



KENTUCKY HORSE RACING & GAMING

Kentucky's Safe Bet

2023/2024 Biennial Report

Calendar Years
(except as noted)

4047 Iron Works Parkway
Lexington, KY 40511

859-246-2040

khrc.ky.gov

TEAM
KENTUCKY

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Andy Beshear
GOVERNOR

Jacqueline Coleman
LIEUTENANT GOVERNOR

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

Jamie Eads
PRESIDENT & CEO

Jonathan Rabinowitz
CHAIRMAN

September 2025

Honorable Andy Beshear, Governor
Honorable Robert Stivers, President, Kentucky Senate
Honorable David Osborne, Speaker of the House, Kentucky House of Representatives
Honorable Members of the Kentucky General Assembly

Dear Governor Beshear, President Stivers, Speaker Osborne, and Members of the Kentucky General Assembly:

The Kentucky Horse Racing and Gaming Corporation (KHRG) respectfully submits the 2023-2024 Biennial Report. This report highlights KHRG's achievements over the previous two calendar years. Please note that in 2023 and until July 1, 2024, KHRG was known as the Kentucky Horse Racing Commission (KHRC). Since the organization has formally changed to KHRG as of the issuance of this report, all references throughout are to KHRG.

This biennial report covers a period of great transition and growth in horse racing and gaming in the Commonwealth. On March 31, 2023, Governor Beshear and the General Assembly legalized sports wagering under the jurisdiction of KHRG. Retail sports wagering opened September 7, 2023, at retail Race and Sports Books across Kentucky. Mobile sports wagering launched three weeks later on September 28, 2023, with eight service providers: Bet365, BetMGM, Caesars, Circa Sports, DraftKings, Fanatics, FanDuel, and Penn Sports Interactive. Sports wagering proved to be a winning bet in the Commonwealth. From launch through calendar year 2024, Kentuckians wagered more than \$3.5 billion, nearly 90-percent of which was returned to players as winnings. Excise taxes and licensing fees associated with sports wagering during the same period resulted in nearly \$45.6 million to the public pension fund and \$1.3 million to the problem gambling assistance account.

Another significant change in 2023 was the KHRC's signing of a Voluntary Implementation Agreement (VIA) with the Horseracing and Safety Integrity Authority (HISA), the federal regulatory organization responsible for the oversight of medication control, anti-doping, and racetrack safety in thoroughbred racing. The VIA allows HISA to use the staff of KHRG to enforce the HISA rules. KHRG's Board reviews the agreement on an annual basis.

The most significant change occurred during the 2024 regular session. Senate Bill 299 abolished the KHRC and established KHRG, an independent, de jure municipal corporation and political subdivision of the Commonwealth. Although the structure of KHRG changed, the regulatory responsibilities remained the same. KHRG is responsible for the regulation of all forms of live horse racing, pari-mutuel wagering, sports wagering, and breed integrity and development. SB 299 also transferred the Department of Charitable Gaming to KHRG effective July 1, 2025,

thereby vesting jurisdiction over all forms of gaming in the Commonwealth to KHRG with the exception of the lottery. KHRG is to be managed in such a manner that enables the people of the Commonwealth to benefit from its actions and to enjoy the best possible racing and gaming experiences.

Racing and gaming have never been stronger in Kentucky. During 2023 and 2024, we saw increases in purses, handle, and horses nominating to our programs. There are nine licensed racetracks, including a vibrant thoroughbred circuit with five tracks running year-round; three standardbred tracks offering harness racing from mid-March until early November, as well as harness racing at seven county fairs; and one boutique quarter horse meet.

The achievements and growth of breeding, racing, and wagering would not have been possible without the support of the Governor, General Assembly, board of directors, and the commitment of our employees. We are committed to the future of breeding, racing, and gaming in the Commonwealth and upholding our regulatory responsibilities.

With gratitude,

A blue ink handwritten signature, appearing to be 'JR', with a long horizontal flourish extending to the right.

Jonathan Rabinowitz, Chair

A blue ink handwritten signature that reads 'Jamie H. Eads' in a cursive style.

Jamie Eads, President & CEO

Senate Bill 299

Adopted in 2024, Senate Bill 299 reorganized the Kentucky Horse Racing Commission to the Kentucky Horse Racing and Gaming Corporation (KHRG), an independent, de jure municipal corporation and political subdivision of the Commonwealth. As the successor organization to the Commission, all regulatory authority and obligations were transferred to the newly created KHRG. SB 299 also transferred the Department of Charitable Gaming to the KHRG effective July 1, 2025, thereby vesting jurisdiction over all forms of gaming in the Commonwealth in the KHRG, except for the lottery.

As provided in SB 299 the primary goals of the legislation were the following:

- Establish the KHRG as an independent, quasi-governmental corporation.
- Require the KHRG to be self-sustaining and self-funded, with no allotments from the general fund after fiscal year 2026.
- Provide that the KHRG remains subject to the Kentucky Open Meetings and Open Records Acts.
- Provide that the KHRG and its Board and staff members remain subject to the Executive Branch Ethics Act as well as some additional ethics provisions that are stricter.
- Require the KHRG to conduct procurements in a manner that is not inconsistent with KRS Chapter 45A.
- All Commission Members as of July 1, 2024, will continue to serve as Board Members of the KHRG until July 1, 2026.
- Beginning July 1, 2026, Board members who represent specific perspectives in the regulatory areas of the KHRG shall be appointed by the Governor. The Chair and Vice Chair are also appointed by the Governor, subject to the advice and consent of the Senate.
- The KHRG shall be managed by a President and CEO, who shall be appointed by the Governor.
- The Department of Charitable Gaming shall be transferred to the KHRG effective July 1, 2025.

To ensure a smooth transition, KHRG entered into memoranda of agreement with the Public Protection and Personnel Cabinets until all corporate functions were established and transitioned to KHRG, which occurred by July 1, 2025.

****Because this Biennial Report is being issued after SB 299, the organization is referred to as the Kentucky Horse Racing and Gaming Corporation or KHRG throughout the Report.**

BOARD OF DIRECTORS

Jonathan Rabinowitz | Chair
Appointed 4/28/2020

Frank Jones, Jr. | Vice Chair
Served 1/3/2020 – 8/10/2023
In Memoriam

Charles F. O'Connor
Appointed 1/3/2020
Appointed Vice Chair 3/28/2024

Michael E. Berry
Appointed 2/17/2023

Dr. Naveed Chowhan
Served 4/28/2020 – 4/27/2024

Dr. Tiffany Daniels
Appointed 7/1/2022

Michael F. Dudgeon
Appointed 8/26/2021

Terry P. Finley
Appointed 11/28/2023

Gregory L. Harbut
Appointed 4/28/2021

Kerry Harvey
Appointed 5/9/24

Lesley Ann May Howard
Appointed 4/30/2020

William L.S. Landes
Appointed 4/28/2021

William May
Appointed 4/29/2022

Catherine J. Parke
Appointed 5/17/2022

Dr. Tom Riddle, DVM
Served 7/30/2020 – 7/10/23

C. Frank Shoop
Appointed 4/29/2022

James Edwin Worley
Appointed 4/28/2020

Ex Officio Members

Sec. Ray Perry
Public Protection Cabinet

Sec. Jeff Noel
Cabinet for Economic Development

Sec. Lindy Casebier
Tourism, Arts and Heritage Cabinet

STAFF

OFFICE OF THE PRESIDENT/CEO

Jamie Eads, *President & CEO*
Waqas Ahmed, *Deputy Director**
Jack Cornett, *Interim Finance Director**
Mariah Dietz, *Executive Admin. Assistant*
Cheri Donovan, *HR Specialist*
Dr. Bruce Howard, *Equine Medical Dir.**
Dr. George Mundy, *Interim Equine Medical Dir.*
Brian Nesselrode, *Office Manager*
Alicia Ritter, *EDRC Executive Admin. Sec.*
Susan Speckert, *Chief Operating Officer*

OFFICE OF LEGAL COUNSEL

Ashleigh Bailey, *Chief Legal Officer*
Beth Jacobson, *Paralegal*
Jennifer Wolsing, *General Counsel**

RACING LICENSING

George Haydon, *Dir. of Racing Licensing*
Carol Hays, *License Administrator*
Betty Moran, *License Administrator*
Brittany Sparks, *License Administrator*
Simon Thang, *License Administrator*
Van Thang, *License Administrator*

VETERINARY SERVICES

Dr. Nicholas Smith, *Chief Racing Veterinarian*
Dr. Emma Adams, *Interim Racing Veterinarian*
Dr. Brent Cassady, *Interim Racing Veterinarian*
Kim Coates-Smith, *Veterinary Technician*
Dr. Emily Crow, *Racing Veterinarian*
Jennifer Engel, *Racing Veterinary Coordinator*
Cameron Friedrich, *Veterinary Technician*
Dr. Lyndsay Hagemeyer, *Interim Racing Veterinarian*
Dr. Michael Hardy, *Racing Veterinarian**
Dr. David Harris, *Racing Veterinarian*
Dr. Andrew Hirschy, *Interim Racing Veterinarian*
Dr. John Hubbel, *Interim Racing Veterinarian*
J Iris, *Veterinary Technician*
Dr. Louis Johnson, *Racing Veterinarian*
Lauren Kasnet, *Interim Veterinary Technician*
Patricia Ludwig, *Veterinary Technician*
Victor Mendoza Arias, *Detention Barn Asst.**
Elizabeth McCutcheon, *Racing Veterinary Coordinator**
Dr. Molly Metz, *Racing Veterinarian*
Tim Miller, *Detention Barn Assistant*
Dr. Sarah Padilla, *Racing Veterinarian*
Dr. Kate Painter, *Racing Veterinarian*
William Sandmann, *Detention Barn Asst.*
Dr. Jasmin Springfield, *Racing Veterinarian**
Dr. Arielle Stith, *Racing Veterinarian*
Dr. William Stone, *Interim Racing Veterinarian*
Kelli Styles, *Veterinary Technician*

GAMING

Travers Manley, *Sr. VP of Gaming+*
Fahim Baig, *Resource Management Analyst**
Sandra Brown, *Resource Management Analyst**
Patricia Bryant, *Auditor**
Carrie Cataldo, *Admin. Specialist**
Melissa Combs-Wright, *Resource Management Analyst*
Andy Conway, *Dir. of Pari-Mutuel Wagering**
Elena Davis, *Auditor*
Angela Hammond, *Research & Planning Advisor**
Michael Lovell, *Auditor*
David McAnally, *Auditor*
Teresa Osborne, *Admin. Specialist*
Joanna Ricci, *Resource Management Analyst**
Taren Robin, *Resource Management Analyst**
Hannah Simms, *Dir. of Sports Wagering*
Tyler Sisk, *Gaming Compliance Coord.*
Hans Stokke, *Dir. of Sports Wagering**
Dana Walker, *Auditor **

STEWARDS

Barbara Borden, *Sr. Vice President of Racing & Chief State Steward+*
Brooks "Butch" Becraft, *State Steward*
Beth Bungert, *Safety Steward*
Jeffrey James, *Associate State Judge*
Timothy L. Schmitz, *Presiding Judge**

ENFORCEMENT

Paul Brooker, *Director of Enforcement*
Daniel Assef, *Investigator*
Carl Faulconer, *Investigator*
Shannon Garner, *Investigator*
Gregory Gray, *Investigator**
Daniel Hyland, *Interim Investigator*
Jeff Mayberry, *Investigator**

INCENTIVES & DEVELOPMENT

Drew Conners, *Director of Incentives & Development*
Patricia "PJ" Cooksey, *Assistant Director and KBIF Horse Inspector*
Katie Mueller, *Thoroughbred Program Coordinator*
Susan Nash, *Standardbred Program Coordinator*

*Seperated during the bienneal report period.

+Role/title change within the organization during the biennial report period.

COMMITTEES & WORKING GROUPS

Much of the work of the KHRG is done through and begins in committees and working groups appointed by the Governor or the Chair. Committees and working groups meet throughout the year to recommend amendments to regulations and rules as well as other matters pertinent to KHRG's mission.

EQUINE DRUG RESEARCH COUNCIL

The Council advises, assists, and makes recommendations to the KHRG on all aspects related to Kentucky's drug regulatory policies, including drug research, testing research, and equine medical and health research.

Dr. Naveed Chowan Chair	William L.S. Landes	Johnny Mac Smith, DVM
Marc Cheney, DVM	James Morehead, DVM	Mike Ziegler
Michael Kilgore, PhD	John Park, DMV	Art Zubrod
Adam Koenig	Andy Roberts, DVM	

KY HORSE BREEDERS' INCENTIVE FUND ADVISORY COMMITTEE

Advises, assists, and makes recommendations to the KHRG related to this breeder incentive fund program, the first in the country to provide awards to multiple non-racing breeds across Kentucky.

Kiki Courtelis Chair ('23)	Sarah Coleman	Brittany Bell
Mike Berry Chair ('24)		

KY THOROUGHBRED BREEDERS' INCENTIVE FUND ADVISORY COMMITTEE

Advises, assists, and makes recommendations to the KHRG related to the thoroughbred breeders' incentive fund, which incentivizes breeding and foaling thoroughbreds in Kentucky.

Lesley Howard	Joe Seitz	Bret Jones
Neil Howard	C. Frank Shoop	

KY THOROUGHBRED DEVELOPMENT FUND ADVISORY COMMITTEE

Advises, assists, and makes recommendations to the KHRG related to the thoroughbred purse-supplement program, which encourages owners of Kentucky-bred horses to race their horses at Kentucky tracks.

Charles O'Connor Chair	Braxton Lynch	Austin Schmitt ('23)
William L.S. Landes Vice Chair	Chip Bach	Ted Nicholson ('24)
Rick Hiles		

KY STANDARD BRED DEVELOPMENT FUND & STANDARD BRED BREEDERS' INCENTIVE FUND ADVISORY COMMITTEE

Advises, assists, and makes recommendations to the KHRG regarding the Kentucky Sire Stakes program, which incentivizes the breeding and racing of standardbred horses in Kentucky.

James Edwin Worley Chair	Kenneth A. Jackson	Jim Avritt, Jr. ('23)
Joe Costa	Mike Ziegler	Chuck Grubbs ('24)

KY QUARTER HORSE, PAINT HORSE, APPALOOSA AND ARABIAN DEVELOPMENT FUND ADVISORY COMMITTEE

Advises, assists, and makes recommendations to the KHRG regarding this fund, which was created to attract these racing breeds to Kentucky.

Catherine Parke Chair	Kirk Gentry	Ed Gabbert
Conor Lucas	Ralph Kinder	

LICENSE REVIEW COMMITTEE

Reviews applications for racing participant licenses that require more in-depth scrutiny and background research than routine applications.

Leslie Howard Chair ('23)	Paul Brooker	Jamie Eads
Gregory L. Harbut Chair ('24)	Michael Dudgeon	George Haydon

RACE DATES COMMITTEE

Reviews racetrack license applications and race dates requests and makes recommendations to the KHRG.

Jonathan Rabinowitz | Chair

William L.S. Landes

Charles O'Connor

Frank Jones, Jr. | Vice Chair

Bill May

C. Frank Shoop

Michael Dudgeon

RULES COMMITTEE

Reviews the regulatory structure and obligations of the KHRG and makes recommendations regarding regulations governing the racing industry.

Charles O'Connor | Chair

Kenneth McPeck

Anna Seitz

Terry Finley

Bill May

Wesley Ward

Greg Harbut

Catherine Parke

SAFETY & WELFARE COMMITTEE

Advises the KHRG on matters pertaining to the health, safety, and welfare of all participants in horse racing, including the horses and jockeys.

Charles O'Connor | Chair

Lesley Howard

Dr. Tom Riddle, DVM

Dr. Tiffany Daniels

Catherine Parke

Wesley Ward

James D. Gates

WAGERING INTEGRITY WORKING GROUP

Advises and makes recommendations to the KHRG on matters related to wagering integrity and security issues.

Michael Dudgeon | Chair

Chuck Grubbs

Mike Maloney

Waqas Ahmed

Dr. Naveed Chowan

Bill May

SPORTS WAGERING ADVISORY COUNCIL

The Council advises, assists, and makes recommendations to the KHRG on the implementation, regulation, and operation of sports wagering in the Commonwealth.

Bill May | Chair

Dr. Tiffany Daniels

Jonathan Blue

Sec. Ray Perry

James Edwin Worley

Joyce Merritt

Waqas Ahmed

FINANCIAL ANALYSIS

The following is the statement of activities – cash basis for KHRG for the fiscal years that ended June 30, 2024, and June 30, 2023.

	6/30/2024	6/30/2023
REVENUES:		
General Fund Allotment	\$ 3,974,200	\$ 3,794,900
Track Assessments	3,299,094	3,014,369
License Fees	2,481,029	1,680,567
General Sales/Fees to Public	28,760	20,642
Fines	21,270	44,556
Interest	115	279
Other Receipts	12,469	414,033
Proceeds from Asset Disposition	3,656	4,322
Total Revenue	\$ 9,820,593	\$ 8,973,668
EXPENSES:		
Personnel	\$ 6,183,643	\$ 5,294,635
Operating	1,166,173	2,078,313
Capital Outlay	227,354	116,457
Total Expenses	\$ 7,577,170	\$ 7,489,405
Net Program Income	\$ 2,243,423	\$ 1,484,263
Transfer to Public Protection Cabinet/Office of Administrative Services	(200,000)	(300,000)
Change in Net Position	\$ 2,043,423	\$ 1,184,263
NET POSITION – BEGINNING	2,648,574	1,464,311
NET POSITION – ENDING	\$ 4,691,997	\$ 2,648,574

Discussion of the Financial Analysis

For the fiscal year ending June 30, 2023, KHRG started the year with a balance carry-forward of \$1,184,263 and received funding from the following sources: General fund allotment, track assessments, participant licensing fees, general sales/fees to the public, fines, interest, other receipts, and gains from assets disposition in the amount of \$8,973,668. 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 \$300,000 and total expenses of \$7,489,405, resulting in net position ending balance of \$2,648,574 for the KHRG.

For the fiscal year ending June 30, 2024, KHRG started the year with a balance carry-forward of \$2,648,574 and received funding from the following sources: General fund allotment, track assessments, participant licensing fees, general sales/fees to the public, fines, interest, other receipts, and gains from assets disposition in the amount of \$9,820,593. 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 \$200,000 and total expenses of \$7,577,170, resulting in net position ending balance of \$4,691,997 for KHRG.

Licensed Racing Associations

THOROUGHBRED RACETRACKS

CHURCHILL DOWNS ★1
700 Central Ave.
Louisville, KY 40208
churchilldowns.com

ELLIS PARK ★2
3300 US Highway 41 N.
Henderson, KY 42420
ellisparkowensborogaming.com

KEENELAND ★3
4201 Versailles Rd.
Lexington, KY 40510
keeneland.com

KENTUCKY DOWNS ★4
5629 Nashville Road
Franklin, KY 42134
themintkentuckydowns.com

TURFWAY PARK ★5
7500 Turfway Rd.
Florence, KY 41042
turfway.com

STANDARD BRED RACETRACKS

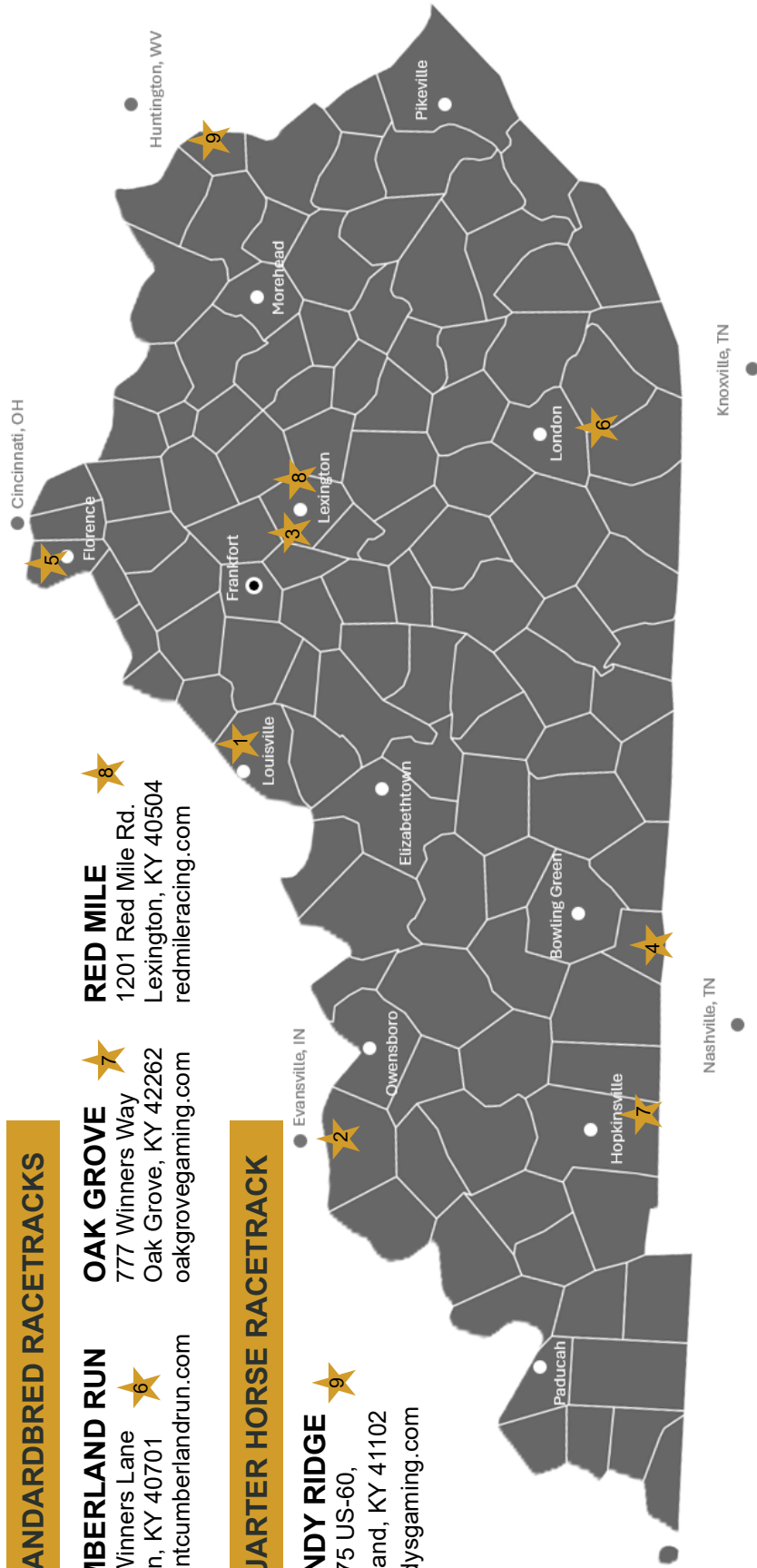
CUMBERLAND RUN ★6
777 Winners Lane
Corbin, KY 40701
themintcumberlandrun.com

OAK GROVE ★7
777 Winners Way
Oak Grove, KY 42262
oakgrovegaming.com

RED MILE ★8
1201 Red Mile Rd.
Lexington, KY 40504
redmilerracing.com

QUARTER HORSE RACETRACK

SANDY RIDGE ★9
10775 US-60,
Ashland, KY 41102
sandysgaming.com



RACETRACK EXTENSIONS

Derby City Gaming
4420 Poplar Level Rd.
Louisville, KY 40213

Derby City Gaming Downtown
401 Market St.
Louisville, KY 40202

Owensboro Racing & Gaming
6703 Leslie Ln.
Owensboro, KY 42303
(opened in Feb. 2025)

Newport Racing & Gaming
1723 Monmouth St.
Newport, KY 41071

The Mint Gaming Hall - Bowling Green
2475 Scottsville Rd., Ste 101-102
Bowling Green, KY 42104

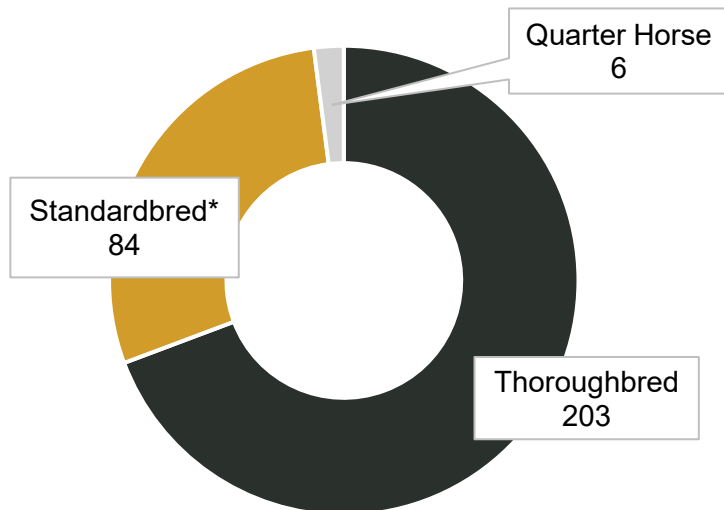
The Mint Gaming Hall - Cumberland
244 Penny Ln.
Williamsburg, KY 40769

STAND ALONE SIMULCAST

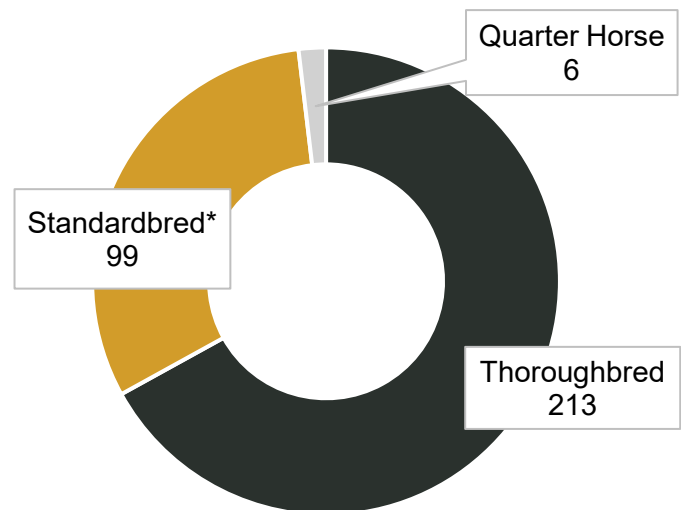
Louisville Thoroughbred Society
209 E. Main St., Ste. 200
Louisville, KY 40202

RACE DATES

2023 Total Race Dates by Breed



2024 Total Race Dates by Breed



■ Thoroughbred ■ Standardbred ■ Quarter Horse

■ Thoroughbred ■ Standardbred ■ Quarter Horse

*Race dates inclusive of track and county fair races.



THOROUGHBRED

With five licensed thoroughbred tracks, Kentucky offers a robust, year-round racing circuit. The growing number of race dates and races continues to expand opportunities for participation in Kentucky racing.



STANDARD BRED

Kentucky continues to experience tremendous growth in standardbred racing at three licensed tracks and the Kentucky Proud program at our county fairs.



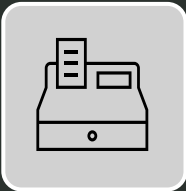
QUARTER HORSE

In 2022, KHRG approved Revolutionary Racing's license to build Sandy Ridge racetrack in Ashland and welcome quarter horse racing back to Kentucky. In 2023 and 2024, Sandy Ridge held its boutique meet at the Red Mile while its track was under construction.

RACING LICENSING

All entities involved in racing or wagering in Kentucky, including our **9 licensed racing associations**, are required to be licensed annually by the KHRG.

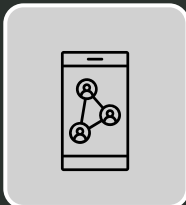
All applicants must be qualified to perform the licensed activity and committed to upholding the highest standards of racing and wagering in Kentucky. Additionally, individual racing participants, like jockeys and trainers, must be licensed annually by the KHRG. KHRG licensing personnel process over 30,000 license applications each year and refer any questionable applications to enforcement or the License Review Committee.



3 Licensed **Totalizators**

Totalizators calculate betting pools and odds, as well as race results and payoff amounts.

- AmTote
- Global Tote
- United Tote

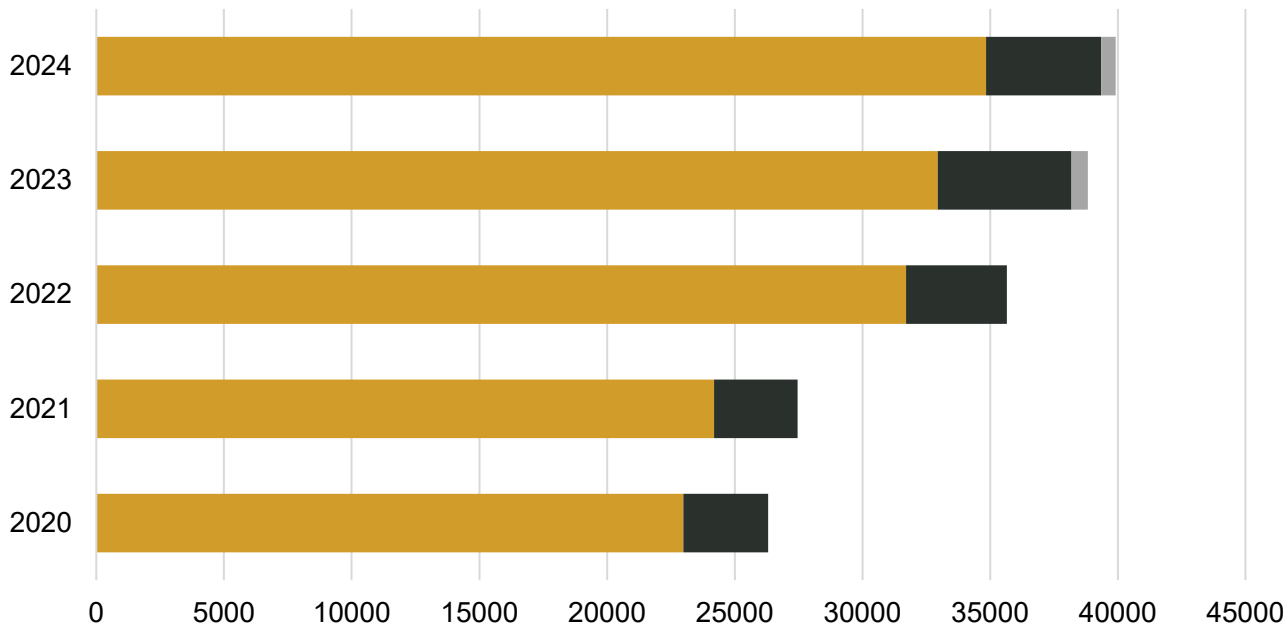


8 Licensed **Advance Deposit Account Wagering** providers

Advance deposit account wagering (“ADW”) allows bettors to wager online through pre-funded accounts.

- AmWest
- Lien Games
- TVG
- WatchandWager
- eBet
- NYRA Bets
- TwinSpires
- Xpressbet

Racing Participants Licensed by Breed



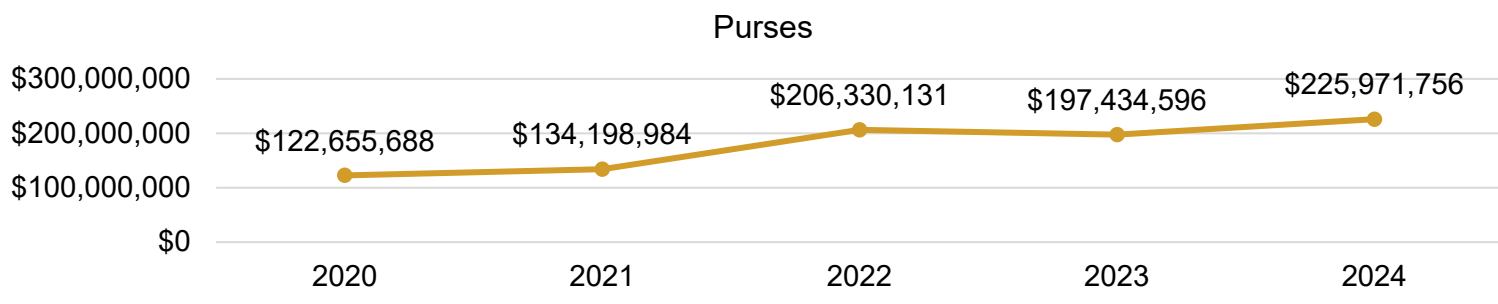
	2020	2021	2022	2023	2024
Thoroughbred	22,992	24,193	31,704	32,950	34,846
Standardbred	3,312	3,270	3,959	5,238	4,504
Quarter Horse	0	0	0	642	565

RACING BY THE NUMBERS

Thanks to the support of the Governor and the General Assembly, racing in Kentucky is growing by all metrics, including purses, starts and average field size.

KHRG stewards and judges regulate all aspects of live racing on behalf of the KHRG, including making determinations on all questions, disputes, protests, complaints, and objections which arise during racing. KHRG enforcement personnel investigate violations of applicable laws and regulations.

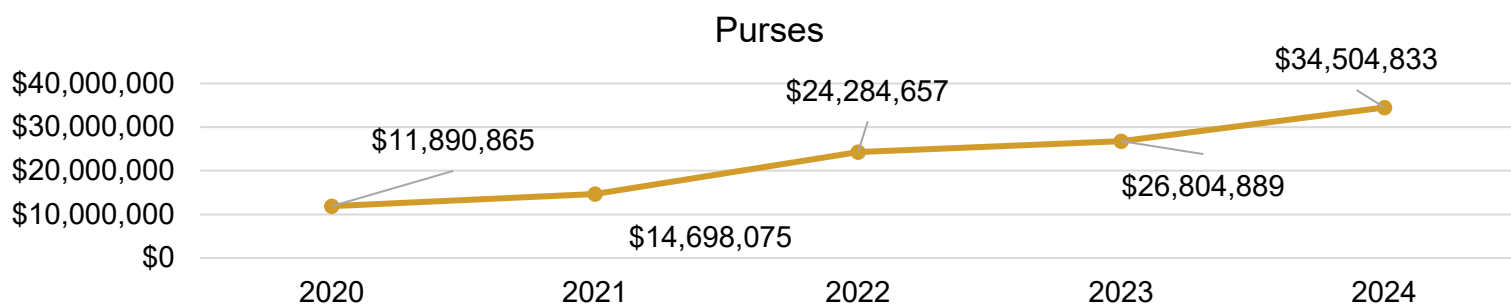
THOROUGHBRED*



Year	Races	Starts	Avg. Field Size	Total Purses
2023	1,885	16,703	8.9	\$197,434,596
2024	2,006	17,921	8.9	\$225,971,756

*Data courtesy of The Jockey Club 2025 Kentucky Fact Book.

STANDARD BRED*



Year	Purse Races	Starts	Avg. Field Size	Total Purses
2023	957	7,096	7.65	\$26,804,889
2024	1,216	9,866	7.85	\$34,504,833

*Data courtesy of United States Trotting Association.

QUARTER HORSE*

Year	Races	Starts	Avg. Field Size	Total Purses
2023	36	193	5.36	\$917,105
2024	47	332	7.06	\$1,188,060

*Data courtesy of American Quarter Horse Association.

EQUINE HEALTH AND DRUG TESTING

At KHRG, the health, safety, and welfare of the horses under our jurisdiction come first. The Chief State Racing Veterinarian oversees and coordinates the equine health and drug testing programs, which consist of racing examination and evaluation, test barn activities, and veterinarians' list management.

Established by federal law in 2020, the Horseracing Integrity and Safety Authority (HISA) is responsible for drafting and enforcing uniform safety and integrity rules in thoroughbred racing in the United States. In 2023, HISA implemented the Anti-Doping and Medication Control Program to create a centralized testing and results management process, as well as the uniform application of penalties for violations across the United States. The ADMC Program launched in Kentucky in May 2023, with KHRG veterinary staff members performing HISA's duties in addition to their usual and customary regulatory obligations. Kentucky has always led the industry in health, safety, and welfare initiatives and continues to do so in partnership with HISA and other industry stakeholders.



RACING EXAMINATION AND EVALUATION

Prior to the start of racing, KHRG veterinarians examine all in-today horses for soundness and racing fitness. Veterinarians monitor horses in the paddock, during the post parade, at the starting gate, during the race, and after the race. Up to the start of a race, if a horse demonstrates signs of unsoundness or injury, KHRG veterinarians recommend to the chief state steward or presiding judge that the horse be excused from participation in the race. If a horse sustains a racing injury, KHRG veterinarians perform triage and emergency care.



TEST BARN

Test barn activities include the pre-race, post-race, post-work, and out-of-competition collection of biologic samples for drug testing, as well as management of race day furosemide administration as applicable. The KHRG veterinary team strictly adheres to proper collection protocols, sample storage, and documentation.



VETERINARIANS' LIST

KHRG veterinarians maintain a list of horses that are ineligible to race for medical reasons. Horses on the list undergo evaluations and testing by KHRG veterinarians to re-establish eligibility as appropriate.

2023 AND 2024 TESTING SUMMARY

BREED		Number of Race Starts	Post-Race Tests	TCO2	OOC	Vets' List	Post-Work	Total Tests
Thoroughbred	2023	16,700	4,347	2,305	462	648	42	7,804
	2024	17,918	4,724	2,379	663	664	4	8,434
Standardbred	2023	7,096	1,185	753	4	1	0	1,943
	2024	9,866	1,557	523	0	15	0	2,095
Quarter Horse	2023	188	48	0	0	2	0	50
	2024	330	93	0	0	0	0	93
2023 TOTAL		23,984	5,580	3,058	466	651	42	9,797
2024 TOTAL		28,114	6,374	2,902	663	679	4	10,622

2023 AND 2024 ADVERSE ANALYTICAL FINDINGS SUMMARY

Breed		Total Race Starts	Total AAFs*	EADs*	ECMs*	AAF Rate Per Starts
Thoroughbred	2023	16,700	18	2	16	1/928
	2024	17,918	41	11	30	1/437
Standardbred	2023	7,096	0	0	0	----
	2024	9,866	8	0	8	1/1,233
Quarter Horse	2023	188	0	0	0	----
	2024	330	3	0	3	1/110

***Adverse Analytical Finding (AAF):** A laboratory report detecting a prohibited substance.

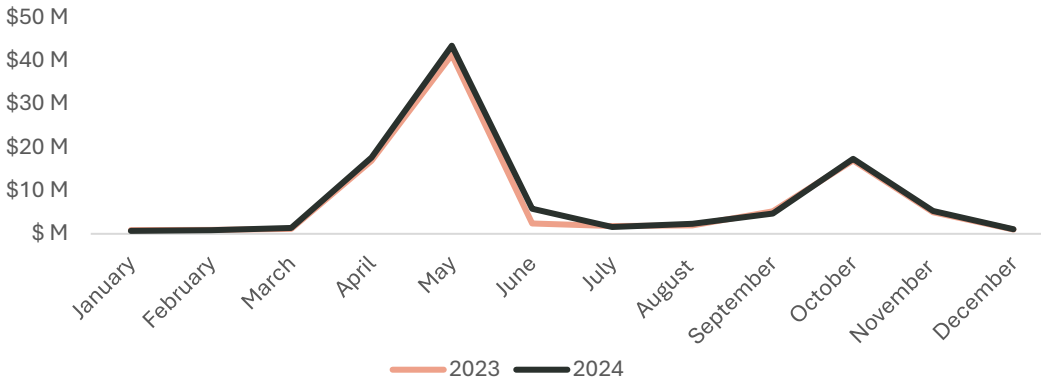
Anti-Doping Rule Violation (EAD): A violation involving banned substances or methods.

Controlled Medication Violation (ECM): A violation involving therapeutic substances that are restricted in competition.

PARI-MUTUEL WAGERING

KHRG regulates all forms of pari-mutuel wagering on live, simulcast, and historical horse races to ensure the integrity of wagering methods and systems. Division staff conduct audits of all licensed racetracks, totalizator companies, advanced deposit account wagering operators, and historical horse racing systems to ensure regulatory compliance and functionality.

Total On-Track Live Wagers



2023: \$95.2 Million

2024: \$101.7 Million

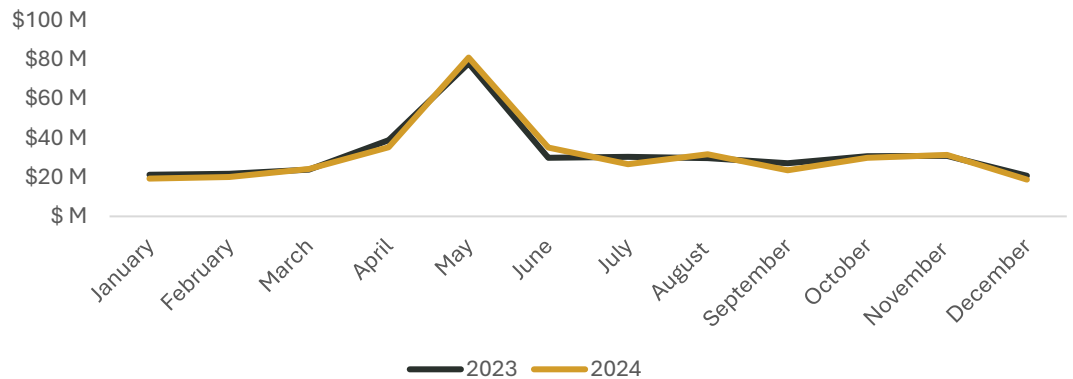
Wagers placed on horse races held live onsite while the racetrack is in host status.

2023: \$383.7 Million

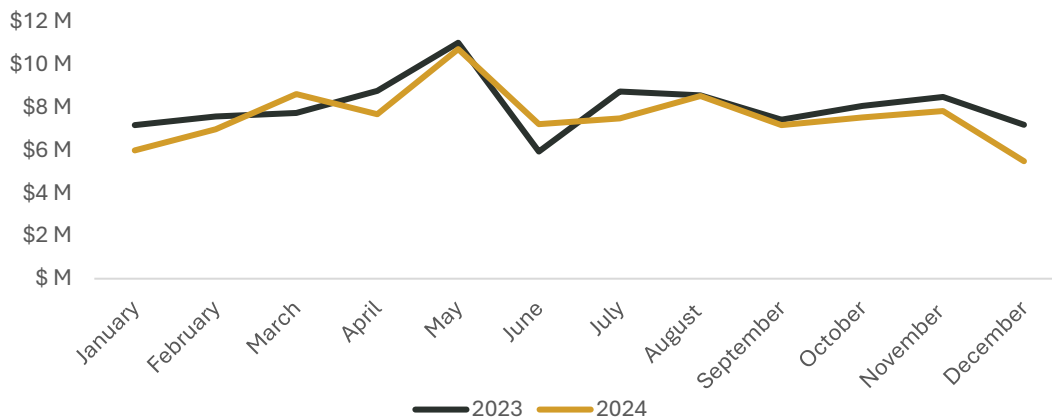
2024: \$377 Million

Advance deposit account wagering ("ADW") allows patrons to wager online through pre-funded accounts.

Total ADW Wagers



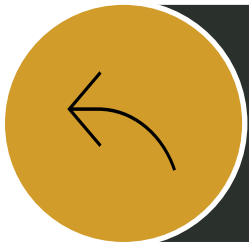
Total Simulcast Wagers



2023: \$96.7 Million

2024: \$91.3 Million

Simulcast wagering allows patrons to wager on races without being physically present at the host track.

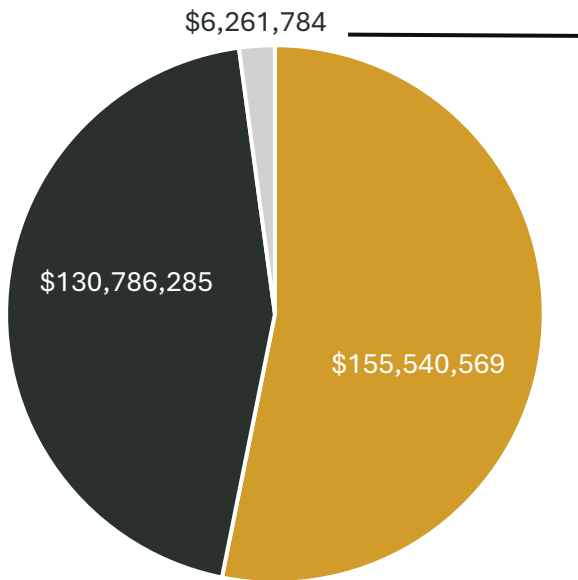
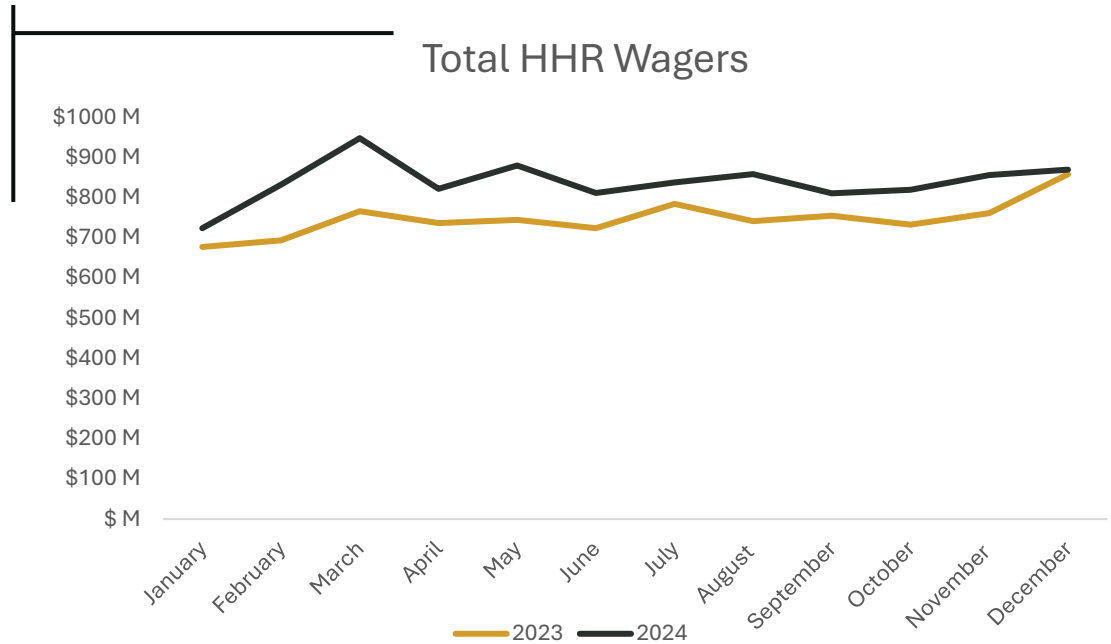


Return to Player Live and HHR 2023/2024 more than \$17.4 Billion

2023: \$8.97 Billion

2024: \$10.06 Billion

Historical horse racing ("HHR") allows patrons to wager on previously run horse races on approved electronic terminals.



Distribution of Excise Tax to
Development Funds, General
Fund and Equine Programs
2023/2024:

\$292.5 Million

■ Development Funds ■ General Fund ■ Equine Programs

2024 House Bill 8

House Bill 8 included up to \$250,000 a year to support accredited Kentucky thoroughbred, standardbred, and quarter horse aftercare facilities and up to \$250,000 per year to support the Kentucky Equine Management Internship program.

INCENTIVES & DEVELOPMENT

KHRG administers the richest incentive and development programs in the country to ensure the strength and dominance of Kentucky-bred racehorses across the globe and purses at Kentucky tracks. KHRG's unique and competitive programs encourage owners to buy from Kentucky markets, to board and breed mares on Kentucky farms, to breed them to Kentucky stallions, and to race Kentucky-foaled racehorses over Kentucky tracks. The figures provided represent expenditures from the various funds for each respective calendar year.

THOROUGHBRED

Kentucky Thoroughbred Development Fund (KTDF)

Established in 1978, the KTDF is a purse-supplement program that provides awards to owners of Kentucky-bred horses. The KTDF is funded by an excise tax on all tracks conducting pari-mutuel wagering.

2023

KY Thoroughbred Development Fund

\$48,285,592.75



2024

KY Thoroughbred Development Fund

\$58,123,397.33



Kentucky Thoroughbred Breeders' Incentive Fund (KTBF)

The Kentucky Thoroughbred Breeders' Incentive Fund provides incentives to breed and foal thoroughbreds in Kentucky. Established in 2005, the KTBF is funded by a sales tax on fees paid from breeding a mare to a stallion.

Kentucky-bred thoroughbreds won close to 72% of all graded stakes in the U.S. in 2023 & 2024.

In 2023 & 2024, a Kentucky-bred thoroughbred won each of the three legs of the Triple Crown.

2023

KY Thoroughbred Breeders' Incentive Fund

\$16,341,769.00

2024

KY Thoroughbred Breeders' Incentive Fund

\$20,019,601.10

STANWARDBRED

Incentive and development programs for standardbreds in Kentucky consist of the Kentucky Standardbred Development Fund (KSDF), the Kentucky Standardbred Breeders' Incentive Fund (KSBF), and the Kentucky Proud Series. To further showcase the extraordinary growth and revitalization of standardbred breeding and racing in Kentucky, 2024 House Bill 8 set aside up to \$900,000 to host a major international harness racing event at a Kentucky harness track.



Kentucky Standardbred Development Fund (KSDF)

Established in 1976, the KSDF is a purse supplement program that provides awards to owners of Kentucky-bred horses, as well as funding for the Kentucky Sires Stakes. The Kentucky Sire Stakes is a culmination of a month-long series of preliminary races, with the biggest money earners getting the chance to compete in one of the richest finals in North America. The KSDF is funded, in part, by an excise tax on all tracks conducting pari-mutuel wagering.

2023

Kentucky Sire Stakes / KSDF

\$13,297,750.00

2024

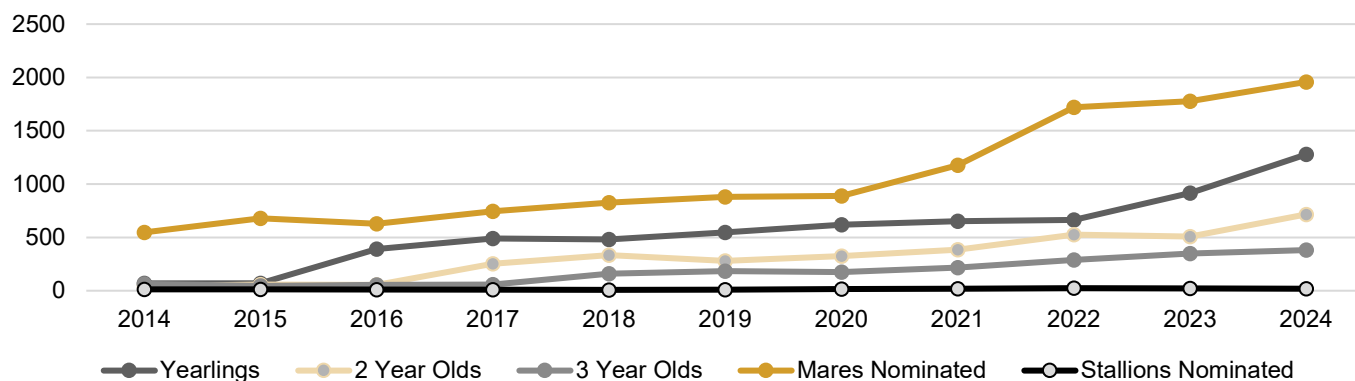
Kentucky Sire Stakes / KSDF

\$18,134,175.00

Kentucky Standardbred Breeders' Incentive Fund (KSBF)

The KSBF provides incentives to breed and foal standardbreds in Kentucky. Established in 2005, the KSBF is funded by a sales tax on fees paid from breeding a mare to a stallion.

Standardbred Nomination Growth



Kentucky Proud Series

In 2020, the KHRG began administering the Kentucky Proud Series, which offers harness racing at county fairs in Kentucky. The Kentucky Proud Series is funded by standardbred un-cashed tickets and an allotment from the KSDF.

2023

Kentucky Proud Series

\$1,408,375.00

2024

Kentucky Proud Series

\$1,697,215.00

QUARTER HORSE, PAINT HORSE, APPALOOSA AND ARABIAN DEVELOPMENT FUND

This fund was established in 2010 to attract these racing breeds to Kentucky. This program is funded by an excise tax on all tracks conducting pari-mutuel wagering and on historical horse racing wagers at Sandy Ridge.

**SANDY
RIDGE**

In 2023 and 2024, the **Kentucky Quarter Horse, Paint Horse, Appaloosa and Arabian Development Fund** collected **\$4,618,151.00**. The first distributions of \$17,000 were made in 2024.

KY HORSE BREEDERS' INCENTIVE FUND

This fund is the only of its kind in the country and provides awards to breeders and owners of non-race breeds across Kentucky. Eligible owners and breeders earn awards by competing in shows and contests, rather than racing. Established in 2005, this program is funded by a sales tax on fees paid from breeding a mare to a stallion.

Breed	Year Distributed	KHBIF Verified Number	%	\$
KY Appaloosa Owners Assoc., Inc.	2024	2,666	2.61%	\$33,299
	2023	2,666	2.61%	\$36,338
KY Arabian & Half Arabian Breeders Alliance	2024	2,005	1.96%	\$25,043
	2023	2,005	1.96%	\$27,328
KY Miniature Horse Breeders Club	2024	5,387	5.27%	\$67,284
	2023	5,387	5.27%	\$73,425
KY Mountain Saddle Horse Assoc. of KY	2024	4,931	4.83%	\$61,589
	2023	4,931	4.83%	\$67,210
KY Paint Horse Club	2024	8,344	8.17%	\$104,217
	2023	8,344	8.17%	\$113,730
KY Quarter Horse Assoc.	2024	31,151	30.48%	\$389,078
	2023	31,151	30.48%	\$424,592
KY Saddlebred Owners and Breeders Assoc.	2024	8,994	8.80%	\$112,336
	2023	8,994	8.80%	\$122,589
KY Walking Horse Breeders Incentive Fund	2024	30,318	29.67%	\$378,674
	2023	30,318	29.67%	\$413,238
Mountain Pleasure Horse Assoc.	2024	1,071	1.05%	\$13,377
	2023	1,071	1.05%	\$14,598
Rocky Mountain Horse Assoc.	2024	6,031	5.90%	\$75,328
	2023	6,031	5.90%	\$82,203
South Central Hackney Assoc.	2024	1,293	1.27%	\$16,150
	2023	1,293	1.27%	\$17,624
TOTAL	2024	102,191	100%	\$1,276,375
	2023	102,191	100%	\$1,392,876

OTHER FUNDS

Backside Improvement Fund

Created in 1980 to promote, enhance, and improve the conditions of the backside of eligible thoroughbred racing associations. Each thoroughbred racing association allocates one-half of one percent (0.5%) of its yearly live, on-track pari-mutuel wagers to the fund.



In 2023 and 2024, **\$972,792.34** was collected for this fund.

Kentucky Racing Health & Welfare Fund

Created in 1978, all unclaimed pari-mutuel winning tickets at Kentucky thoroughbred racetracks are considered abandoned one year after becoming payable. These funds are then transferred to the Kentucky Racing Health & Welfare Fund, a nonprofit supporting backside workers in need due to death, illness, or off-the-job injury not otherwise covered by some other means or program.



In 2023 and 2024, **\$3,419,924** was collected and distributed from this fund, bringing the total health benefits paid since its inception in 1978 to over \$50 million.

Problem Gambling Assistance Account

Included in the legislation legalizing sports wagering, 2023 House Bill 551 created the problem gambling assistance account to provide funding to support problem gambling programs. Originally funded by 2.5% of monies deposited into the sports wagering administration fund, 2024 House Bill 8 added additional funding from the development funds. Funds are administered by the Cabinet for Health and Family Services.

SPORTS WAGERING



STATE EXCISE TAX ON ADJUSTED GROSS REVENUE

Retail – 9.75 %
Mobile – 14.25 %

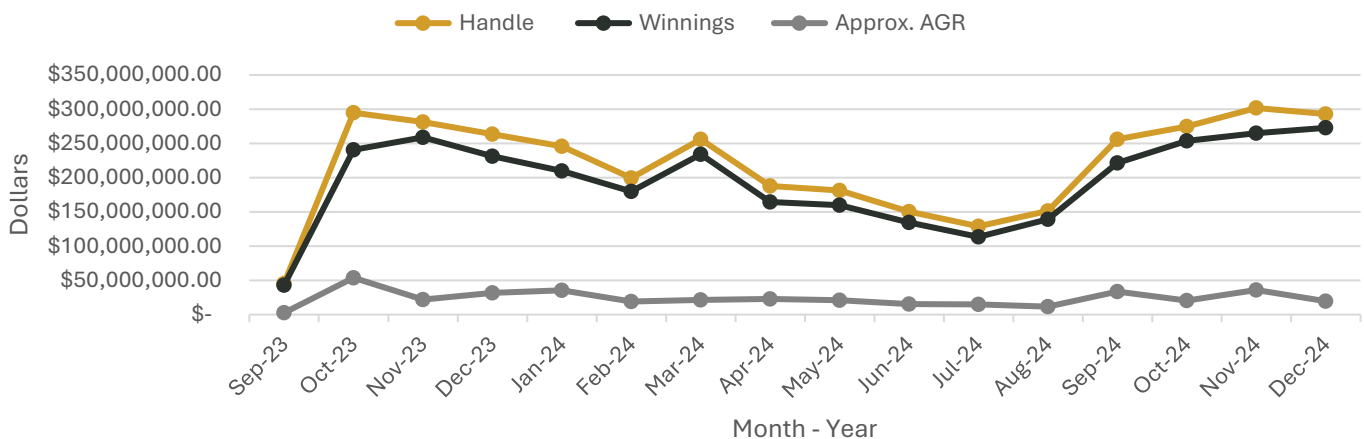
With passage of House Bill 551 in 2023, Kentucky legalized sports wagering and placed sports wagering under the jurisdiction of KHRG. Only licensed Kentucky racetracks and their affiliated licensees may offer sports wagering at retail locations and on

mobile applications. Retail locations opened on September 7, 2023, and mobile applications opened on September 28, 2023. The majority of funds generated from the excise tax on sports wagering is deposited into the Permanent Pension Fund, which was established to address Kentucky's unfunded pension liabilities. A percentage of funds is also deposited into the Problem Gambling Assistance Account.

\$3.5 BILLION
Total Handle '23-'24

\$3.1 BILLION
Total Winnings '23-'24

\$381.6 MILLION
Total Adjusted Gross
Revenue '23-'24



Total Transfers to PUBLIC PENSION FUND

\$45,583,931.56

Total Transfers to PROBLEM GAMBLING ASSISTANCE ACCT.

\$1,288,640.34

Sports Wagering Launch Highlights



In 2023, with the assistance and support of the Governor's office, Public Protection Cabinet, and other administrative agencies, legal Sports Wagering was launched just **160 days from bill passage to first wager** without detriment to regulatory oversight or infrastructure buildout.



KHRG licensed **8 racetracks to operate sports wagering**, integrating this new market into Kentucky's distinguished horse racing industry and reinforcing a long tradition of regulated wagering.



KHRG licensed **9 national and international service providers**, welcoming new businesses to Kentucky while enforcing rigorous standards for technology, integrity, and consumer protections.



933 occupational licenses were issued, including race and sportsbook employees, key employees, and information service providers, ensuring suitability and accountability in the workforce.



More than 200,000 Kentuckians safely placed over one million wagers totaling **\$17 million** on the 2024 Super Bowl.



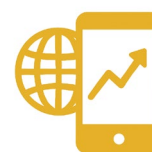
The 2024 NCAA Men's Basketball Tournament showed robust consumer interest, with more than **\$34 million legally wagered in Kentucky on the first two rounds**, demonstrating the value of viable and regulated wagering options.



Through KHRG staff readiness reviews and on-site inspections, **13 retail locations** successfully launched, expanding safe and regulated access for consumers.



KHRG authorized the launch of retail wagering on Sept. 7, 2023, and **7 online service providers** were live by the end of that month, balancing rapid access with regulatory safeguards.



With **96% of wagers placed online**, Kentuckians embraced legal mobile wagering options regulated by the KHRG.



KENTUCKY HORSE RACING & GAMING

Kentucky's Safe Bet

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