13%				\$187,995	33.13%							\$3,531,844	51.66%	\$8,580,002	40.55%								
Grand Total		\$9,354,557	100.0%	\$1,445,258	100.0%			\$939,212	100.00%	\$567,400	100.00%	\$567,400	100.00%		\$567,400	100.00%	\$545,158	100.00%					\$442,046	100.00%	\$6,836,393	100.00%	\$21,160,395	100.00%						

Kentucky Pari-Mutuel Excise Tax and BIF by Source for Fiscal Year 2018

Racetrack/ADW	Thoroughbred Development Fund	Standardbred Development Fund	QW/Other Development Fund	Equine Industry Program	Equine Drug Research	Higher Education Fund	Backside Improvement Fund	ADW Host Track Allocation	ADW Purse Allocation	Kentucky General Fund	Total Excise Tax	FY 18
	FY 18	FY 18	FY 18	FY 18	FY 18	FY 18	FY 18	FY 18	FY 18	FY 18	FY 18	FY 18
Live	\$810,178	\$17,228	\$17,191	\$218,804	\$109,402	\$109,402	\$540,119	\$503,451	\$503,451	\$379,461	\$2,184,594	9.3%
Blue Grass Downs				\$49	\$25	\$25				\$25	\$431	0.0%
Churchill Downs	\$477,308	\$308		\$127,282	\$63,641	\$63,641	\$318,206			\$222,744	\$1,272,822	5.4%
Ellis Park	\$35,881			\$9,568	\$4,784	\$4,784	\$23,920			\$16,744	\$95,681	0.4%
Keeneland	\$262,805			\$70,081	\$35,041	\$35,041	\$175,203			\$122,642	\$700,812	3.0%
Kentucky Downs	\$7,717			\$2,058	\$1,029	\$1,029	\$5,145			\$3,601	\$20,579	0.1%
The Red Mile		\$16,920		\$2,707	\$1,354	\$1,354				\$1,354	\$23,688	0.1%
Thunder Ridge												
Turfway Park	\$26,467			\$7,058	\$3,529	\$3,529	\$17,645			\$12,351	\$70,579	0.3%
Standard	\$2,450,746	\$54,308	\$17,191	\$63,056	\$126,112	\$126,112				\$945,842	\$3,783,367	16.1%
Blue Grass Downs												
Churchill Downs	\$656,622	\$1,948		\$16,563	\$33,126	\$33,126				\$248,443	\$993,772	4.2%
Ellis Park	\$325,746	\$23,263		\$8,757	\$17,513	\$17,513				\$131,349	\$525,397	2.2%
Keeneland	\$787,811			\$19,765	\$39,529	\$39,529				\$296,469	\$1,185,875	5.0%
Kentucky Downs	\$250,123			\$6,860	\$13,720	\$13,720				\$102,896	\$411,585	1.7%
The Red Mile												
Thunder Ridge												
Turfway Park	\$430,444	\$10,704		\$11,112	\$22,225	\$22,225				\$166,684	\$666,738	2.8%
ADW										\$177,688	\$1,184,590	5.0%
AmWest Entertainment												
eBet Technologies												
Horse Races Now												
Uen Games												
NYRA Bets												
TVG												
TwinSpires												
Watch And Wager												
XpressBet												
HR	\$7,109,908	\$1,437,787		\$650,000	\$320,000	\$320,000				\$6,538,802	\$16,376,497	69.6%
Derby City Gaming												
Ellis Park	\$613,098			\$50,896	\$25,028	\$25,028				\$512,147	\$1,226,197	5.7%
Keeneland/Red Mile	\$1,078,341	\$1,437,787		\$176,327	\$86,698	\$86,698				\$1,447,512	\$4,313,362	18.3%
Kentucky Downs	\$5,418,469			\$422,778	\$208,275	\$208,275				\$4,579,143	\$10,836,939	46.1%
Grand Total	\$10,378,832	\$1,509,323	\$17,191	\$931,860	\$555,514	\$555,514	\$540,119	\$503,451	\$503,451	\$8,041,793	\$23,529,048	100.0%



DIVISION of ENFORCEMENT

The primary duty of the Division of Enforcement is to investigate and detect violations of the laws and rules as they pertain to Thoroughbred and Standardbred racing. The enforcement division is made up of a director of enforcement and two investigators. It conducts interviews with applicants who indicate on their license application that they have a criminal record or conviction for a public offense, or a suspension of or revocation of a license for any racing related infraction.

The division utilizes records and information from the Association of Racing Commissioners International (ARCI), Thoroughbred Racing Protective Bureau (TRPB), United States Trotting Association (USTA), Standardbred Canada, and the KHRC licensing database. The division also communicates with security and enforcement divisions in other jurisdictions, federal, state, and local law enforcement and court systems to gain information for criminal background checks and determine suitability for licensure in Kentucky.

Alleged or actual criminal offenses are investigated, including human drug violations, assault on association grounds, burglary, theft, forgery and disorderly conduct. The division will provide assistance to law enforcement to complete criminal investigations. Investigations are also conducted regarding a vast array of other potential violations, such as hidden ownership, claims violations and pari-mutuel concerns.

This division conducts barn and vehicle searches as necessary, as well as random visits to training centers. The KHRC enforcement division works in cooperation with various agencies of law enforcement in multiple jurisdictions, including local police, county sheriffs, state authorities and federal organizations, along with racing investigators from other jurisdictions.

The KHRC enforcement division performs breathalyzer alcohol testing and drug screening of jockeys and various other racing officials on a random basis. Investigators perform drug testing on individuals at the order of the stewards. The evidence gathered by the division is completed in accordance with police procedures and accurate chain of custody.

The division also responds to complaints received from the KHRC Integrity hotline. The hotline, 866-993-3949, is posted on the KHRC website, as well as on posters at all licensed facilities.

DIVISION of INCENTIVES and DEVELOPMENT

The Kentucky Breeders' Incentive Fund was established in 2005. Tax incentives were included in the plan to ensure the strength and growth of the horse industry. The various Breeders' Incentive Funds are financed by means of the 6 percent sales and use tax paid on stallion stud fees, the majority of which is derived from Thoroughbred stud fees.

Kentucky Thoroughbred Breeders' Incentive Fund (KBIF)

The Kentucky Thoroughbred Breeders' Incentive Fund is financed through 80 percent of the receipts collected from the sales and use tax on the fees paid for breeding a stallion to a mare in Kentucky. The money credited to the Kentucky Thoroughbred Breeders' Incentive Fund is used to administer the fund and to provide rewards for breeders of horses bred and foaled in Kentucky.

To qualify for the program, a pregnant mare must (1) be in foal to a Kentucky stallion that is registered with the Kentucky Thoroughbred Development Fund (KTDF), (2) remain in Kentucky during her pregnancy through foaling, and (3) be registered with the KBIF. The resulting foal is then eligible for the additional monetary awards.

KBIF paid monetary awards to registered Kentucky-bred winners of various categories of races across not only the US, but also Canada, England, France and Ireland, and additionally paid \$200,000 to the top 20 claiming horses registered to the fund with the most claiming wins at a Kentucky racetrack. By far the largest awards each year are the \$50,000 allotted to both the Kentucky Derby and the Kentucky Oaks winners.

KBIF offers four registration periods:

- in utero January 1 – August 15 of cover year (\$60)
- in utero August 16 – December 31 of cover year (\$150)
- weanling year January 1 – December 31 (\$750)
- yearling year January 1 – December 31 (\$1,500)

Nominations received January 1 - December 31, 2017		
Type of Registration	Number of Registrations	Total Fees
January 1 - August 15 of Cover Year (\$60)	9,381	\$562,860
August 15 - December 31 of Cover Year (\$150)	222	\$33,300
January 1 - December 31 of Weanling Year (\$750)	29	\$21,750
January 1 - December 31 of Yearling Year (\$1,500)	4	\$6,000
Special Filing (\$300)	0	\$ -
TOTAL	9,636	\$623,910

Nominations received January 1 - December 31, 2018		
Type of Registration	Number of Registrations	Total Fees
January 1 - August 15 of Cover Year (\$60)	9149	\$548,940
August 15 - December 31 of Cover Year (\$150)	195	\$29,250
January 1 - December 31 of Weanling Year (\$750)	30	\$22,500
January 1 - December 31 of Yearling Year (\$1,500)	4	\$6,000
Special Filing (\$300)	0	\$0
TOTAL	9,378	\$606,690

For races won in 2017, KBIF awarded \$12,095,085 and awarded \$14,196,140 for races won in 2018. For additional information regarding the Kentucky Thoroughbred Breeders' Incentive Fund, please visit: khrc.ky.gov/pages/kbif.

KBIF THOROUGHBRED STATISTICS		
<i>Race Year:</i>	2017	2018
TOTAL MONEY AWARDED	\$12,095,085	\$14,196,141
Total awarded to races held inside KY	\$2,279,767	\$2,603,666
Total awarded to races held outside KY	\$9,815,318	\$11,592,474
<i>Total races awarded</i>	3,936	4,090
<i>Average award per race</i>	\$3,073	\$3,471

STATISTICS RELATED TO ELIGIBLE RACES IN KENTUCKY		
<i>Race Year:</i>	2017	2018
Total number of races paid in KY	600	619
Average award for races won in KY	\$3,800	\$4,206
ALW, MSW Races inside KY		
<i>Average award per race</i>	\$3,080	\$3,549
<i>Total number of races</i>	489	506
KY Stakes Races (non-graded)		
<i>Average award per race</i>	\$4,237	\$4,688
<i>Total number of races</i>	34	40
KY Grade II & III Stakes Races		
<i>Award per race</i>	\$5,445	\$5,845
<i>Total number of races</i>	43	42
KY Grade I Stakes Races		
<i>Award per race</i>	\$7,945	\$8,345
<i>Total number of races</i>	12	9
Kentucky Derby	\$50,000	\$50,000
Kentucky Oaks	\$50,000	\$50,000
KY Claiming Component		
Total dollars awarded	\$200,000	\$200,000
Total number of awards	20	20

STATISTICS RELATED TO ELIGIBLE RACES HELD OUTSIDE KENTUCKY BUT IN THE US		
<i>Race Year:</i>	2017	2018
Total number of races paid outside KY but in the US	3,211	3,331
Average award for races won outside KY but in the US	\$2,893	\$3,292
ALW, MSW Races outside KY but in the US		
<i>Average award per race</i>	\$2,507	\$2,935
<i>Total number of races</i>	2,675	2,793
Stakes Races (non-graded) outside KY but in the US		
<i>Average award per race</i>	\$4,009	\$4,361
<i>Total number of races</i>	323	324

STATISTICS RELATED TO ELIGIBLE RACES HELD OUTSIDE KENTUCKY BUT IN THE US		
<i>Race Year:</i>	2017	2018
Gr. II, III Stakes outside KY but in the US		
<i>Award per race</i>	\$5,445	\$5,845
<i>Total number of races</i>	162	172
Gr. I Stakes outside KY but in the US		
<i>Award per race</i>	\$7,945	\$8,345
<i>Total number of races</i>	51	42

STATISTICS RELATED TO ELIGIBLE RACES IN CANADA, ENGLAND, FRANCE & IRELAND

<i>Race Year:</i>	2017	2018
International Gr. I: (Can, Eng, Fr, Ire) & (Dubai World Cup Day, Hong Kong Int'l Day, Japan Cup Day)		
<i>Award per race</i>	\$7,945	\$8,345
<i>Total number of races</i>	9	9
International Gr. II, III: (Can, Eng, Fr, Ire)		
<i>Award per race</i>	\$5,445	\$5,845
<i>Total number of races</i>	28	26
WOODBINE RACETRACK ONLY		
<i>Average award for a ALW/MSW at WO</i>	\$3,319	\$3,643
<i>Total number of races</i>	79	92
Wo Stakes races (non-graded)		
<i>Average award per race</i>	\$4,445	\$4,845
<i>Total number of races</i>	9	13

Kentucky Standardbred Development Fund and Kentucky Standardbred Breeders' Incentive Fund (KSDF/KSBIF)

The Kentucky Standardbred Development Fund is financed through 13 percent of all receipts collected from the sales and use tax on stud fees. The money credited to the fund is used to administer the program and provide purses for breeders or owners of Kentucky-bred Standardbred horses through the Kentucky Sire Stakes (KYSS).

Beginning with the 2014 breeding season, to be eligible to participate in the KYSS, the Kentucky-bred Standardbred horse could be by a nominated stallion or out of a resident mare nominated to the fund. This rule change significantly increased the horse population eligible to race in the KYSS and 2017 was the first year the two-year-old fields included horses out of resident mares.

	2017		2018	
	Nominations:	Revenue Generated:	Nominations:	Revenue Generated:
Yearlings:	490	\$ 38,960	482	\$ 38,760
2 Year Olds:				
2YO 1st Payment Totals:	292	\$ 87,600	390	\$ 117,000
2YO 2nd Payment Totals:	264	\$ 79,200	348	\$ 104,400
2YO 3rd Payment Totals:	252	\$ 75,600	333	\$ 99,900
2 YO Penalty (Not Nominated as Yearling):	9	\$ 5,400	11	\$ 6,400

Total 2YOs Eligible to Race/Total \$ Generated:	252	\$ 247,800	333	\$ 327,700
3 Year Olds:				
3YO 1st Payment Totals:	61	\$ 18,300	170	\$ 51,000
3YO 2nd Payment Totals:	58	\$ 17,400	165	\$ 49,500
3YO 3rd Payment Totals:	58	\$ 17,400	161	\$ 48,300
Total 3YOs Eligible to Race/Total \$ Generated:	58	\$ 53,100	161	\$ 148,800
Mares Nominated:	746		825	
Stallions Nominated:	10		8	
Total \$ Generated:		\$ 339,860		\$ 515,260

In 2017, two-year-old Standardbreds raced in three legs with a \$30,000 guarantee, and eight Championships for \$250,000 each. Three-year-olds raced in two legs for \$15,000, and eight Championships for \$175,000 each. Total purses in 2017 for the entire series was \$2.6 million and all races were held at The Red Mile.

In 2018, the KSDF/KSBIF fund, along with The Red Mile and Bluegrass Sports Commission, held the first Fayette County Fair on Championship Day, Sunday, September 16th. In addition to top Standardbreds competing for over \$4.5 million in purses, the day highlighted Kentucky Proud products with local artist, food and live music. Three legs were offered for both two- and three-year-olds with \$30,000 guarantee purse each, and eight championships for \$250,000 each. For more information regarding the Kentucky Sire Stakes program, visit khrc.ky.gov/pages/kyss.

2017 Kentucky Sire Stakes Leading Money Winners	
2 Year Olds	
2 Year Old Colt Pacer	Total
<i>Key Advisor</i>	\$162,500
2 Year Old Colt Trotter	Total
<i>Hat Trick Habit</i>	\$151,100
2 Year Old Filly Pacer	Total
<i>Band Stand</i>	\$170,000
2 Year Old Filly Trotter	Total
<i>Top Expectations</i>	\$147,500

2018 Kentucky Sire Stakes Leading Money Winners	
2 Year Olds	
2 Year Old Colt Pacer	Total
<i>Hurrikane Emperor</i>	\$149,900
2 Year Old Colt Trotter	Total
<i>Forecast</i>	\$157,400
2 Year Old Filly Pacer	Total
<i>Beautyonthebeach</i>	\$170,000
2 Year Old Filly Trotter	Total
<i>Whispering Oaks</i>	\$147,500

3 Year Olds	
3 Year Old Colt Pacer	Total
<i>Mt Sterling Mafia</i>	\$95,000
3 Year Old Colt Trotter	Total
<i>Beer Dad</i>	\$88,250
3 Year Old Filly Pacer	Total
<i>In The Dark</i>	\$94,300
3 Year Old Filly Trotter	Total
<i>Cassandra As</i>	\$95,000

3 Year Olds	
3 Year Old Colt Pacer	Total
<i>American History</i>	\$155,000
3 Year Old Colt Trotter	Total
<i>Eurobond</i>	\$134,900
3 Year Old Filly Pacer	Total
<i>Dance Blue</i>	\$155,000
3 Year Old Filly Trotter	Total
<i>Nixie Volo</i>	\$139,700

Kentucky Horse Breeders' Incentive Fund (KHBIF)

The Kentucky Horse Breeders' Incentive Fund, often referred to as the non-race program, is financed through 7 percent of the receipts collected from the sales and use tax on stud fees. The money deposited in the fund is used to administer the program and provide awards for breeders, owners and exhibitors of horses bred and foaled in Kentucky. The following distributions were allotted for points earned in 2017 and 2018:

KENTUCKY HORSE BREEDERS' INCENTIVE FUND: Points earned in 2017			
<u>Number</u>	<u>Breed</u>	<u>%</u>	<u>\$</u>
2,767	Kentucky Appaloosa Owners Association, Inc.	2.18%	\$22,072
4,404	Kentucky Arabian & Half Arabian Breeders Alliance	3.47%	\$35,130
14,756	Kentucky Mountain Saddle Horse Association	11.62%	\$117,706
6,284	Kentucky Miniature Horse Breeders Club	4.95%	\$50,127
9,975	Kentucky Paint Horse Club	7.85%	\$79,569
34,525	Kentucky Quarter Horse Association	27.18%	\$275,401
6,452	Rocky Mountain Horse Association	5.08%	\$51,467
9,906	Kentucky Saddlebred Owners and Breeders Association	7.80%	\$79,019
1,684	South Central Hackney Association	1.33%	\$13,433
34,183	Kentucky Walking Horse Breeders Incentive Fund	26.91%	\$272,673
2,087	Mountain Pleasure Horse Association	1.64%	\$16,648
127,023		100.00%	\$1,013,245

KENTUCKY HORSE BREEDERS' INCENTIVE FUND: Points earned in 2018			
<u>KHBIF Verified Number</u>	<u>Breed</u>	<u>%</u>	<u>\$\$</u>
2,530	<i>Kentucky Appaloosa Owners Association, Inc.</i>	2.35%	\$ 26,756
3,870	<i>Kentucky Arabian & Half Arabian Breeders Alliance</i>	3.60%	\$ 40,927
5,249	<i>Kentucky Miniature Horse Breeders Club</i>	4.88%	\$ 55,511
6,354	<i>Kentucky Mountain Saddle Horse Association of KY</i>	5.91%	\$ 67,197
9,683	<i>Kentucky Paint Horse Club</i>	9.01%	\$ 102,403
30,684	<i>Kentucky Quarter Horse Association</i>	28.54%	\$ 324,500
8,970	<i>Kentucky Saddlebred Owners and Breeders Association</i>	8.34%	\$ 94,863
32,416	<i>Kentucky Walking Horse Breeders Incentive Fund</i>	30.15%	\$ 342,817
6,180	<i>Rocky Mountain Horse Association</i>	5.75%	\$ 65,357
1,564	<i>South Central Hackney Association</i>	1.45%	\$ 16,540
107,500		100.00%	\$ 1,136,871

For additional information related to the Kentucky Horse Breeders' Incentive Fund, go to: khrc.ky.gov/pages/khbif.

DIVISION of LICENSING

Kentucky state law requires all persons wishing to participate at Kentucky racetracks and facilities under the jurisdiction of the KHRC to be licensed by the KHRC. The KHRC may issue a license if it finds the applicant is committed to upholding the high quality of Kentucky racing and is fit to perform the licensed activity. A license is valid for the calendar year in which it is issued unless suspended or revoked under administrative regulations promulgated by the commission.

The Licensing Division maintains a central office located at the Kentucky Horse Park in Lexington and is present on all association grounds prior to and during the opening of live race meetings in order to process license applications and collect fees.

For additional information regarding the licensing process, including applications for licensure, please visit the KHRC website at <http://khrc.ky.gov>.

The following charts reflect the total number of licenses issued and the corresponding dollar amount of fees collected for 2017 and 2018.

Standardbred Licenses Issued – 2017

License Type (Fee)	Number of Licenses Issued	Total Fees
Association Employee (\$25)	454	11,350
Driver (\$125)	44	5,500
Driver/Trainer (\$125)	43	5,375
Farm Mgr/Agent (\$50)	1	50
Matinee Driver (\$125)	1	125
Farrier (\$100)	2	200
Mutuel Clerk (\$50)	97	4,850
Owner (\$125)	643	80,375
Owner - Conversion (\$0)	83	0
Owner/Driver (\$125)	10	1,250
Owner/Trainer (\$125)	93	11,625
Owner/Trainer /Driver (\$125)	145	18,125
Owner/Trainer/Driver -Conversion (\$0)	1	0
Racing Official (\$100)	16	1,600
Stable Employee (\$5)	294	1,470
Temp Owner (\$125)	121	15,125
Trainer (\$125)	39	4,875
Vendor (\$50)	4	200
Vendor Employee (\$25)	75	1,875
Vet Asst (\$50)	3	150
Vet Tech (\$50)	2	100
Veterinarian (\$125)	9	1,125
Total	2180	165,345

Thoroughbred Licenses Issued – 2017

License Type (Fee)	Number of Licenses Issued	Total Fees
Association Employee (\$25)	3058	76,450
Asst.Trainer (\$150)	295	44,250
Authorized Agent (\$25)	161	4,025
Claiming (\$150)	21	3,150
Dental Tech (\$100)	19	1,900
Equine Therapist (\$50)	21	1,050
Exercise Rider (\$10)	657	6,570
Farm Mgr/Agent (\$50)	55	2,750
Farrier (\$100)	83	8,300
Jockey (\$150)	194	29,100
Jockey Agent (\$150)	51	7,650
Jockey Apprentice (\$100)	22	2,200
Mutuel Clerk (\$50)	694	34,700
Owner (\$150)	4946	741,900
Owner - Conversion (\$0)	104	0
Owner/Trainer (\$150)	766	114,900
Owner/Trainer Conversion (\$0)	5	0
Racing Official (\$100)	136	13,600
Special Event (\$10)	1046	10,460
Special Mutuel (\$10)	70	700
Stable Employee (\$10)	2998	29,980
Temp Owner (\$150)	116	17,400
Trainer (\$150)	240	36,000
Vendor (\$50)	63	3,150
Vendor Employee (\$25)	1451	36,275
Vet Asst (\$50)	37	1,850
Vet Tech (\$50)	3	150
Veterinarian (\$150)	122	18,300
Total	18,072	1,246,760

Quarter Horse and Arabian Licenses Issued – 2017

License Type (Fee)	Number of Licenses Issued	Total Fees
Owner (\$35)	7	\$245
Owner/Trainer (\$70)	1	\$70
Stable Employee (\$5)	3	\$15
Trainer (\$35)	3	\$105
Total	14	\$435

Standardbred Licenses Issued – 2018

License Type (Fee)	Number of Licenses Issued	Total Fees
Association Employee (\$25)	356	8,900
Authorized Agent (\$25)	1	25
Driver (\$125)	43	5,375
Driver/Trainer (\$125)	51	6,375
Farrier (\$100)	1	100
Mutuel Clerk (\$50)	97	4,850
Owner (\$125)	638	79,750
Owner - Conversion (\$0)	68	0
Owner/Driver (\$125)	8	1,000
Owner/Trainer (\$125)	88	11,000
Owner/Trainer Conversion (\$0)	1	0
Owner/Trainer/Driver (\$125)	120	15,000
Owner/Trainer/Driver (\$0)	2	0
Racing Official (\$100)	13	1,300
Stable Employee (\$5)	292	1,460
Temp Owner (\$125)	122	15,250
Trainer (\$125)	43	5,375
Vendor (\$50)	4	200
Vendor Employee (\$25)	62	1,550
Vet Asst (\$50)	2	100
Vet Tech (\$50)	2	100
Veterinarian (\$125)	9	1,125
Total	2023	158,835

Thoroughbred Licenses Issued – 2018

License Type (Fee)	Number of Licenses Issued	Total Fees
Association Employee (\$25)	2654	66,350
Asst.Trainer (\$150)	327	49,050
Authorized Agent (\$25)	174	4,350
Claiming (\$150)	16	2,400
Dental Tech (\$100)	19	1,900
Equine Therapist (\$50)	41	2,050
Exercise Rider (\$10)	784	7,840
Farm Mgr/Agent (\$50)	59	2,950
Farrier (\$100)	83	8,300
Jockey (\$150)	194	29,100
Jockey Agent (\$150)	50	7,500
Jockey Apprentice (\$100)	13	1,300
Mutuel Clerk (\$50)	779	38,950
Owner (\$150)	4989	748,350
Owner - Conversion (\$0)	115	0
Owner/Trainer (\$150)	790	118,500
Owner/Trainer Conversion (\$0)	14	0
Racing Official (\$100)	135	13,500
Special Event (\$10)	380	3,800
Special Mutuel (\$10)	131	1,310
Stable Employee (\$10)	3006	30,060
Temp Owner (\$150)	145	21,750
Trainer (\$150)	255	38,250
Vendor (\$50)	83	4,150
Vendor Employee (\$25)	2056	51,400
Vet Asst (\$50)	31	1,550
Vet Tech (\$50)	2	100
Veterinarian (\$150)	114	17,100
Totals	17,439	1,271,860

Quarter Horse and Arabian Licenses Issued – 2018

License Type (Fee)	Number of Licenses Issued	Total Fees
Jockey (\$35)	2	\$70
Owner (\$35)	10	\$350
Trainer (\$35)	2	\$70
Total	14	\$490

DIVISION of RACING SUPERVISION – STEWARDS and JUDGES

Stewards and judges exercise immediate supervision, control and regulation of live racing at each licensed race meeting on behalf of the Kentucky Horse Racing Commission. The powers of the stewards and judges include: authority over all horses and all persons, licensed or unlicensed, on association grounds during each race meeting as to all matters relating to racing and the determination of all questions, disputes, protests, complaints or objections concerning racing which arise during a race meeting. Additionally, in Standardbred racing, the judges are placing judges, meaning they verify the order of finish in each race.

As a matter of course Kentucky stewards review the replay of each race from four different camera angles before the results are posted as “official.” At the Thoroughbred racetracks, the chief state steward and state steward are employees of the KHRC, and the third steward is an employee of the racing association. Pursuant to 810 KAR 1:004, stewards are responsible only to the commission. At Standardbred racetracks, the chief judge and an associate judge are employees of the KHRC, and the third judge is an employee of the racing association. For additional information regarding Thoroughbred and Standardbred stewards’ and judges’ rulings, go to: khrc.ky.gov/pages/rulings.

DIVISION of VETERINARY SERVICES

To fulfill its regulatory duties, the KHRC employs six full-time racing veterinarians, two full-time veterinary technicians, a full-time detention barn assistant, and a full-time administrative specialist. The chief racing veterinarian also supervises the operations of the test barn and all regulatory veterinary activities associated with live racing, manages staff scheduling, performs personnel performance evaluations, and participates at all Commission meetings. Additional qualified personnel are employed on a part-time or interim basis in response to racetrack- or event-specific needs.

Test Barn operations include the pre-race, post-race, post-work, and out-of-competition collection of blood and urine samples for drug testing; sample processing; documentation of samples transported to the official laboratory; management of retained split samples; and management of the race day furosemide administration program.

Veterinary activities related to live racing include pre-race examinations; on-track monitoring of horse health and soundness; triage and emergency care of racing

injuries; management of the veterinarians' list of horses determined to be ineligible to race for veterinary medical reasons; evaluation of Vet Listed horses for re-establishing racing eligibility; race-day furosemide administrations; and, record keeping associated with these activities. Each year, KHRC veterinarians perform approximately 16,000 administrations of race day furosemide in accordance with 810 KAR 1:018 and 811 KAR 1:090.

KHRC official veterinarians examine all in-today horses for soundness and racing fitness to ensure the health and safety of all participants. On race day, each Thoroughbred is evaluated by KHRC veterinarians in the morning at the pre-race exam, while in the saddling paddock, and during the post-parade. The pre-race exam includes an in-stall, hands-on evaluation followed by observation of the horse in motion outside of its stall. Standardbred horses are evaluated during the warm-up trips. Records of Thoroughbred exams are permanently stored in a central server, managed by InCompass, which has shared access by racing regulatory veterinarians in multiple jurisdictions. This allows veterinarians to monitor a horse's condition over time despite its having raced at different tracks or in other states.

In 2018 The Breeders' Cup World Championships were again held at Churchill Downs. KHRC veterinarians, assisted by the Breeders' Cup Veterinary Panel, monitored the health and soundness of the more than 180 entered horses in the weeks preceding the event to ensure the safety and welfare of all participants.

KHRC veterinarians are present in the paddock, at the starting gate, in the equine ambulance, and in the Test Barn during live Thoroughbred racing in Kentucky. For Standardbred racing, the KHRC veterinarian attends the Test Barn and observes races via live racetrack video feed or is present trackside for each race. If a horse sustains an injury or demonstrates signs of unsoundness at any time prior to the start of the race, the KHRC veterinarian examines the horse and, where warranted, recommends to the chief state steward or presiding judge that the affected horse be excused from participation in the race. KHRC veterinarians enter data relevant to KHRC initiated scratches, and race-related accidents, injuries, or medical conditions of Thoroughbreds into the Jockey Club Equine Injury Database. All horses that die or are euthanized as a result of a condition sustained during the running of a race are submitted for necropsy to the University of Kentucky, Veterinary Diagnostic Laboratory (UK-VDL). The KHRC may require necropsy of any horse that dies or is euthanized at a facility under the jurisdiction of the KHRC. For musculoskeletal injuries resulting in a fatality, a specialized racing necropsy group at the UK-VDL, performs a specialized, in-depth evaluation of the injured

limb, and its uninjured counterpart. Cases of racing-related deaths, unrelated to musculoskeletal injury, are also subjected to specialized examination that includes toxicological analysis for toxins, heavy-metals, and electrolyte imbalances—all of which have been associated with sudden death in horses.

KHRC veterinarians or licensed veterinary technicians perform blood sampling associated with post-race testing or pre-race TCO₂ analysis. KHRC Test Barn technicians are responsible for the collection of post-race equine urine samples to be sent to the KHRC official laboratory for analysis. The ability to collect paired (blood and urine) samples from each horse subjected to post race testing insures that the full scope of instrumental analysis—testing for more than 1,500 substances—can be applied to every horse. The paired sample collection rate for Thoroughbred racing in 2018 was 99%. For Standardbred racing the paired sample collection rate was 83%. All post-race samples undergo testing that exceeds the requirements of the Thoroughbred Owners and Breeders Association (TOBA) Graded Stakes Committee. Horses working under the observation of a KHRC veterinarian for release from the veterinarian's list—having been previously declared to be unfit for competition due to injury or unsoundness—are subjected to post-work blood sampling to ensure that a horse's medication status does not obscure accurate assessment of its suitability for return to racing. The KHRC continues to implement out-of-competition testing for the detection of blood doping agents and other prohibited substances. This testing is applied to Graded Stakes. For specific, targeted events, such as the Kentucky Derby and Oaks and Breeders' Cup, out-of-competition sampling is performed in other states and countries by other racing regulatory authorities on behalf of the KHRC. All out-of-competition test results have been negative since the inception of testing in 2010. In Thoroughbred racing, the winning horse and a minimum of one other horse are selected by the stewards to be submitted to post-race sample collection. In Standardbred racing, all winners are tested. In both Thoroughbred and Standardbred racing, additional horses are tested at the discretion of the Stewards or Judges. For Graded Stakes and races with purses ≥ \$100,000, four or more horses are sampled. TCO₂ testing is conducted on samples collected pre-race. Horses in overnight races are identified for sampling on a random basis. All horses entered in Graded Stakes are subjected to pre-race TCO₂ testing. This testing is intended to identify horses having been administered an alkalinizing substance that, by neutralizing the buildup of lactic acid in the athlete, delays the onset of fatigue and thus enhances performance.

On July 1, 2018, the KHRC transferred its drug testing from LGC Science (Lexington, KY) to Industrial Laboratories (Wheat Ridge, CO). Both laboratories

are fully accredited by the Racing Medication and Testing Consortium (RMTC). The laboratories participate in External Quality Assurance programs as required to retain RMTC accreditation. These programs assess the laboratories' analytical capabilities and ensure they meet industry standards. Further, the KHRC participates in the RMTC's double-blind proficiency program in which quality control samples are included with standard post-race sample set. This program ensures the quality of analysis applied to samples on a daily basis.

TESTING SUMMARY-2017

BREED	Number of Race Starts (Source)	Total Number of Horses Sampled/Tested Post-Race	Post-Race Testing		Pre-Race TCO ₂ Testing (blood)	Out-of-Competition Testing (blood)	Post-work Testing (blood)	Post-injury Testing (blood)
			Blood only samples	Paired (blood & urine) Samples				
TB	15,032 (Equibase)	Sampled: 3,996 1 per 3.8 starts Tested: 3,160 1 per 4.8 starts	Collected: 41 Tested: 33 Retained: 8	Collected: 3,955 Tested: 3,127 Retained: 828	2,042	270	99	40
STD	3,995 (USTA)	Sampled: 869 1 per 4.6 starts Tested: 747 1 per 5.3 starts	Collected: 163 Tested: 139 Retained: 24	Collected: 706 Tested: 608 Retained: 98	421	0	0	0
TOTAL	19,027	Sampled: 4,865 1 per 3.9 starts Tested: 3,907 1 per 4.9 starts	Collected: 204 Tested: 172 Retained: 32	Collected: 4,661 Tested: 3,735 Retained: 926	2,463	270	99	40

TESTING SUMMARY-2018

BREED	Number of Race Starts (Source)	Total Number of Horses Sampled/Tested Post-Race	Post-Race Testing		Pre-Race TCO ₂ Testing (blood)	Out-of-Competition Testing (blood)	Post-work Testing (blood)	Post-injury Testing (blood)
			Blood only samples	Paired (blood & urine) Samples				
TB	15,282 (Equibase)	Sampled: 3,828 1 per 3.9 starts Tested: 3,127 1 per 4.8 starts	Collected: 47 Tested: 42 Retained: 5	Collected: 3,781 Tested: 3,085 Retained: 696 99% paired-sample collection rate	2,262	328	82	77
STD	3,583 (USTA)	Sampled: 526 1 per 6.8 starts Tested: 520 1 per 6.9 starts	Collected: 91 Tested: 89 Retained: 2	Collected: 435 Tested: 431 Retained: 4 82% paired-sample collection rate	753	23	1	2
TOTAL	18,865	Sampled: 4,354 1 per 4.3 starts Tested: 3,647 1 per 5.1 starts	Collected: 138 Tested: 131 Retained: 7	Collected: 4,216 Tested: 3,516 Retained: 700	3,015	351	83	79

The KHRC Uniform Drug and Medication Penalty Classification Schedule was developed in consideration of 1) a substance's RCI Classification; 2) the presence or absence of a legitimate therapeutic use for the substance; 3) FDA approval for use in the equine or other species; and 4) other pertinent factors given the substance and matters concerning Kentucky racing. The following tables list the substances detected in post-race samples, the frequency with which they were detected, and their corresponding penalty classifications—on a per breed per year basis.

**2017: Reports of Finding Issued by the official laboratory of the KHRC,
LGC Science**

STANDARD BRED

Substance	Penalty	Frequency
(none)	A	0
(none)	B	0
Betamethasone	C	4
Furosemide	C	1
Triamcinolone	C	1
2 NSAIDs > 1 st threshold	NSAID	1
PBZ > 5.0 mcg/ml	NSAID	2
3 NSAIDs > 2 nd threshold	NSAID	1
2 NSAIDs > 2 nd threshold	NSAID	1

STD total ROF	11
Total Race Starts	3,995
1 Violation per	363 starts

THOROUGHBRED

Substance	Penalty	Frequency
Aminorex	A	1
d-Methamphetamine	A	1
Cobalt (> 50 ppb)	B	1
Strychnine	B	1
Testosterone	B	2
Betamethasone	C	3
Dexamethasone	C	3
Isoflupredone	C	2
Methocarbamol	C	3
Naproxen	C	2
Triamcinolone	C	1
Ketoprofen > 1° threshold	NSAID	1
PBZ > 1° threshold	NSAID	1
2 NSAIDS > 2° threshold	NSAID	6
PBZ > 2 mcg/ml < 5 mcg/ml	NSAID	1

TB Total ROF	29
Total Race Starts	15,032
1 Violation per:	518 starts

2018: Reports of Finding issued by the official laboratories of the KHRC, LGC Science (through 6/30/18) and Industrial Laboratories (7/1/18 through 12/31/18)

STANDARD BRED

Substance	Penalty	Frequency
(none)	A	0
Cannabidiol	B	1
Procaine	B	1
TCO ₂	B	1
Betamethasone	C	1
Methylprednisolone	C	1
Omeprazole	D	1

STD total ROF	6
Total Race Starts	3,583
1 Violation per:	597 starts

THOROUGHBRED

Substance	Penalty	Frequency
Cardarine	A	1
d-Methamphetamine	A	2
Meprobamate*	A	1
Acepromazine	B	2
Carisoprodol*	B	1
Clenbuterol	B	1
Lidocaine	B	1
Betamethasone	C	3
Dexamethasone	C	8
Ibuprofen**	C	1
Methocarbamol	C	4
Methylprednisolone	C	2
Naproxen**	C	1
Triamcinolone	C	2
2 NSAIDS > 2 ^o threshold	NSAID	4
Flunixin	NSAID	3
Ketoprofen	NSAID	1
PBZ > 2 mcg/ml < 5 mcg/ml	NSAID	3

TB Total ROF	41
Total Race Starts	15,049
1 Violation per:	367 starts

Note: These tables identify Reports of Finding Issued by the Official Laboratories each year. For some cases, final adjudication has not yet occurred.

Findings Reported by Penalty Classification as a Percent of all Post-race Tests Performed

2017 (n=3,907)

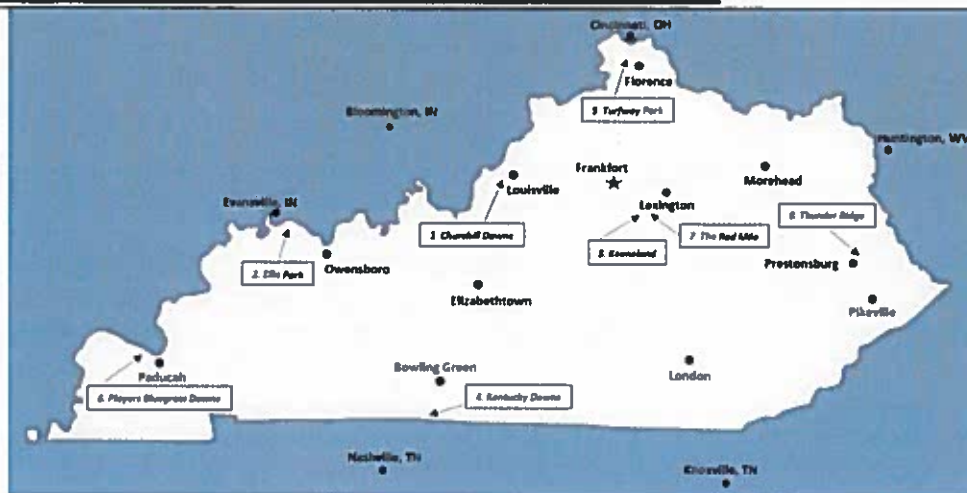
A: 0.05% (2)
 B: 0.10% (4)
 C: 0.51% (20)
 D: 0.00% (0)
 Other: 0.36% (14)
Total: 1.02% (40)

2018 (n=3,647)

A: 0.11% (4)
 B: 0.22% (8)
 C: 0.63% (23)
 D: 0.03% (1)
 Other: 0.30% (11)
Total: 1.29% (47)

/

KENTUCKY LICENSED ASSOCIATIONS



Thoroughbred Racetracks:

1. **Churchill Downs**
700 Central Ave.
Louisville, KY 40208
(502) 636-4400
www.churchilldowns.com
2. **Ellis Park**
3300 US Hwy. 41 N.
Henderson, KY 42420
(800) 333-8110
www.ellisparkracing.com
3. **Keeneland**
4201 Versailles Rd.
Lexington, KY 40510
(859) 254-3412
www.keeneland.com
4. **Kentucky Downs**
5629 Nashville Rd.
Franklin, KY 42134
(270) 586-7778
www.kentuckydowns.com
5. **Turfway Park**
7500 Turfway Rd.
Florence, KY 41042
(859) 371-0200
www.turfway.com

Standardbred Racetracks:

6. **Bluegrass Downs**
150 Downs Rd.
Paducah, KY 42002
(270) 444-7117
www.caesars.com/bluegrass-downs
7. **The Red Mile**
1200 Red Mile Rd.
Lexington, KY 40504
(859) 255-0752
www.theredmile.com
8. **Thunder Ridge***
164 Thunder Rd.
Prestonsburg, KY 41653
(606) 886-7723
***License Expired 12/31/2017**

THOROUGHBRED TRACK/MEET	2017 AWARDED/RACED (Excludes Optional Dates)	2017 OPTIONAL AWARDED/ RACED	2018 AWARDED/RACED (Excludes Optional Dates)	2018 OPTIONAL AWARDED/ RACED
Churchill Downs Spring	38/38	0/0	38/38	0/0
Churchill Downs September	11/11	0/0	11/11	0/0
Churchill Downs Fall	21/21	0/0	21/21	0/0
Ellis Park	31/31*	6/0	30/29*	0/0
Keeneland Spring	15/15	0/0	16/16	0/0
Keeneland Fall	17/17	0/0	17/17	0/0
Kentucky Downs	5/4**	0/1**	5/4**	0/1**
Turfway Park Winter/Spring	48/46***	7/0	40/36***	9/0
Turfway Park Holiday	21/18****	3/0	21/21	0/0
TOTAL	207/201	16/1	199/193	9/1

2017:

*Racing cancelled after Race 3 on August 6, 2017 and after Race 1 on September 1, 2017 – both due to unsafe track conditions

**Cancelled race card from September 2, 2017(due to extreme weather and poor track condition) was rescheduled and moved to September 6, 2017

*** Cancelled January 6 and 7, 2017 due to extreme low temperatures

****Cancelled December 27, 30 and 31, 2017 due to extreme low temperatures

2018:

*July 30, 2018 cancelled after Race 2 due to extreme heat; August 26, 2018 cancelled due to water outage

**Cancelled race card from September 9, 2018(due to extreme weather and poor track condition) was rescheduled and moved to September 12, 2018

***Cancelled January 1, January 4, January 5 and January 12, 2018 due to extreme low temperatures; cancelled January 6, 2018 after Race 2 due to low temperatures; cancelled February 24, 2018 after Race 6 due to unsafe track conditions

2017 RACETRACK MEETING DATES

Thoroughbred

Churchill Spring

April: 29

May: 2, 3, 4, 5, 6, 11, 12, 13, 14, 18, 19, 20, 21, 22, 26, 27, 28, 29

June: 1, 2, 3, 4, 8, 9, 10, 11, 15, 16, 17, 18, 22, 23, 24, 25, 28, 29, 30

Total racing days- 38

Churchill September

September: 15, 16, 17, 21, 22, 23, 24, 28, 29, 30

October 1

Total racing days – 11

Churchill Fall

October: 29

November: 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 15, 16, 17, 18, 19, 22, 23, 24, 25, 26

Total racing days – 21

Ellis Park

July: 1, 2, 3, 4, 7, 8, 9, 14, 15, 16, 21, 22, 23, 28, 29, 30

July optional dates: 13, 20, 27

August: 4, 5, 6, 11, 12, 13, 18, 19, 20, 25, 26, 27

August optional dates: 3, 10, 17

September: 1, 3, 4

Total racing days – 31

Total optional racing days – 6

Keeneland Spring

April: 7, 8, 9, 12, 13, 14, 15, 19, 20, 21, 22, 23, 26, 27, 28

Total racing days – 15

Keeneland Fall

October: 6, 7, 8, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 25, 26, 27, 28

Total racing days – 17

Kentucky Downs

September: 2, 7, 9, 10, 14

Total racing days – 5

Turfway Park Winter/Spring

January: 1, 4, 5, 6, 7, 11, 12, 13, 14, 18, 19, 20, 21, 25, 26, 27, 28

February: 1, 2, 3, 4, 8, 9, 10, 11, 15, 16, 17, 18, 22, 23, 24, 25

March: 2, 3, 4, 9, 10, 11, 16, 17, 18, 23, 24, 25, 30, 31

March optional dates: 1, 8, 15, 22, 29

April: 1

April optional dates: 5, 6

Total racing days – 48

Total optional racing days – 7

Turfway Park Holiday

November: 29, 30

December: 1, 2, 6, 7, 8, 9, 13, 14, 15, 16, 20, 21, 22, 23, 27, 28, 29, 30, 31

December optional dates: 3, 10, 17

Total racing days – 21

Total optional racing days- 3

Standardbred

Bluegrass Downs

June: 9, 10, 11, 16, 17, 18, 23, 24, 25, 30

July: 1, 2, 7, 8, 9

Total racing days – 15

The Red Mile

July: 27, 29, 30

August: 3, 5, 6, 10, 12, 13, 17, 19, 20, 24, 26, 27, 31

September: 2, 3, 7, 9, 10, 14, 16, 17, 28, 29, 30

October: 1, 5, 6, 7, 8

Total racing days – 32

Thunder Ridge

April: 12, 13, 14, 19, 20, 21, 26, 27, 28

May: 3, 4, 5, 10, 11, 12, 17, 18, 19, 24, 25, 26

Total racing days – 21

2018 RACETRACK MEETING DATES

Thoroughbred

Churchill Spring

April: 28

May: 1, 2, 3, 4, 5, 9, 10, 11, 12, 13, 17, 18, 19, 20, 24, 25, 26, 27, 28, 31

June: 1, 2, 3, 7, 8, 9, 10, 14, 15, 16, 17, 21, 22, 23, 24, 28, 29, 30

Total racing days – 38

Churchill September

September: 14, 15, 16, 20, 21, 22, 23, 27, 28, 29, 30

Total racing days – 11

Churchill Fall

October 28, 31

November: 1, 2, 3, 4, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 21, 22, 23, 24, 25

Total racing days – 21

Ellis Park

July: 1, 4, 5, 6, 7, 8, 13, 14, 15, 20, 21, 22, 27, 28, 29

August: 3, 4, 5, 10, 11, 12, 17, 18, 19, 24, 25, 26, 31

September: 2, 3

Total race dates – 30

Keeneland Spring

April: 6, 7, 8, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 25, 26, 27

Total racing days – 16

Keeneland Fall

October: 5, 6, 7, 10, 11, 12, 13, 14, 17, 18, 19, 20, 21, 24, 25, 26, 27

Total racing days – 17

Kentucky Downs

September: 1, 6, 8, 9, 13

Total racing dates – 5

Turfway Park Winter/Spring

January: 1, 4, 5, 6, 11, 12, 13, 18, 19, 20, 25, 26, 27

January optional dates: 3, 10, 17, 24, 31

February: 1, 2, 3, 8, 9, 10, 15, 16, 17, 22, 23, 24

February optional dates: 7, 14, 21, 28

March: 1, 2, 3, 8, 9, 10, 15, 16, 17, 22, 23, 24, 29, 30, 31

Total race dates – 40

Total optional racing dates – 9

Turfway Park Holiday

November: 28, 29, 30

December: 1, 5, 6, 7, 8, 12, 13, 14, 15, 19, 20, 21, 22, 26, 27, 28, 29, 31

Total racing dates- 21

Standardbred

The Red Mile

July: 19, 21, 22, 26, 28, 29

August: 2, 4, 5, 9, 11, 12, 16, 18, 19, 23, 25, 26, 30

September: 1, 2, 6, 8, 9, 13, 15, 16, 27, 28, 29, 30

October: 4, 5, 6, 7

Total racing days – 35

Bluegrass Downs

May: 25, 26, 27

June: 1, 2, 3, 8, 9, 10, 15, 16, 17, 22, 23, 24

Total racing days – 15

Kentucky Thoroughbred Purse Information

Racing for Calendar Year 2017

Racing Association	Association Purses	KTDF Purses	Horsemen's Fees	Total Purses
Ellis Park	\$ 4,656,400	\$ 1,432,382	\$ 44,375	\$ 6,133,157
Churchill Downs	\$ 32,507,881	\$ 1,374,499	\$ 2,572,900	\$ 36,455,279
Keeneland	\$ 21,426,533	\$ 1,934,083	\$ 1,087,650	\$ 24,448,267
Kentucky Downs	\$ 4,387,500	\$ 4,024,396	\$ 213,500	\$ 8,625,396
Turfway Park	\$ 5,586,453	\$ 876,150	\$ 109,750	\$ 6,572,352

Total Purses \$ 68,564,766 \$ 9,641,510 \$ 4,028,175 \$ 82,234,452

Racing for Calendar Year 2018

Racing Association	Association Purses	KTDF Purses	Horsemen's Fees	Total Purses
Ellis Park	\$ 5,216,059	\$ 1,467,035	\$ 67,750	\$ 6,750,844
Churchill Downs*	\$ 51,352,379	\$ 1,925,058	\$ 12,325,125	\$ 65,602,562
Keeneland	\$ 20,576,075	\$ 1,992,234	\$ 1,281,925	\$ 23,850,234
Kentucky Downs	\$ 5,290,125	\$ 4,649,000	\$ 334,375	\$ 10,273,500
Turfway Park	\$ 4,491,252	\$ 740,027	\$ 96,500	\$ 5,327,779

Total Purses \$ 86,925,890 \$ 10,773,354 \$ 14,105,675 \$ 111,804,919

*Includes \$25.7M Breeders' Cup World Championship purses

Kentucky Standardbred Purse Information

Racing for Calendar Year 2017

Racing Association	Association Purses	Total Purses
Players Bluegrass Downs	\$ 152,800	\$ 152,800
The Red Mile	\$ 8,943,870	\$ 8,943,870
Thunder Ridge	\$ 184,051	\$ 184,051

Total Purses \$ 9,280,721 \$ 9,280,721

Racing for Calendar Year 2018

Racing Association	Association Purses	Total Purses
Players Bluegrass Downs	\$ 160,939	\$ 160,939
The Red Mile	\$ 10,492,443	\$ 10,492,443

Total Purses \$ 10,653,382 \$ 10,653,382