



KENTUCKY HORSE RACING & GAMING

Kentucky's Safe Bet

2025 Annual Report

Calendar Year
(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

October 2026

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

The Kentucky Horse Racing and Gaming Corporation (KHRG) respectfully submits its 2025 Annual Report. This report highlights KHRG's achievements, notes challenges experienced and demonstrates our commitment to racing and gaming in the Commonwealth.

KHRG is responsible for the regulation of all forms of live horse racing, pari-mutuel wagering, charitable gaming, sports wagering, and breed integrity and development in the Commonwealth. KHRG continues to transition the structure of the Corporation while maintaining regulatory oversight and engaging with our licensees. A few notable activities in 2025 include:

- Established new banking, finance, accounting, timekeeping, payroll, and human resource systems independent of the Commonwealth.
- Prepared for the Department of Charitable Gaming to join KHRG on July 1, 2025, and then onboarded and integrated that agency into KHRG's framework.
- Prepared and adopted our first audited financials by October 1, 2025, pursuant to KRS 230.225.
- Developed and released new branding encompassing racing and gaming.

In 2025, racing, wagering, and gaming all continued to grow. There are nine licensed racetracks that conduct Thoroughbred, Standardbred, and Quarter Horse racing. Racing in Kentucky continues to thrive and throughout this report, you will see increases in purses, race dates, and wagering. Highlights include:

- On February 12, 2025, CDI opened its seventh HHR property in the state, Owensboro Racing and Gaming. This property includes approximately 600 HHR machines and a retail sports book. This brought the total HHR properties in the state to thirteen,

including four Mint Gaming properties, one KRM property at Red Mile, and a Revolutionary Racing property at Sandy's Racing and Gaming.

- Pari-mutuel wagering, consisting of HHR, live on track, simulcast, and advance deposit account wagering (ADW), was up \$1.1 billion or 10.7% in 2025, most of which is attributable to HHR.
- Regulatory veterinarian scratches continued to be an area of concern for our horsemen and racetracks, and KHRG staff continued to keep an open dialogue with all parties and stakeholders.

Sports wagering continued to grow in 2025, with handle increasing over 14% and Kentucky excise tax revenue increasing more than 20% from 2024.

- Prime Sportsbook, affiliated with Churchill Downs, launched its online sports book in Kentucky on July 28, 2025.
- Circa, a service provider affiliated with Kentucky Downs, opened one of the largest sports books east of the Mississippi on August 20, 2025.

Charitable Gaming and twenty-one team members officially joined KHRG on July 1, 2025. Charitable Gaming's director, licensing manager, and compliance manager have over sixty years of combined service to charitable gaming in the Commonwealth. We are proud of their dedication as services to our licensees were not interrupted as the team transitioned.

In closing, we submit the 2025 Annual Report with appreciation to the Governor, General Assembly, board of directors, employees, and all our licensees for entrusting us to lead Kentucky in horse racing and gaming. We are proud of our successes, remain dedicated to constant improvement, and excited for the opportunities in the future.

With gratitude,



Jonathan Rabinowitz, Chair



Jamie Eads, President & CEO

LEGISLATIVE UPDATE

Implementation of 2024 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 Charitable Gaming to KHRG effective July 1, 2025, thereby vesting jurisdiction over all forms of gaming in the Commonwealth in KHRG, except for the lottery.

Key implementation milestones accomplished in 2025 include:

- Established finance and accounting platforms independent of the Commonwealth.
- Established timekeeping, payroll, and human resources independent of the Commonwealth.
- Established independent banking services and assumed management of funds under KHRG jurisdiction.
- Established independent corporate identity as required by federal, state, and local governments.
- Secured full suite of business and employer insurance policies.
- Adopted Procurement Procedures not inconsistent with KRS Chapter 45A.
- Launched KHRG logo and branding.
- Prepared and adopted first audited financial statements.
- Merged Charitable Gaming with KHRG.

2025 House Bill 566

Senate Bill 299 required KHRG to be self-sustaining and self-funded, with no allotments from the general fund after fiscal year 2026. Adopted in 2025, House Bill 566 provided the required funding mechanism by designating a portion of most funds administered by KHRG to corporate administration. KHRG adopted its first budget under the new funding mechanism for the fiscal year beginning July 1, 2025.

BOARD OF DIRECTORS

Jonathan Rabinowitz | Chair

Appointed 4/28/2020

Charles O'Connor | Vice Chair

Appointed 1/3/2020

Appointed Vice Chair 3/28/2024

Lesley Berglar

Appointed 4/30/2020

Michael E. Berry

Appointed 2/17/2023

Jason Chinn

Appointed 9/19/2025

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

William L.S. Landes

Appointed 4/28/2021

Gregory L. Mason

Appointed 9/19/2025

William May

Appointed 4/29/2022

Catherine J. Parke

Appointed 5/17/2022

William Redwine

Appointed 9/19/2025

Dale Romans

Appointed 2/17/2025

C. Frank Shoop

Appointed 4/29/2022

James E. 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

ADMINISTRATION

Jamie Eads, *President & CEO*
Susan Speckert, *Chief Operating Officer*
Katie Smith, *Chief Financial Officer*
Ashleigh Bailey, *Chief Legal Officer*
Mariah Dietz, *Accounting Coordinator*
Cheri Donovan, *HR Specialist*
Victoria Edwards, *Admin. Assistant*
Beth Jacobson, *Paralegal*
Brian Nesselrode, *Office Manager*
Alicia Ritter, *Executive Admin. Sec.*
Joey Went, *Staff Attorney*

RACING LICENSING

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

RACING & STEWARDS

Barbara Borden, *Sr. Vice President of Racing & Chief State Steward*
Brooks "Butch" Becraft, *State Steward*
Beth Bungert, *Safety Steward*
Phil Hanrahan, *Assoc. State Steward/Judge**
Thomas Hope, *Assoc. State Steward**
Jeffrey James, *Assoc. State Judge*
Casey Larson, *Presiding Judge/Mare Insp.*
Myles Linderman, *Assoc. State Steward**
Timothy L. Schmitz, *State Judge**
Hal Wiggins, *Assoc. State Steward/Judge*

VETERINARY SERVICES

Dr. Nicholas Smith, *Chief Racing Veterinarian*
Dr. George Mundy, *Equine Medical Director*
Dr. Emma Adams, *Racing Veterinarian (PT)*
Dr. Brent Cassady, *Racing Veterinarian*
Kim Coates-Smith, *Veterinary Technician*
Dr. Emily Crow, *Racing Veterinarian*
Jennifer Engel, *Racing Veterinary Coord.*
Cameron Friedrich, *Veterinary Technician (PT)*
Dr. Constance Gorman, *Racing Veterinarian*
Dr. Lyndsay Hagemeyer, *Racing Veterinarian*
Dr. David Harris, *Racing Veterinarian (PT)*
Dr. Andrew Hirschy, *Racing Veterinarian (PT)*
Dr. John Hubbel, *Racing Veterinarian (PT)*
J Iris, *Veterinary Technician*
Dr. Louis Johnson, *Racing Veterinarian*
Lauren Kasnet, *Veterinary Technician (PT)*
Patricia Ludwig, *Veterinary Technician*
Dr. Yolanda Lopez Macias, *Racing Veterinarian*
Elizabeth McCutcheon, *Racing Veterinary Coord.**
Dr. Molly Metz, *Racing Veterinarian (PT)*
Sheri Miller, *Veterinary Technician (PT)*
Timothy Miller, *Detention Barn Asst.*
Dr. Sarah Padilla, *Racing Veterinarian*
Dr. Alison Painter, *Racing Veterinarian*
Dr. John Peloso, *Racing Veterinarian*
William Sandmann, *Detention Barn Asst.*
Dr. Barry Simon, *Racing Veterinarian (PT)*
Dr. Arielle Stith, *Racing Veterinarian*
Dr. William Stone, *Racing Veterinarian (PT)*
Kelli Styles, *Veterinary Technician (PT)*

GAMING

Travers Manley, *Sr. VP of Gaming*
Melissa Combs-Wright, *Dir. Pari-Mutuel Wagering*
Hannah Simms, *Dir. of Sports Wagering*
Charles Brock, *Gaming Auditor*
Carol Deeble, *License & Admin. Coord.*
Jael Gago, *Gaming Compliance Coord.*
Jennifer Moreland, *Gaming Compliance Analyst*
Tyler Sisk, *Gaming Compliance Coord.*

ENFORCEMENT

Paul Brooker, *Dir. of Enforcement*
Douglas Asher, *CG Compliance Officer**
Daniel Assef, *Investigator*
Shannon Garner, *Investigator*
Daniel Hyland, *Investigator (PT)*
Bryan Tolson, *Investigator*
Russell Kegel, *CG Compliance Officer*

INCENTIVES & DEVELOPMENT

Drew Conners, *Dir. of Incentives & Development*
Patricia Cooksey, *Asst. Dir. & KBIF Horse Inspector*
Hogan Cole, *Standardbred Program Coordinator*
Melanie Mader, *Data Analyst & Administrative Coordinator*
Katie Mueller, *Thoroughbred Program Coordinator*

CHARITABLE GAMING

Kim Sutherland, *Dir. of Charitable Gaming*
Zachary Hale, *Paralegal*
Noah Montfort, *Fiscal Assistant*
Hayden Wilcheck, *Fiscal Assistant*
Kim Smith, *Fiscal Assistant*

Licensing

Farrah Keith, *Licensing Manager*
Melanie Aitken, *Licensing Administrator*
Heather Ash, *Licensing Administrator*
Daneil Clark, *Licensing Administrator*
Sharon McGee, *Licensing Administrator*
Tonya Neal, *Licensing Administrator*

Compliance

Henry Boone, *Compliance Manager*
Gregory Bruce, *Compliance Officer*
Nicole Creech, *Compliance Officer**
Shane Doyle, *Compliance Officer*
Jason Ellison, *Compliance Officer*
Zachery Hall, *Compliance Officer*
Saundra Jones, *Compliance Officer*
Benjamin Justice, *Compliance Officer*
Whitney Maupin, *Compliance Officer*
Thomas Nance, *Compliance Officer*
James Primm, *Compliance Officer**

*Seperated during the calendar year.

COMMITTEES & WORKING GROUPS

Much of the work of 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

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

William L.S. Landes | Chair

Justin Austin Luttrell

Alan Ruggles, DVM

Rick Hiles

John Park, DVM

Mike Ziegler

Michael Kilgore, PhD

Andy Roberts, DVM

KY HORSE BREEDERS' INCENTIVE FUND ADVISORY COMMITTEE

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

Michael E. Berry | Chair

Brittany Bell

Sarah Coleman

KY THOROUGHBRED BREEDERS' INCENTIVE FUND ADVISORY COMMITTEE

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

Lesley Berglar

Bret Jones

C. Frank Shoop

Neil Howard

Joe Seitz

KY THOROUGHBRED DEVELOPMENT FUND ADVISORY COMMITTEE

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

January 1, 2025 – June 30, 2025

Charles O'Connor | Chair

William L.S. Landes | Vice Chair

Chip Bach

Rick Hiles

Braxton Lynch

July 1, 2025 – December 31, 2025

Charles O'Connor | Chair

Braxton Lynch | Vice Chair

Gatewood Bell

Travis Foley

William L.S. Landes

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

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

James E. Worley | Chair

Joe Costa

Chuck Grubbs

Kenneth A. Jackson

Mike Ziegler

KY QUARTER HORSE DEVELOPMENT FUND ADVISORY COMMITTEE

Advises, assists, and makes recommendations to KHRG regarding this fund, which was created to support and attract Quarter Horse racing to Kentucky.

January 1, 2025 – June 30, 2025

Catherine J. Parke | Chair

Ed Gabbert

Kirk Gentry

Ralph Kinder

Conor Lucas

July 1, 2025 – December 31, 2025

Catherine J. Parke | Chair

Ed Gabbert

Kirk Gentry

Conor Lucas

LICENSE REVIEW COMMITTEE

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

Gregory L. Harbut | Chair

Michael F. Dudgeon

George Haydon

Paul Brooker

Jamie Eads

RACE DATES COMMITTEE

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

Jonathan Rabinowitz | Chair

William L.S. Landes

Charles O'Connor

Michael F. Dudgeon

William May

C. Frank Shoop

FINANCE COMMITTEE

Assists Board in overseeing KHRG's finances and ensuring that KHRG operates within available resources and applicable laws and policies.

Michael F. Dudgeon | Chair

Gregory L. Harbut

James E. Worley

Lesley Berglar

William May

FINANCIAL ANALYSIS

Effective July 1, 2024, the Kentucky Horse Racing and Gaming Corporation (KHRG) assumed all responsibilities of the Kentucky Horse Racing Commission, which was abolished, and all personnel, equipment, and funding was transferred to KHRG. As the transfer of operations resulted in the formation of a new government entity, KHRG recognized the carrying values of the assets, deferred outflows of resources, liabilities and deferred inflows of resources of the operations of the transferor government as of the effective date of the transfer. The transferor government, the Commonwealth of Kentucky, maintained the operations on a cash basis. KHRG is a component unit of the Commonwealth, a self-supporting entity and follows the accrual basis of accounting.

Below is a narrative overview and analysis of the financial performance of KHRG for the fiscal year ending June 30, 2025. Please refer to KHRG's audited financial statements for more detailed financial information.

Condensed Financial Information – Statement of Net Position

	FYE 6/30/2025
Current Assets	\$ 147,284,681
Noncurrent Assets	353,546
Total Assets	<u>147,638,227</u>
Deferred Outflows of Resources	<u>4,853,565</u>
Current Liabilities	34,050,911
Noncurrent Liabilities	25,712,848
Total Liabilities	<u>59,763,759</u>
Deferred Inflows of Resources	<u>2,055,294</u>
Net Investment in Capital Assets	353,546
Restricted	104,147,754
Unrestricted	(13,828,561)
Total Net Position	<u>\$ 90,672,739</u>

Total assets consist primarily of cash and cash equivalents, restricted cash and cash equivalents, unrestricted investments, restricted investments, accounts receivable, and capital assets. KHRG is responsible for administering various cash programs as authorized by the General Assembly and outlined in the Kentucky Revised Statutes causing the funds to be restricted for program awards/uses. During 2025, KHRG participated in a cash and investment pool maintained by the Commonwealth where the funds are held in the Commonwealth's general depository or depositories designated by the State Treasurer, and the investments are carried at fair value. Additionally, KHRG maintained funds in checking accounts with financial institutions. The investment in capital assets includes vehicles and equipment net of accumulated depreciation.

Total liabilities generally consist of accounts payable and other liabilities attributable to general operating expenses, accrued payroll expenses, incentives accrual, compensated absences (classified between current and noncurrent portions), the pension liability (a noncurrent liability) and the other postemployment benefits liability (a noncurrent liability). The incentives accrual includes earned, but unpaid, awards in the purse supplement, breeders' incentive and other programs administered by KHRG, as well as funds due to the Commonwealth for an overpayment of pari-mutuel tax assessments. Deferred outflows and/or inflows of resources relate entirely to the pension and other postemployment benefits liabilities.

Total net position of \$90,672,739 million included KHRG's net investment in capital assets of \$353,546, \$104,147,754 million in restricted net position and \$(13,828,561) million in unrestricted net position. The negative unrestricted net position balance resulted from the net pension and other postemployment benefits liabilities that are expected to decrease over future years and not be realized.

Condensed Financial Information – Statements of Revenues, Expenses, and Changes in Net Position

	<u>FYE 6/30/2025</u>
Operating Revenues:	
License, Assessments, Registration Fees, and Unclaimed Tickets	\$ 16,392,904
Sports and Gaming Revenue	40,755,408
Pari-mutuel Revenue	98,952,544
Total Operating Revenues	<u>156,100,856</u>
Operating Expenses:	
Personnel Costs	7,536,430
Operating Expenses	5,560,308
Development and Incentive Funds	101,006,766
Capital Outlay	920
Total Operating Expenses	<u>114,104,424</u>
Income from Operations	<u>41,996,432</u>
Nonoperating Revenues, net	<u>48,676,307</u>
Change in Net Position	90,672,739
Net Position, Beginning of Year	-
Net Position, End of Year	<u>\$ 90,672,739</u>

Operating revenues generated during fiscal year ending June 30, 2025 consisted of the following: a) licensing, assessments, registration fees, and unclaimed tickets; b) excise taxes and licensing fees associated with sports wagering and gaming; and c) pari-mutuel taxes on horse racing. The licensing, assessments, and registration fees are charged by KHRG as authorized in the Kentucky Revised Statutes and Kentucky Administrative Regulations for horse racing in Kentucky and available to fund operations at KHRG. The excise taxes associated with sports wagering and gaming are received from the Kentucky Department of Revenue, and a large portion are transferred to the Kentucky problem gambling assistance fund and Kentucky permanent pension fund as required by the Kentucky Revised

Statutes. The pari-mutuel taxes for horse racing are received from the Kentucky Department of Revenue and used to fund the various cash programs.

Operating expenses incurred during fiscal year ending June 30, 2025 consist of personnel costs, operating costs and development and incentive fund awards. Personnel and operating costs are incurred by KHRG to fulfill its responsibilities of regulating the conduct of live horse racing, pari-mutuel wagering, sports wagering, and breed integrity and development. The development and incentive fund awards are the result of KHRG's responsibility for administering various cash incentive programs to promote Kentucky racing and breeding.

Nonoperating revenues generated during fiscal year ending June 30, 2025 include interest income, payments from the Commonwealth, and the net position assumed by KHRG partially offset by payments to the Commonwealth. KHRG received funding throughout the fiscal year from the Commonwealth related to a general fund appropriation and transfers from the sports wagering administration fund as required by the Kentucky Revised Statutes. KHRG assumed the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the Kentucky Horse Racing Commission effective July 1, 2024 which is included as a Special Item on the Statement of Revenues, Expenses, and Changes in Net Position. Payments to the Commonwealth are funds distributed to accounts and other agencies of the Commonwealth as required by the Kentucky Revised Statutes, the majority of which pertain to the required transfers mentioned above for the sports wagering and gaming revenue received.

Currently Known Facts, Decisions, or Conditions

As required by Kentucky Revised Statutes, the regulation of all forms of charitable gaming became the responsibility of KHRG effective July 1, 2025. The Department of Charitable Gaming was an agency within the Public Protection Cabinet as of June 30, 2025. As of July 1, 2025, KHRG assumed the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the Department of Charitable Gaming, and all personnel, equipment, and funding will be transferred to the Corporation.

Effective July 1, 2025, KHRG is no longer offering compensatory leave. All accrued balances of compensatory leave will be paid out to the employees during the first quarter of fiscal year ending June 30, 2026.

The Kentucky Finance and Administration Cabinet began overseeing the revenue receipts from the sports wagering excise taxes and distribution of the funds to KHRG, Kentucky problem gambling assistance fund and Kentucky permanent pension fund as required by the Kentucky Revised Statutes during July 2025. Thus, sports and gaming revenue and payments to the Commonwealth will decrease significantly during fiscal year ending June 30, 2026.

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

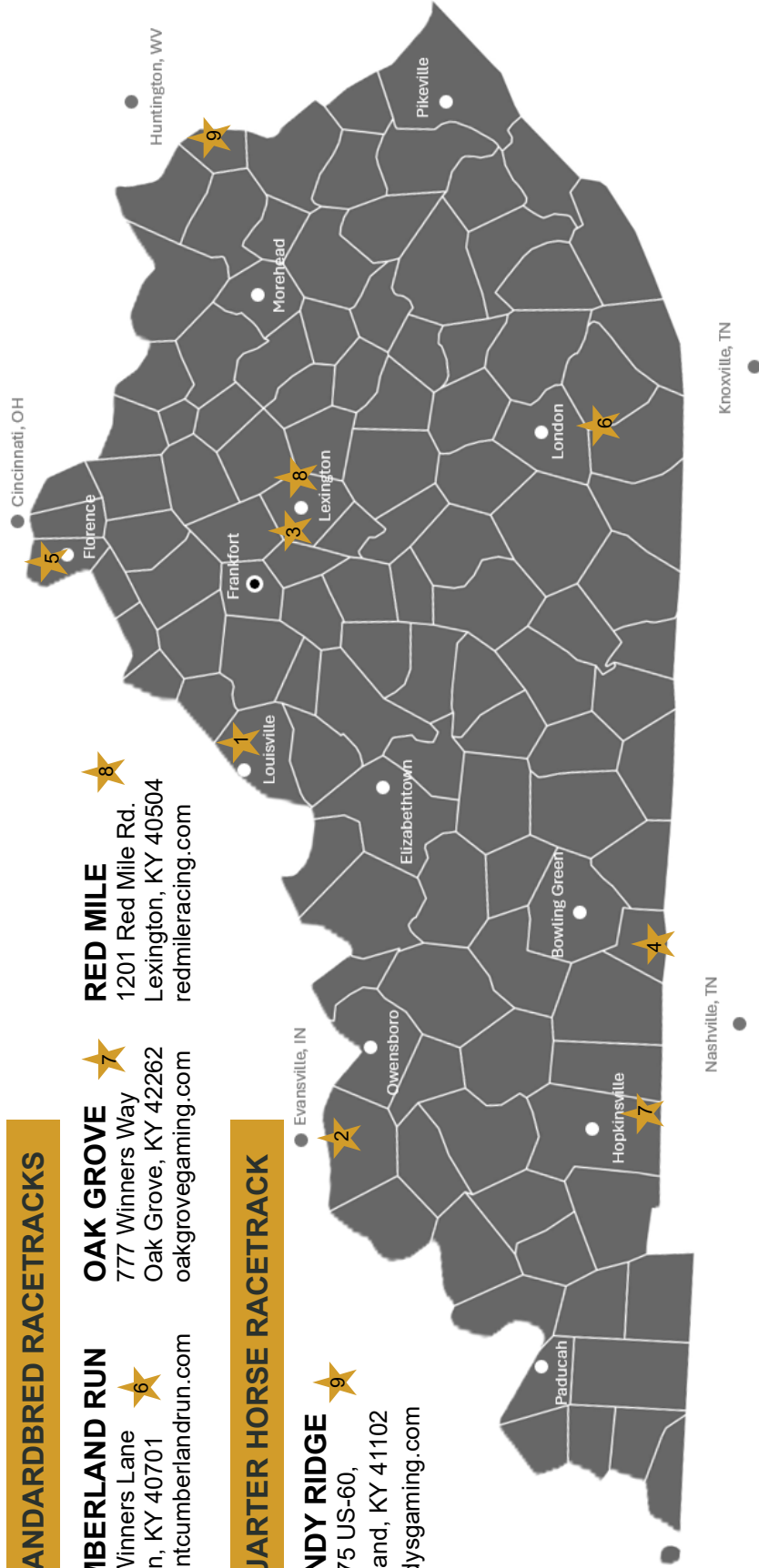
CUMBERLAND RUN ★6
777 Winners Lane
Corbin, KY 40701
themintcumberlandrun.com

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

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

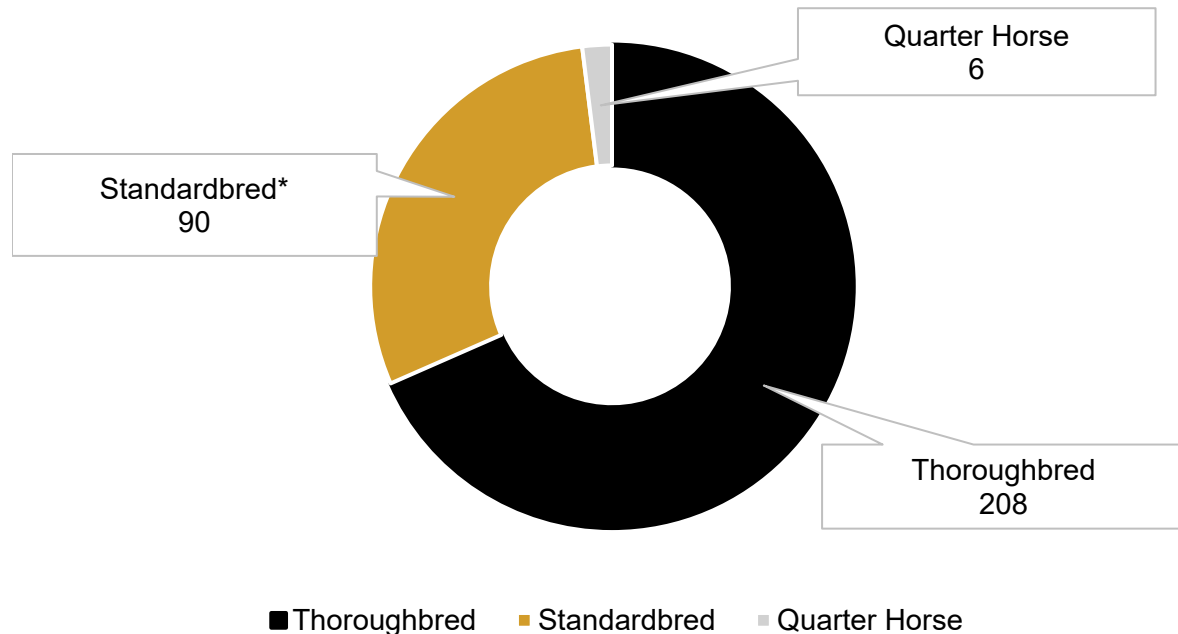
The Mint Gaming Hall - Cumberland
244 Penny Ln.
Williamsburg, KY 40769

STAND ALONE SIMULCAST

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

RACE DATES

2025 Total Race Dates by Breed (Actual)



*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 2025 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 KHRG.

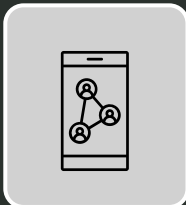
All applicants must be qualified to perform the licensed activity and committed to upholding the highest standards of racing and wagering in Kentucky. Additionally, individual racing participants, like jockeys and trainers, must be licensed annually by KHRG. KHRG licensing personnel process over 25,000 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

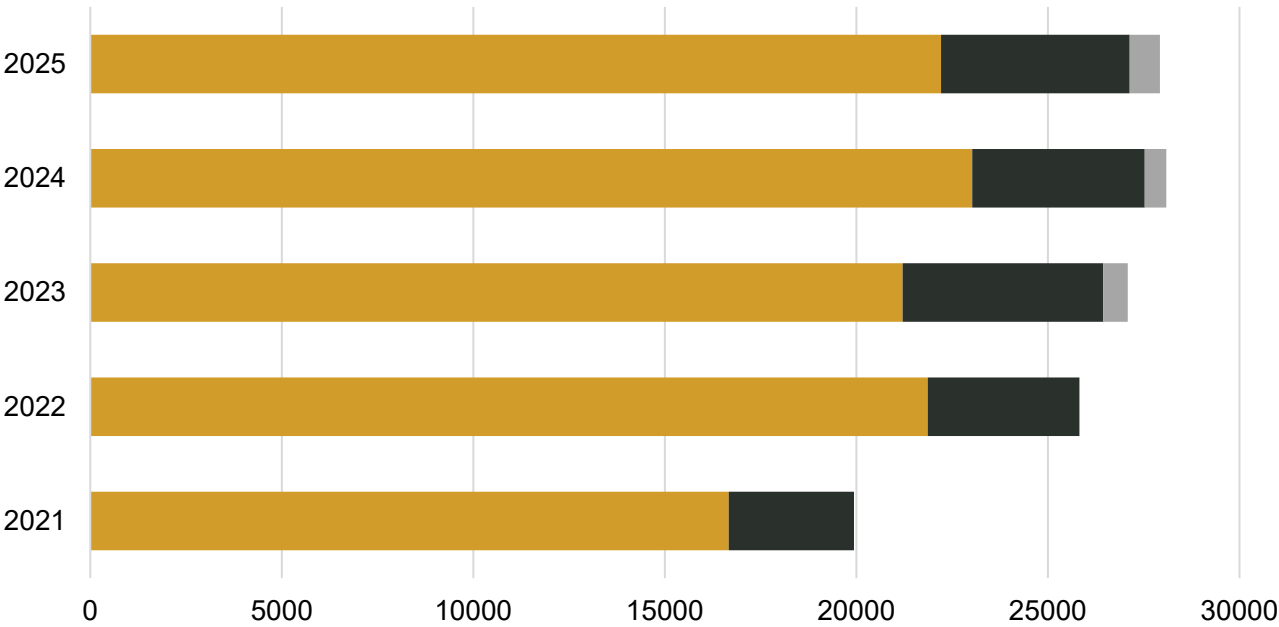


8 Licensed **Advance Deposit Account Wagering** providers

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*



	2021	2022	2023	2024	2025
Thoroughbred	16,666	21,864	21,205	23,022	22,210
Standardbred	3,270	3,959	5,238	4,505	4,922
Quarter Horse	0	0	642	565	792

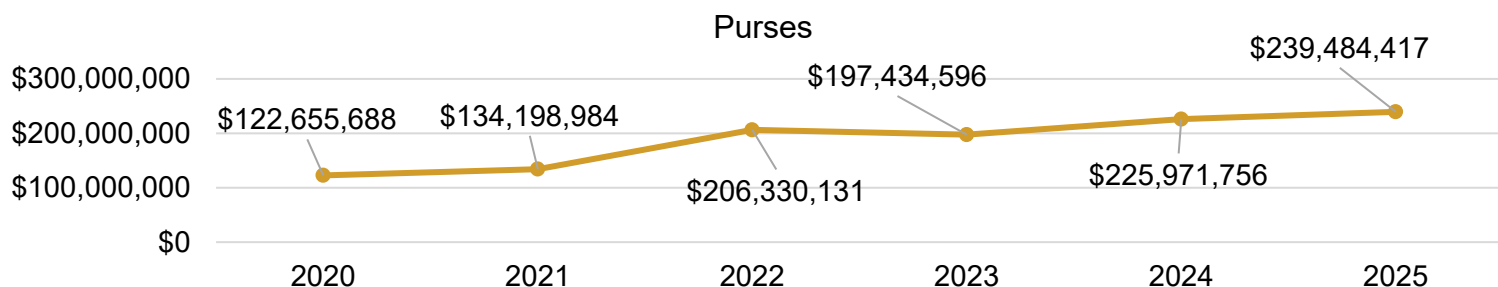
*The Thoroughbred licensing figures in the 2023–2024 Biennial Report were misstated due to a calculation error. The figures presented here have been corrected.

RACING BY THE NUMBERS

Thanks to the support of the Governor and the General Assembly, racing in Kentucky continued to show strong, competitive numbers in 2025.

KHRG stewards and judges regulate all aspects of live racing on behalf of 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.

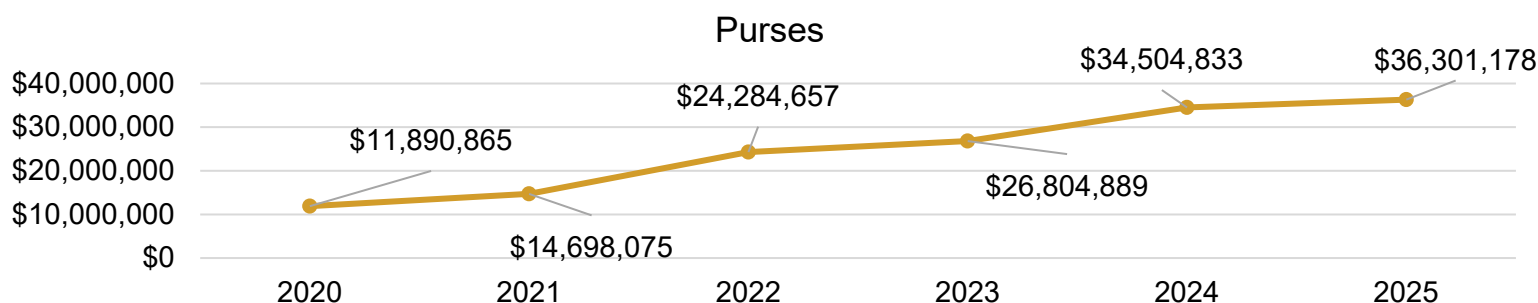
THOROUGHBRED*



Year	Races	Starts	Avg. Field Size	Total Purses
2025	2,018	17,812	8.8	\$239,484,417

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

STANDARD BRED*



Year	Races	Starts	Avg. Field Size	Total Purses
2025	1,369	10,773	7.87	\$36,301,178

*Data courtesy of United States Trotting Association.

QUARTER HORSE*

Year	Races	Starts	Avg. Field Size	Total Purses
2025	45	293	6.4	\$1,354,550

*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.

TESTING SUMMARY

BREED	Number of Race Starts	Post-Race Tests	TCO2*	OOC*	Vets' List	Post-Work	Total Tests
Thoroughbred	17,812	4,864	2,145	619	621	5	8,254
Standardbred	10,773	1,993	416	0	2	0	2,411
Quarter Horse	293	94	0	0	0	49	153
TOTAL:	28,878	6,951	2,561	619	623	54	10,818

***Total Carbon Dioxide (TCO2):** A blood test measuring total carbon dioxide; a result above the regulatory threshold is reported as a TCO2 violation.

***Out-of-Competition Testing (OOC):** Testing horses outside the race-day testing period to detect prohibited substances.

ADVERSE ANALYTICAL FINDINGS SUMMARY

Breed	Total Race Starts	Total AAFs*	EADs*	ECMs*	AAF Rate Per Start
Thoroughbred	17,812	35	9	26	1/509
Standardbred	10,773	20	1	19	1/539
Quarter Horse	293	7	2	5	1/42

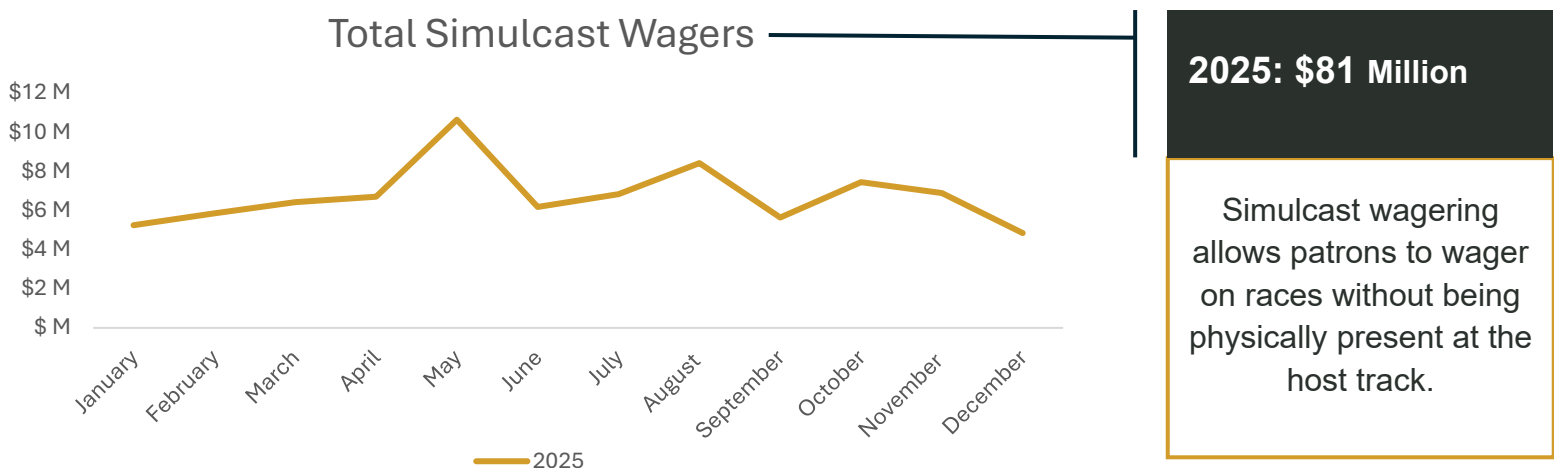
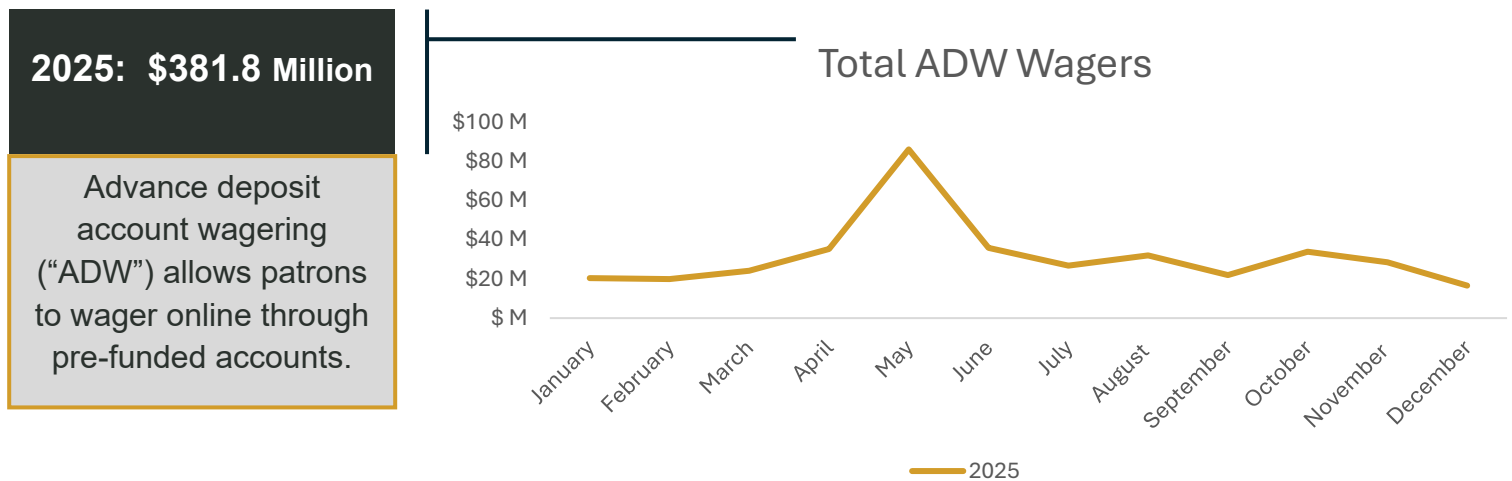
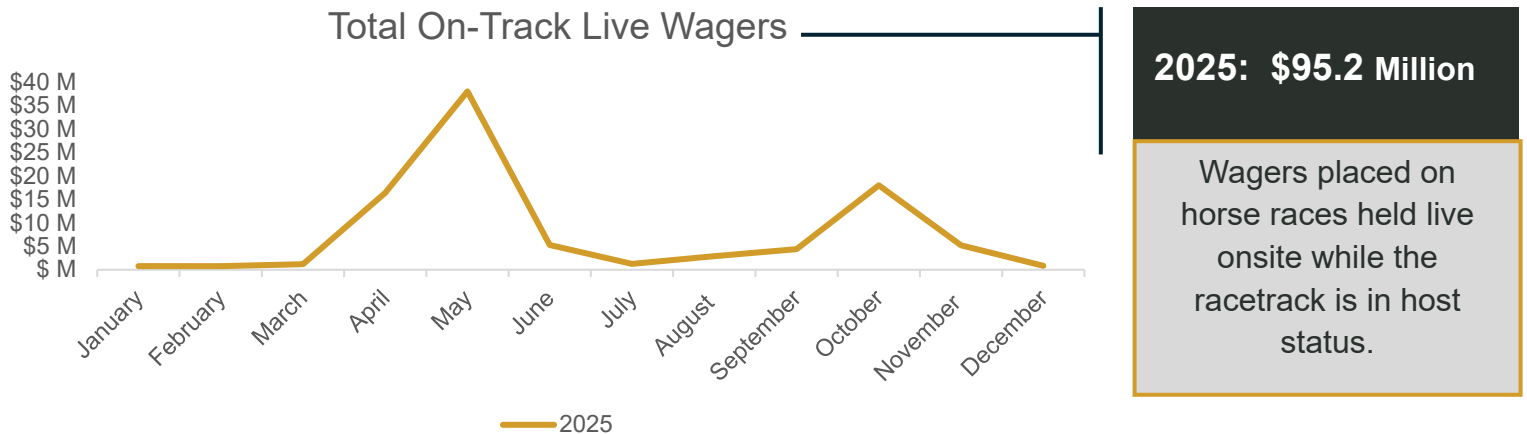
***Adverse Analytical Finding (AAF):** A laboratory report detecting a prohibited substance.

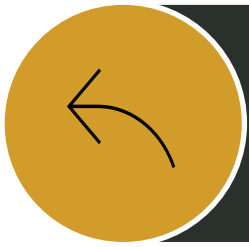
***Anti-Doping Rule Violation (EAD):** A violation involving banned substances or methods.

***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, advanced deposit wagering, 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.

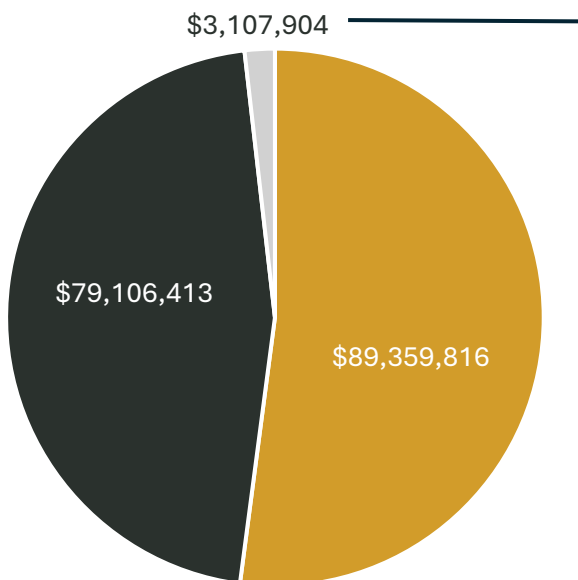
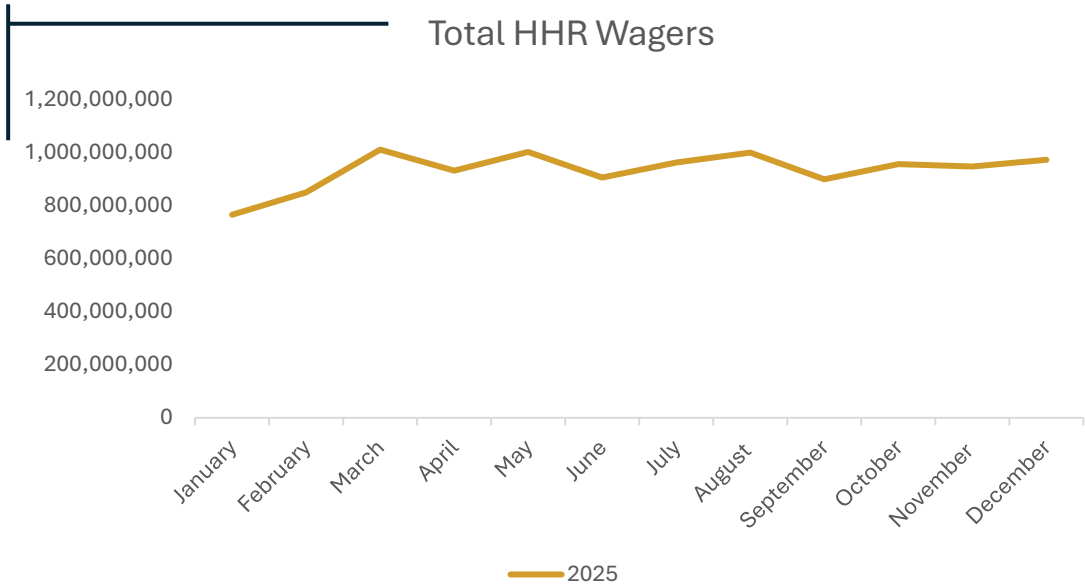




Return to Player Live and HHR 2025 more than \$10.2 Billion

2025: \$11.2 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
2025:

\$171.6 Million

■ Development Funds ■ General Fund ■ Equine Programs

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 the 2025 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.

2025

KY Thoroughbred Development Fund

\$64,162,307*



**Purses Only (96%), does not include contributions to Problem Gambling, KHRG Administration or Race Meet Advertising & Marketing.*

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.

Since KTBF's 2005 inception, more than a **QUARTER-OF-A-BILLION DOLLARS** has been awarded to breeders of Kentucky-breds winning eligible races worldwide. In 2025, a Kentucky-bred Thoroughbred won each of the three legs of the Triple Crown.

2025

KY Thoroughbred Breeders' Incentive Fund

\$20,000,228

STANDARD BRED

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 awards owners of Kentucky-bred standardbreds that race at Kentucky racetracks. This program supports multiple series beginning in March and culminating in November, establishing a strong and growing standardbred racing circuit in the Commonwealth. The KSDF is funded, in part, by an excise tax on all tracks conducting pari-mutuel wagering.

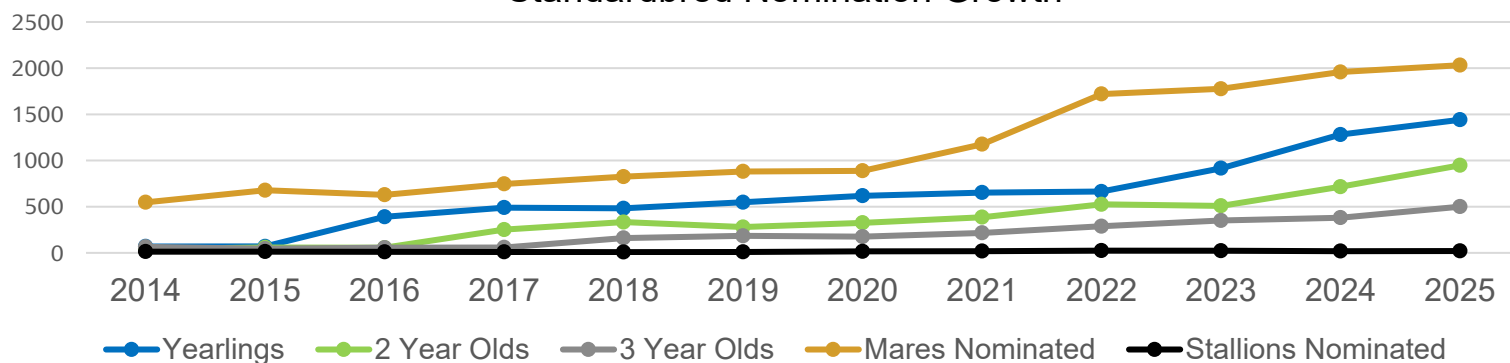
2025

KSDF
\$19,185,625*

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, 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.

2025

Kentucky Proud Series
\$2,190,625*

**Purses Only, does not include Stallion Bonus capped at \$2M per year.*

KENTUCKY QUARTER HORSE DEVELOPMENT FUND

This fund was established by 2025 House Bill 566 to attract quarter horses to Kentucky. The 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**

The fund currently has a balance of **\$11M** to award **Kentucky-bred Quarter Horses** for breeder awards and competing in eligible Quarter Horse Races.

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	KHBIF Verified Number	%	\$\$
KY Appaloosa Owners Assoc., Inc.	2,666	2.61%	\$39,638
KY Arabian & Half Arabian Breeders Alliance	2,005	1.96%	\$29,810
KY Miniature Horse Breeders Club	5,387	5.27%	\$80,093
KY Mountain Saddle Horse Assoc. of KY	4,931	4.83%	\$73,313
KY Paint Horse Club	8,344	8.17%	\$124,057
KY Quarter Horse Assoc.	31,151	30.48%	\$463,148
KY Saddlebred Owners and Breeders Assoc.	8,994	8.80%	\$133,721
KY Walking Horse Breeders Incentive Fund	30,318	29.67%	\$450,763
Mountain Pleasure Horse Assoc.	1,071	1.05%	\$15,923
Rocky Mountain Horse Assoc.	6,031	5.90%	\$89,668
South Central Hackney Assoc.	1,293	1.27%	\$19,224
2025 TOTAL	102,191	100%	\$1,519,358

NOTE: Awards are distributed the year after horses earn points from competing in eligible horse shows/events the year prior.

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 2025, **\$467,346** 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 2025, \$1,787,054 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 Kentucky permanent pension fund, which was established to address Kentucky's unfunded pension liabilities. A percentage of funds is also deposited into the Kentucky problem gambling assistance account.

\$3 BILLION

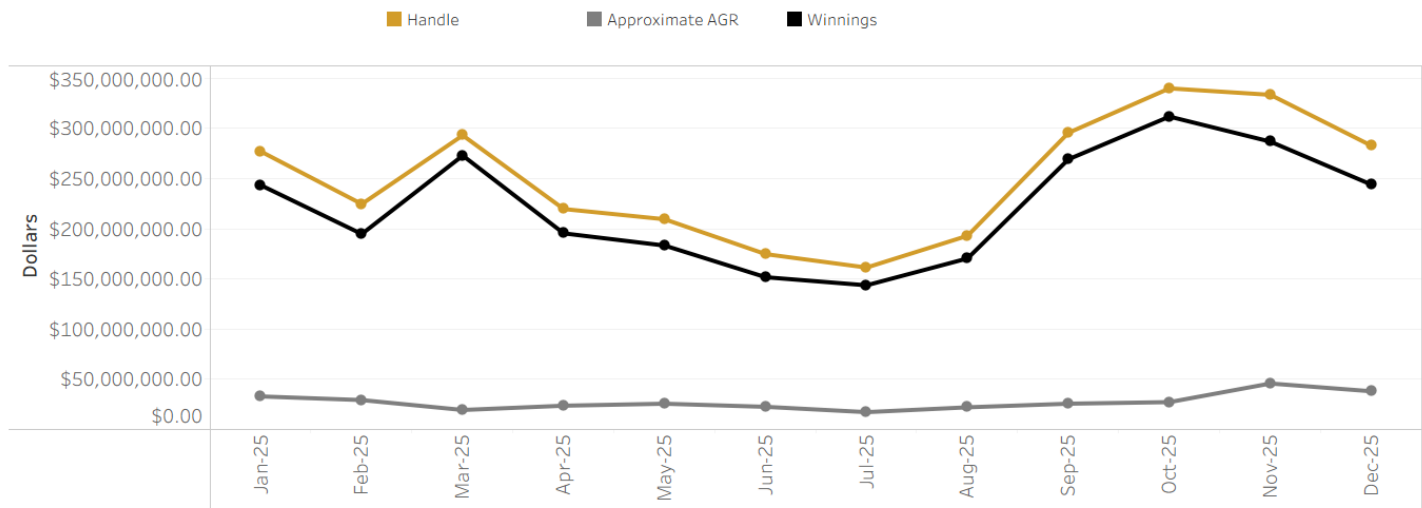
Total Handle

\$2.6 BILLION

Total Winnings

\$330.1 MILLION

Total Adjusted Gross
Revenue



Total Transfers to PUBLIC PENSION FUND

\$40,706,409.23

Total Transfers to PROBLEM GAMBLING ASSISTANCE ACCT.

\$1,128,488.75

CHARITABLE GAMING

Effective July 1, 2025, pursuant to 2024 Senate Bill 299, oversight of charitable gaming transferred to KHRG. KHRG now regulates all charitable gaming activity, including bingo, raffles, electronic and paper pull-tabs, and charity fundraising events to ensure compliance with applicable laws and regulations. The Division of Charitable Gaming consists of 19 employees organized among three branches: Licensing, Compliance, and Accounting.

Charitable Gaming Licensing

In 2025, the Division of Charitable Gaming regulated **805 licensees**, monitored **822 exempt organizations**, and oversaw **251 charity fundraising events and special limited charity fundraising events**.

LICENSE TYPES

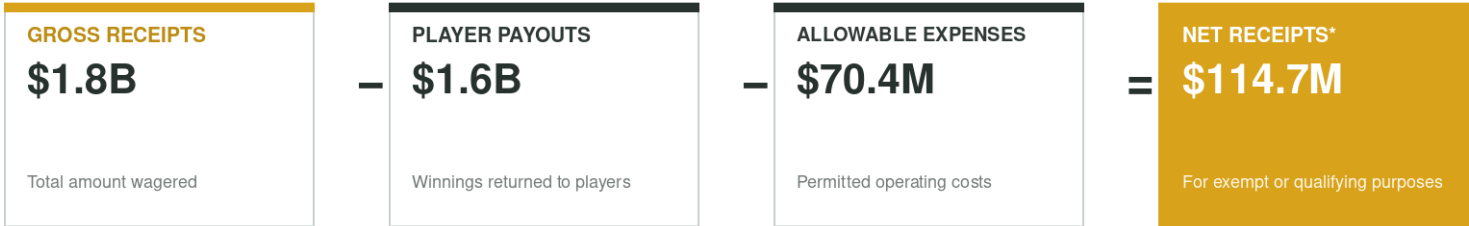
- 622** **Licensed charitable organizations**
Nonprofit entities organized for charitable, religious, educational, literary, civic, fraternal, or patriotic purposes.
KRS 238.505(10)
- 144** **Charitable gaming facilities**
Premises licensed for the conduct of charitable gaming.
KRS 238.505(8), 2025 version
- 22** **Manufacturers**
Businesses that assemble, convert, or modify charitable gaming equipment or supplies.
KRS 238.505(20)
- 17** **Distributors**
Businesses that sell, lease, or otherwise furnish charitable gaming equipment or supplies to charitable organizations. **KRS 238.505(14)**

EVENT LICENSE TYPES

- 196** **Charity fundraising events**
Limited-duration events at which KHRG-approved games of chance are conducted.
KRS 238.505(11)
- 55** **Special limited charity fundraising events**
Casino-night-style events at which the predominant games are special limited charitable games.
KRS 238.505(28)

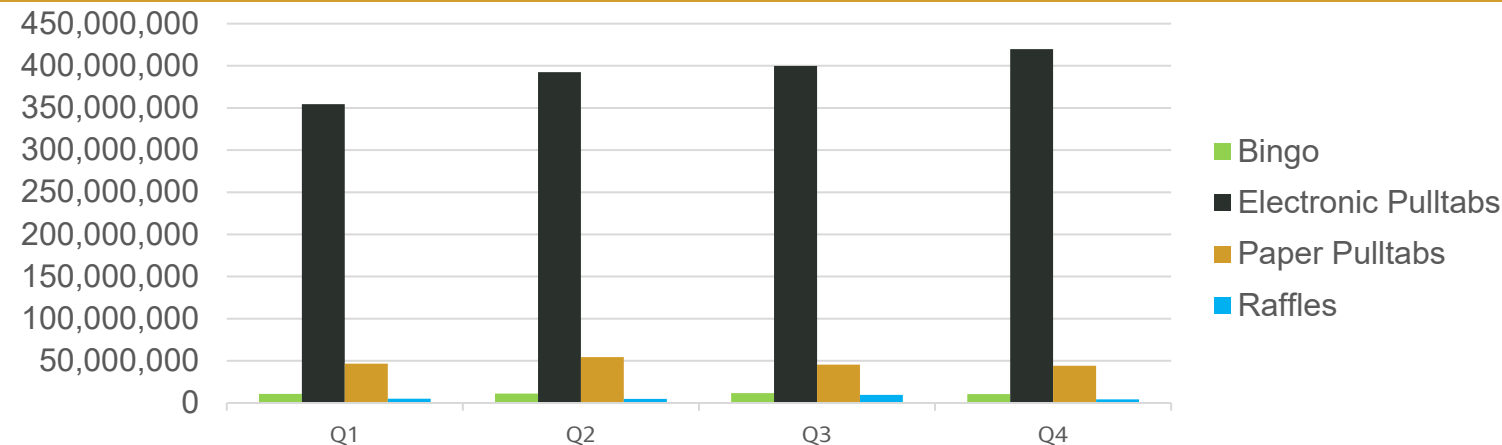
EXEMPT ORGANIZATIONS

Charitable organizations conducting limited charitable gaming within the statutory \$25,000 annual gross-receipts cap. Exempt organizations are not included in the 805-licensee total. **KRS 238.535(1)**



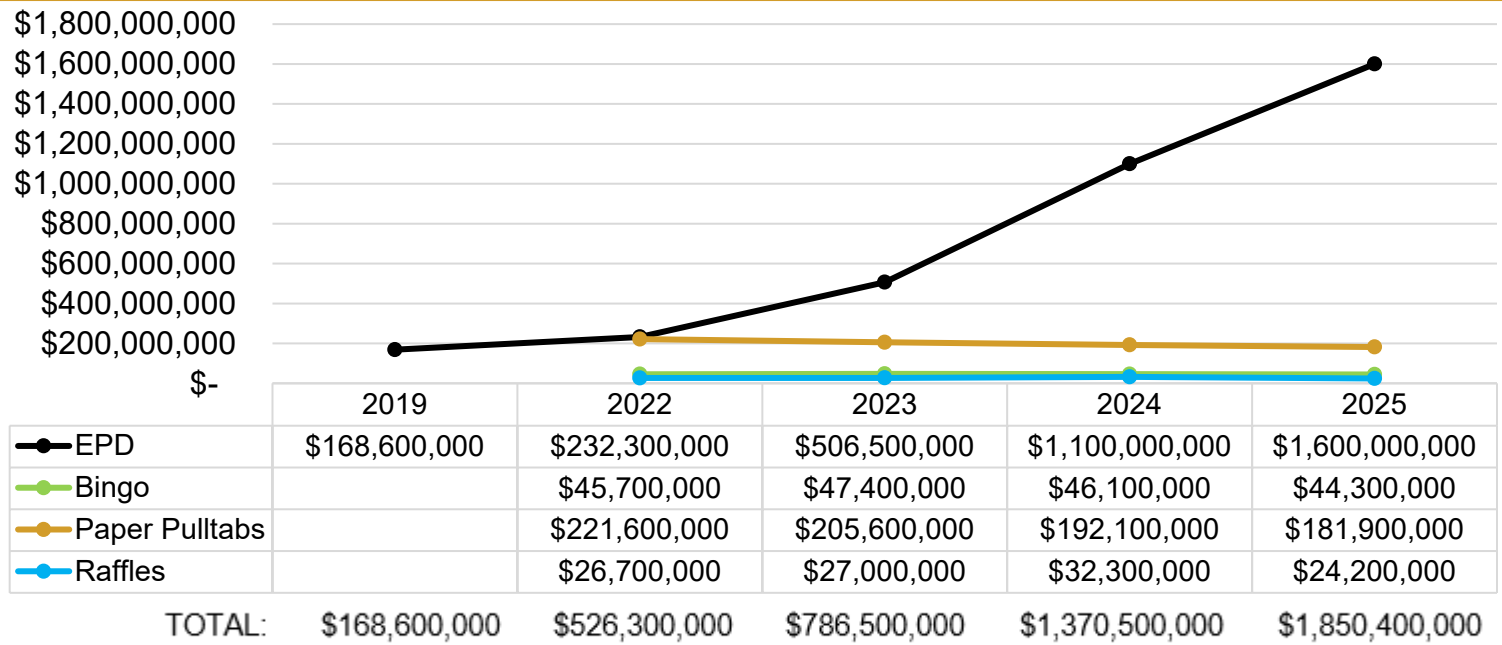
***Net receipts** must be used for the organization’s exempt or qualifying purpose.
 Salaries and wages have been permitted.

Charitable Gaming Gross Receipts by Game Type



	Q1	Q2	Q3	Q4	TOTAL 2025 GROSS RECEIPTS
Bingo	\$10.8 M	\$11.1 M	\$11.8 M	\$10.5 M	\$44.3 M
Electronic Pulltabs	\$354.6 M	\$392.5 M	\$399.9 M	\$419.8 M	\$1.6 B
Paper Pulltabs	\$46.7 M	\$54.5 M	\$45.6 M	\$44.1 M	\$181.9 M
Raffles	\$5.1 M	\$4.9 M	\$9.7 M	\$4.4 M	\$24.2 M

Charitable Gaming Growth





KENTUCKY HORSE RACING & GAMING

Kentucky's Safe Bet

4047 Iron Works Parkway
Lexington, KY 40511

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khrc.ky.gov