Kentucky Horse Racing and Gaming

Meeting Materials

September 29, 2026

KENTUCKY HORSE RACING & GAMING

Kentucky's Safe Bet

KENTUCKY HORSE RACING AND GAMING
MINUTES OF THE MEETING

Date: July 21, 2026, at 1:30 p.m.
Place: KHRG Conference Room and via Video Teleconference

Board Members Present: Chair Jonathan Rabinowitz, Vice Chair Charles O'Connor, Lesley Berglar, Mike Berry, Jason Chinn, Michael F. Dudgeon, Terry Finley, Gregory L. Harbut, Kerry Harvey, Bernie Mason, William H. May, William Redwine, C. Frank Shoop, and James E. Worley

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
I. Call to Order and Roll Call	6 - 7	Chair Rabinowitz called the board meeting of Kentucky Horse Racing and Gaming (KHRG) to order and performed the roll call. A quorum was recognized.	No action taken.
II. New Business **Tab 1: Minutes of the May 12, 2026, Kentucky Horse Racing & Gaming Corporation Meeting**	7 - 8	Chair Rabinowitz requested a motion from the Board to approve the minutes of the May 12, 2026, Kentucky Horse Racing & Gaming Corporation Meeting. Motion by Mr. Berry and second by Mr. O'Connor. Chief Legal Officer, Ashleigh Bailey, was assigned the floor and presented the minutes without any additions or corrections.	Chair Rabinowitz called for a vote to approve the minutes of the May 12, 2026, Kentucky Horse Racing & Gaming Corporation Meeting. Motion carried with no objections or abstentions.
Tab 2: RFP for Managed IT and Proactive Cybersecurity Services Successful Bidder	8 - 12	Chair Rabinowitz requested a motion from the Board to approve the RFP for Managed IT and Proactive	Chair Rabinowitz called for a vote to approve the RFP for Managed IT and Proactive Cybersecurity

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		Cybersecurity Services. Motion by Mr. Dudgeon and second by Mr. Worley. Chief Operating Officer, Susan Speckert, was assigned the floor and explained that all IT services come through the Commonwealth Office of Technology or COT. SB 299 requires KHRG to establish IT services independent of COT. . COT has been very helpful; the first recommended step was to contract with a senior level Project Manager through a state master agreement to analyze all services provided by COT and assist in creating a plan to transition those services to independent platforms. KHRG contracted with a Senior Project Manager, who began work in January. The next recommended step was to issue an RFP for managed IT and proactive cybersecurity services. The successful vendor will serve as KHRG's Chief Information Officer and Chief Information Security Officer as well as manage the transition. The RFP also requested assistance in drafting an RFP to rebuild the KHRG website and custom applications that were built by and are managed and supported by the Kentucky Public Protection Cabinet.	Services. Motion carried with no objections or abstentions.

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		The RFP was sent to all qualified vendors on the state master agreement as well as vendors recommended by other resources like the city of Lexington. It was posted on the Finance Cabinet and KHRG websites. Four proposals were received; the successful proposal was submitted by Dean Dorton. The technical proposal met or exceeded all criteria, and the cost proposal was by far the best value for the Commonwealth. Of note was the scope of relevant experience and service provision, as well as the fact that most of their technology team members are located in Kentucky, within proximity to our main office and field locations. The total annual costs quoted in the proposal are $159,200 plus allowable expenses. Given the scale and scope of this project, we are requesting approval for up to $175,000, plus allowable expenses, through June 30, 2027, to cover any additional necessary time. The Finance Committee unanimously approved this request.	
Tab 3: Request for EDRC Funding for – "From Scratch to Back on Track – A Prospective Cohort Study of Pre-Race Scratches and Advanced Diagnostic Imaging"	12 - 15	Chair Rabinowitz requested a motion from the Board to approve the Request for EDRC Funding for – "From Scratch to Back on Track – A Prospective Cohort Study of Pre-Race Scratches and Advanced Diagnostic Imaging". Motion by Mr. Shoop and second by Mr. Finley.	Chair Rabinowitz called for a vote to approve the Request for EDRC Funding for – "From Scratch to Back on Track – A Prospective Cohort Study of Pre-Race Scratches and Advanced

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		Equine Medical Director, Dr. George Mundy, was assigned the floor and explained that UK's Gluck Equine Research Center requested funding from the Equine Drug Research Counsel for From Scratch Back on Track, a Prospective Cohort Study of Pre-Race Scratches and Advanced Diagnostic Imaging. The purpose and goals of the study are to reduce fatal musculoskeletal injuries, support racing stakeholders, and improve racehorse welfare. This study will analyze data collected by KHRG. The EDRC reviewed and discussed the proposal and voted to recommend funding for the first year of this study in the amount of $93,000. KHRG staff recommended approval of the EDRC recommendation of $93,000 for the first year of this study.	Diagnostic Imaging". Motion carried with no objections or abstentions.
Tab 4: Request for EDRC Funding for Advance Diagnostic Imaging	15 - 16	Chair Rabinowitz requested a motion from the Board to approve the Request for EDRC Funding for Advance Diagnostic Imaging. Motion by Ms. Berglar and second by Mr. Berry. Equine Medical Director, Dr. George Mundy, was assigned the floor and shared that the Kentucky Thoroughbred Association requested funding for advanced imaging expenses for horses participating in	Chair Rabinowitz called for a vote to approve the Request for EDRC Funding for Advance Diagnostic Imaging. Motion carried with no objections or abstentions.

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		UK's Gluck Equine Research Study, a Prospective Cohort Study of Pre-race Scratches and Advanced Diagnostic Imaging. The KTA requested funding in the amount of $500,000 to cover advanced diagnostic image expenses for 150 scratched horses. The KTA will cover additional expenses of up to $100,000 should the cost exceed the initial $500,000. The EDRC voted to recommend funding in the amount of $500,000 and staff recommended approval.	
Tab 5: Approval of DK Horse, LLC d/b/a Draft Kings Racing Advance Deposit Account Wagering Initial License	16 - 18	Chair Rabinowitz requested a motion from the Board to approve the Approval of DK Horse, LLC d/b/a Draft Kings Racing Advance Deposit Account Wagering Initial License. Motion by Mr. Chinn and second by Mr. Finley. Pari-Mutuel Wagering Director, Melissa Combs-Wright, was assigned the floor and shared the request for Initial Advanced Deposit Account Wagering License Application from DK Horse, LLC, doing business as DraftKings Racing. DK Horse was previously affiliated with TwinSpires and has established experience in the ADW industry. DraftKings Racing completed and submitted the required	Chair Rabinowitz called for a vote to approve the Approval of DK Horse, LLC d/b/a Draft Kings Racing Advance Deposit Account Wagering Initial License. Motion carried with no objections or abstentions.

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		ADW application along with all supporting documentation. Staff recommended that the board approve the initial advance deposit account wagering license for DK Horse, LLC.	
Tab 6: Request for Approval of Sports Wagering Catalog Recommendations	18 - 20	Chair Rabinowitz requested a motion from the Board to approve the Request for Approval of Sports Wagering Catalog Recommendations. Motion by Mr. Worley and second by Mr. Berry. Sports Wagering Director, Hannah Simms, was assigned the floor and explained that there are proposed updates to the sports wagering catalog to include new sporting events, governing bodies and clarify existing offerings. Each item was reviewed by staff to ensure compliance with all regulatory standards; staff recommended approval.	Chair Rabinowitz called for a vote to approve the Request for Approval of Sports Wagering Catalog Recommendations. Motion carried with no objections or abstentions.
III. Division Reports **a. Financial Reports**	20 - 24 20	Chief Financial Officer, Katie Smith, provided highlights regarding accounting matters including sharing the April monthly financial statement. The full presentation is incorporated herein and can be found in the meeting transcript.	No action. Informational purposes only.

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
b. Thoroughbred Rulings	20 - 21	Senior Vice President of Racing and Chief State Steward, Barbara Borden, shared thoroughbred rulings issued since the last meeting, followed by HISA rulings in the materials.	
c. Standardbred Rulings	21	Presiding Judge, Casey Larson, shared the Standardbred Rulings for the year so far.	
d. Veterinary Division	21 - 23	KHRG Veterinarian, Dr. Nick Smith, shared the report for Churchill Downs Spring 2026 meet. There were 3,443 starters, 1,095 post-race samples collected. A total of 103 veterinary scratches; 172 horses were put on the vet's list, and there were 51 post- race injuries of which 6 were for bleeding, 12 for heat or physical distress. There were 18 ambulance runs and 3 racing fatalities.	
e. Pari-Mutuel Wagering Division	23 - 24	Parimutuel Wagering Director, Melissa Combs-Wright, presented the reports for May 2026 and fiscal year 2026 July 1 through May 31st. Total on track handle was approximately $36.58 Million with $25.3 Million returned to players. The total HHR handle was approximately $1.12 Billion with over $1 Billion return to players.	
VI. Adjournment	24 - 25	With no other business, Chair Rabinowitz requested a motion from the Board to adjourn the July 21, 2026, Special Meeting. Motion by Mr. Berry and second by Mr. O'Connor.	Vice Chair O'Connor called for a vote to adjourn. Motion carried with no objections or abstentions.

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
		Meeting adjourned.	

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

KENTUCKY HORSE RACING AND GAMING
MINUTES OF THE MEETING

Date: August 11, 2026, at 1:30 p.m.
Place: KHRG Conference Room and via Video Teleconference

Board Members Present: Mike Berry, Jason Chinn, Michael F. Dudgeon, Dr. John Garrity, Gregory L. Harbut, Kerry Harvey, William H. May, William Redwine, C. Frank Shoop, and James E. Worley

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
I. Call to Order and Roll Call	4 - 5	Chief Legal Officer, Ashleigh Bailey, called the board meeting of Kentucky Horse Racing & Gaming Corporation to order and performed the roll call. A quorum was recognized.	No action taken.
II. New Business **Tab 1: Minutes of the June 9, 2026 Kentucky Horse Racing & Gaming Corporation Meeting**	5 - 6	Chief Legal Officer, Ashleigh Bailey, requested a motion from the Board to approve the minutes of the June 9, 2026, Kentucky Horse Racing & Gaming Corporation Meeting. Motion by Mr. Harvey and second by Mr. Redwine. Staff attorney, Joey Went, was assigned the floor and presented the minutes without any additions or corrections.	Chief Legal Officer, Ashleigh Bailey, called for a vote to approve the minutes of the June 9, 2026, Kentucky Horse Racing & Gaming Corporation Meeting. Motion carried with no objections or abstentions.

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
Tab 2: Request for Approval of Sports Wagering Catalog Recommendations	6 - 7	Chief Legal Officer, Ashleigh Bailey, requested a motion from the Board to approve the sports wagering catalog recommendations. Motion by Mr. Worley and second by Mr. Shoop. Director of Sports Wagering, Hannah Simms, was assigned the floor and explained that there are two proposed clarifications to the sports wagering catalog. The first one clarifies the existing approval of the Association of Tennis Professionals, ATP tour events. The second is the inaugural men's basketball Euroleague Super Cup under the existing approval for the Euroleague Basketball governing association.	Chief Legal Officer, Ashleigh Bailey, called for a vote to approve the sports wagering catalog recommendations. Motion carried with no objections or abstentions.
Tab 3: KTDF Allotment Requests Based upon the Submission and Approval of the KTDF advisory Committee on August 4, 2026	7 - 9	Chief Legal Officer, Ashleigh Bailey, requested a motion from the Board to approve the KTDF Allotment Requests Based upon the Submission and Approval of the KTDF advisory Committee on August 4, 2026. Motion by Mr. Berry and second by Mr. Harbut. Director of Incentives and Development, Drew Conners, was assigned the floor and explained that the KTDF Advisory Committee met on August 4, 2026, and approved the following KTDF allotment requests: -Churchill Downs Racetrack, LLC's September 2026 KTDF Allotment Request in the range of $3.5M to $4.0M; -Churchill Downs Racetrack, LLC's Fall/November 2026 KTDF Allotment Request in the range of $6.5M to $7.0M;	Chief Legal Officer, Ashleigh Bailey, called for a vote to approve the KTDF Allotment Requests Based upon the Submission and Approval of the KTDF advisory Committee on August 4, 2026. Motion carried with no objections or abstentions.

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		-Keeneland Association, Inc.'s Fall 2026 KTDF Allotment Request in the range of $6.0M to $6.75M. Additional KTDF requests include 1) $250,000 for advertising during their race meet per KRS.230.400 and 2) a range of $150,000 to $250,000 for Breeders' Cup undercard races on October 30th & 31st. The KTDF Advisory Committee, the Kentucky HBPA and KTA-KTOB, and KHRG staff recommend KHRG Board approval.	
III. Division Reports **a. President's Update** **b. Financial Reports** **c. Thoroughbred Rulings**	9 - 16 9 9 - 11 12	 President and CEO, Jamie Eads, shared that her report is in the meeting materials. Chief Financial Officer, Katie Smith, provided highlights regarding accounting matters, including sharing the May monthly financial statement. The full presentation is incorporated herein and can be found in the meeting transcript. Senior Vice President of Racing and Chief State Steward, Barbara Borden, shared thoroughbred rulings issued since the last meeting, followed by HISA rulings in the materials.	No action. Informational purposes only.

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d. Standardbred Rulings	12 - 13	Presiding Judge, Casey Larson, shared the Standardbred Rulings for the year so far.	
e. Veterinary Division	13 - 15	KHRG Veterinarian, Dr. Nick Smith, shared the report for the Oak Grove 2026 meet. There were 3,901 total starts; 671 post-race samples collected; 7 veterinary scratches; 21 horses placed on the vet's list; 1 ambulance run; and 1 racing fatality. Dr. Smith shared a second report from the Kentucky Proud Series state fair meet. There were 1,331 total starts; 185 post race samples collected; no veterinary scratches; and no ambulance runs or fatalities.	
f. Sports Wagering Division	15 - 16	Director of Sports Wagering, Hannah Simms, presented the revenue report through fiscal year 2026. More than 3.14 Billion was wagered across retail and on-line sports wagering. That is an increase of approximately 12.1% from 2025 to 2026. Kentucky collected $46.8 Million in excise taxes which was an increase of $5.7 Million, more than 13%, from the previous fiscal year.	
g. Litigation Report		Informational purposes only.	
VI. Adjournment	16 - 17	With no other business, Chief Legal Officer, Ashleigh Bailey, requested a motion from the Board to adjourn the August 11, 2026, Special Meeting. Motion by Mr. Worley and second by Mr. Harvey.	Chief Legal Officer, Ashleigh Bailey, called for a vote to adjourn. Motion carried with no objections or abstentions.

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
		Meeting adjourned.	

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KENTUCKY HORSE RACING AND GAMING
MINUTES OF THE MEETING

Date: August 21, 2026, at 1:30 p.m.
Place: KHRG Conference Room and via Video Teleconference

Board Members Present: Chair Jonathan Rabinowitz, Vice Chair Charles O'Connor, Lesley Berglar, Jason Chinn, Michael F. Dudgeon, Terry Finley, Dr. John Garrity, Gregory L. Harbut, Kerry Harvey, Gregory Mason, William H. May, William Redwine, C. Frank Shoop, James E. Worley

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
I. Call to Order and Roll Call	4 - 5	Chair Rabinowitz called the board meeting of Kentucky Horse Racing and Gaming (KHRG) to order and performed the roll call. A quorum was recognized.	No action taken.
II. Executive Session **During the meeting on August 21, 2026, the Board convened under closed session pursuant to KRS 61.810(1)(c) to discuss pending or proposed litigation.** **(CONFIDENTIAL)**	6 - 7	Chair Rabinowitz requested a motion from the Board to convene in closed session to discuss proposed or pending litigation against or on behalf of the Corporation, as permitted by KRS Chapter 61.810(1)(c). Motion by Mr. Shoop and second by Mr. Worley. EXECUTIVE SESSION Chair Rabinowitz requested a motion from the Board to reconvene in open session. Motion by Mr. Shoop and second by Mr. Finley.	Chair Rabinowitz called for a vote of the Board to convene in closed session. Motion carried with no objections or abstentions. Chair Rabinowitz called for a vote of the Board to reconvene in open session. Motion carried with no objections or abstentions.

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
		RECONVENED TO OPEN SESSION	
II. 1. New Business: *Maria Borell v. KHRGC*, ADMINISTRATIVE ACTION NO. KHRGC-25-AR-001	7 - 8	Chair Rabinowitz requested a motion from the Board to address the administrative proceeding Maria Borell vs. KHRGC, KHRGC-25-AR-001, and reject the recommendation of the hearing officer and adopt appellee's proposed recommended order. Motion by Mr. Shoop and second by Ms. Berglar.	Chair Rabinowitz called for a vote to reject the hearing officer's recommended Order and adopt appellee's proposed recommended order in Maria Borell vs. KHRGC, Administrative Action Number KHRGC-25-AR-001. Motion carried with no objections and one abstention by board member Dudgeon.
II. Executive Session **During the meeting on August 21, 2026, the Board convened under closed session pursuant to KRS 61.810(1)(c) to discuss pending or proposed litigation.** **(CONFIDENTIAL)**	8 - 9	Chair Rabinowitz requested a motion from the Board to convene in closed session to discuss proposed or pending litigation against or on behalf of the Corporation, as permitted by KRS Chapter 61.810(1)(c). Motion by Mr. Chinn and second by Mr. Worley. EXECUTIVE SESSION Chair Rabinowitz requested a motion from the Board to reconvene in open session. Motion by Mr. Chinn and second by Mr. O'Connor. RECONVENED TO OPEN SESSION	Chair Rabinowitz called for a vote of the Board to convene in closed session. Motion carried with no objections or abstentions. Chair Rabinowitz called for a vote of the Board to reconvene in open session. Motion carried with no objections or abstentions.

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
II. 2. New Business: ***Tony Alagna v. KHRGC,*** **ADMINISTRATIVE ACTION NO. KHRGC-25-SB-008**	9 - 10	Chair Rabinowitz requested a motion from the Board to address the administrative proceeding Tony Alagna vs. KHRGC, KHRGC-25-SB-008, and adopt the recommendation of the hearing officer to dismiss the action. Motion by Mr. Chinn and second by Mr. Mason.	Chair Rabinowitz called for a vote to adopt the hearing officer's recommended Order of Dismissal in Tony Alagna vs. KHRGC, Administrative Action Number KHRGC-25-SB-008. Motion carried with no objections or abstentions.
II. 3. New Business: ***John F. Hill Jr. v. KHRGC*****, ADMINISTRATIVE ACTION NO. KHRGC-25-TB-001**	10 - 11	Chair Rabinowitz requested a motion from the Board to address the administrative proceeding John F. Hill Jr. vs. KHRGC, KHRGC-25-TB-001, and adopt the recommendation of the hearing officer to dismiss the action. Motion by Mr. Worley and second by Mr. Redwine.	Chair Rabinowitz called for a vote to adopt the hearing officer's recommended Order of Dismissal in John F. Hill, Jr. vs. KHRGC, Administrative Action Number KHRGC-25-TB-001. Motion carried with no objections or abstentions.
VI. Adjournment	11	With no other business, Chair Rabinowitz requested a motion from the Board to adjourn the August 21, 2026, Meeting. Motion by Mr. O'Connor and second by Mr. Chinn. Meeting adjourned.	Chair Rabinowitz called for a vote to adjourn. Motion carried with no objections or abstentions.

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

Andy Beshear
GOVERNOR

Jacqueline Coleman
LIEUTENANT GOVERNOR

KENTUCKY HORSE RACING & GAMING
Kentucky's Safe Bet

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Lexington, KY 40511
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Jamie Eads
PRESIDENT & CEO

Jonathan Rabinowitz
CHAIRMAN

TO: Kentucky Horse Racing & Gaming

FROM: Katie Smith, Chief Financial Officer

DATE September 25, 2026

RE: **AUDITED FINANCIAL STATEMENTS AND AUDITOR COMMUNICATION**

Cherry Bekaert LLP was engaged to complete KHRG's independent financial audit for the fiscal year ending June 30, 2026. Please find attached the audited financial statements and their communication to those charged with governance. Debbie Smith, Engagement Director, will be presenting both documents.

KHRG staff recommends approval pending approval by the Finance Committee at its meeting on September 29th.

BOARD ACTION

_____ Approve

_____ Defer

_____ Deny

KENTUCKY HORSE RACING AND GAMING CORPORATION

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

***As of and for the Years Ended June 30, 2026* and 2025**

And Reports of Independent Auditor

Cherry Bekaert LLP
Your Guide Forward

KENTUCKY HORSE RACING AND GAMING CORPORATION
TABLE OF CONTENTS

REPORT OF INDEPENDENT AUDITOR 1-2

MANAGEMENT'S DISCUSSION AND ANALYSIS 3-8

FINANCIAL STATEMENTS
Statements of Net Position 9
Statements of Revenues, Expenses, and Changes in Net Position 10
Statements of Cash Flows 11-12
Notes to the Financial Statements 13-32

SUPPLEMENTARY INFORMATION
Schedules of the Corporation's Estimated Proportionate Share of the Collective Net Pension Liability and Related Ratios Based on the Corporation's Participation in the KERS 33
Schedules of the Corporation's Pension Contributions Based on the Corporation's Participation in the KERS 34
Note to the Required Supplementary Information 35
Schedules of the Corporation's Estimated Proportionate Share of the Collective Net Other Postemployment Benefits Liability and Related Ratios Based on the Corporation's Participation in the KERS 36
Schedules of the Corporation's Other Postemployment Benefits Contributions Based on the Corporation's Participation in the KERS 37
Note to the Required Supplementary Information 38

REPORT OF INDEPENDENT AUDITOR ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* 39-40

Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor

To the Board of Directors
Kentucky Horse Racing and Gaming Corporation
Lexington, Kentucky

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Kentucky Horse Racing and Gaming Corporation (the "Corporation"), a component unit of the Commonwealth of Kentucky, as of and for the years ended June 30, 2026 and 2025, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of June 30, 2026 and 2025, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the pension and other postemployment benefit schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2026, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Lexington, Kentucky
September 22, 2026

As management of the Kentucky Horse Racing and Gaming Corporation (Corporation), a discretely presented component unit of the Commonwealth of Kentucky (Commonwealth), we offer the readers of the Corporation's financial statements this narrative overview and analysis of the financial performance of the Corporation for the fiscal years ended June 30, 2026 and 2025. We encourage readers to read it in conjunction with the Corporation's financial statements and the accompanying notes thereto.

Effective July 1, 2024, the Corporation assumed all responsibilities of the Kentucky Horse Racing Commission, which was abolished, and all personnel, equipment, and funding was transferred to the Corporation. As the transfer of operations resulted in the formation of a new government entity, the Corporation 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, maintained the operations on a cash basis while the Corporation follows the accrual basis of accounting.

Effective July 1, 2025, the Corporation assumed all responsibilities of the Commonwealth's Department of Charitable Gaming, which was abolished, and all personnel, equipment, and funding was transferred to the Corporation. The transfer of operations resulted in the formation of a new Office of Charitable Gaming within the Corporation, and the Corporation 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, maintained the operations on a cash basis while the Corporation follows accrual basis of accounting.

1. Overview of the Financial Statements

This financial report consists of three parts: Management's Discussion and Analysis (this section), the financial statements, and the accompanying notes to the financial statements. The Kentucky Horse Racing and Gaming Corporation is a self-supporting entity and follows enterprise fund reporting. Accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The enterprise fund statements offer short and long-term financial information about the activities and operations of the Corporation. Such statements are presented in a manner similar to those of a private business.

The statement of net position presents information on all of the Corporation's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Corporation is improving or deteriorating.

The statement of revenues, expenses, and changes in net position presents information showing how the Corporation's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The statements of cash flows provides relevant information about the cash receipts and cash payments of the Corporation during the fiscal year. The statements of cash flows should help users assess the Corporation's ability to generate future net cash flows, meet future obligations/commitments as they become due, the Corporation's need for future external financing, the reasons for differences in operating and related cash receipts and cash payments, and the effects on financial position of cash and noncash investing, capital, non-capital, and financing activities.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 13-32.

2. Financial Summary

Condensed Financial Information
Statements of Net Position
Years Ended June 30:

	2026	2025
Current assets	$ 167,683,938	$ 147,284,681
Capital assets	761,921	353,546
Total Assets	168,445,859	147,638,227
Deferred outflows of resources	5,884,906	4,853,565
Current liabilities	24,819,188	34,050,911
Noncurrent liabilities	35,200,796	25,712,848
Total Liabilities	60,019,984	59,763,759
Deferred inflows of resources	2,699,353	2,055,294
Net investment in capital assets	761,921	353,546
Restricted	103,479,432	104,147,754
Unrestricted	7,370,075	(13,828,561)
Total Net Position	$ 111,611,428	$ 90,672,739

2. Financial Summary (continued)

Condensed Financial Information
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30:

	2026	2025
Operating Revenues:		
License, assessments, registration fees, financial reporting fees and unclaimed tickets	$ 21,947,270	$ 16,392,904
Sports and gaming revenue	429,012	40,755,408
Pari-mutuel revenue	112,139,913	98,952,544
Total Operating Revenues	134,516,195	156,100,856
Operating Expenses:		
Personnel costs	10,346,569	7,536,430
Operating expenses	3,379,202	2,987,307
Development and incentive funds	114,403,805	103,579,767
Capital outlay	45	920
Total Operating Expenses	128,129,621	114,104,424
Income from Operations	6,386,574	41,996,432
Noncapital subsidies, net	9,899,636	(36,676,766)
Nonoperating revenues, net	2,893,240	2,808,624
Unusual and Infrequent Items	1,759,239	82,544,449
Change in net position	20,938,689	90,672,739
Net position, beginning of year	90,672,739	-
Net position, end of year	$ 111,611,428	$ 90,672,739

3. *Detailed Analysis*:

The Corporation regulates the conduct of live horse racing, pari-mutuel wagering, sports wagering, breed integrity and development, and on and after July 1, 2025, charitable gaming and related activities within the Commonwealth. The Corporation 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.

The following cash incentive programs are administered by the Corporation to promote Kentucky racing and breeding by providing or supplementing purses for eligible horses that were bred in Kentucky. These programs are funded through an excise tax imposed on all tracks conducting pari-mutuel wagering under the jurisdiction of the Corporation:

- Kentucky Thoroughbred Development Fund (KTDF)
- Kentucky Standardbred Development Fund (KSDF)
- Kentucky Quarter Horse, Paint, Appaloosa and Arabian Development Fund through March 27, 2025
- Kentucky Quarter Horse Development Fund beginning March 28, 2025
- Kentucky Paint, Appaloosa and Arabian Development Fund beginning March 28, 2025

3. *Detailed Analysis (continued)*:

The following cash incentive programs are administered by the Corporation to provide awards for breeders of horses bred and foaled in Kentucky. These programs are funded by the sales and use tax on the fees paid for breeding a mare to a stallion in Kentucky:

- Kentucky Thoroughbred Breeders' Incentive Fund (KTBIF or KBIF)
- Kentucky Standardbred Breeders' Incentive Fund (KSBIF)
- Kentucky Horse Breeders' Incentive Fund (KHBIF or Non-Race)

Additional cash programs are administered by the Corporation involving the equine industry and horse racing in the Commonwealth.

As of July 1, 2025, the Kentucky Revised Statutes created the Office of Charitable Gaming within the Corporation. The Office of Charitable Gaming licenses and regulates the conduct of charitable gaming and licenses and regulates charitable organizations that desire to engage in charitable gaming, charitable gaming facilities, manufacturers, and distributors in Kentucky. The Corporation charges fees for licenses, financial reporting fees, administrative fines, revisions and renewals in accordance with the statute and regulations.

Additional information on the programs administered by the Corporation may be found in Note 1 to the financial statements.

Total assets of the Corporation consist primarily of cash and cash equivalents, restricted cash and cash equivalents, unrestricted investments, restricted investments, accounts receivable, prepaid expenses and capital assets and increased $20,807,632 from June 30, 2025, to June 30, 2026. Approximately $8 million of cash was transferred to the Corporation at the beginning of fiscal 2026 due to the abolishment of the Department of Charitable Gaming and the creation of the Corporation's Office of Charitable Gaming. During 2025 and 2026, the Corporation 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, the Corporation maintained funds in checking accounts with financial institutions. The funds held by the Commonwealth decreased approximately $31.8 million during fiscal 2026 while the funds held in a newly established savings account during fiscal 2026 increased approximately $50.9 million. The investment in capital assets includes vehicles and equipment net of accumulated depreciation and additional information on capital assets is included in Section 4 Significant Capital Asset Activity.

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) and increased $256,225 from June 30, 2025, to June 30, 2026. The incentives accrual includes earned, but unpaid, awards in the purse supplement, breeders' incentive and other programs administered by the Corporation, as well as funds due to the Commonwealth for an overpayment of pari-mutuel tax assessments. Information on compensated absences, the pension liability and the other postemployment benefits liability can be found in Notes 6, 7, and 8 to the financial statements. Deferred outflows and/or inflows of resources relate entirely to the pension and other postemployment benefits liabilities.

Total net position of $111,611,428 as of June 30, 2026, included the Corporation's net investment in capital assets of $761,921, $103,479,432 in restricted net position and $7,370,075 in unrestricted net position. Total net position of $90,672,739 as of June 30, 2025, included the Corporation's net investment in capital assets of $353,546, $104,147,754 in restricted net position and $(13,828,561) in unrestricted net position. The negative unrestricted net position balance during fiscal 2025 resulted from the net pension and other postemployment benefits liabilities that are expected to decrease over future years and are unlikely to be realized. Information on the restricted net position can be found in Note 9 to the financial statements.

3. *Detailed Analysis (continued)*:

Operating revenues generated during fiscal years ending June 30, 2026 and 2025 consisted of the following: a) licensing, assessments, registration fees, financial reporting fees, and unclaimed tickets; b) excise taxes and licensing fees associated with sports wagering and gaming; and c) pari-mutuel taxes on horse racing. Licensing, assessments, registration fees and financial reporting fees are charged by the Corporation as authorized in the Kentucky Revised Statutes and Kentucky Administrative Regulations for horse racing, sports wagering and charitable gaming in Kentucky and available to fund operations at the Corporation. Approximately $11.1 million of charitable gaming revenues were generated during 2026 with the creation of the new Office of Charitable Gaming. The excise taxes associated with sports wagering and gaming were previously received by the Corporation from the Kentucky Department of Revenue, and a large portion were transferred to the Kentucky problem gambling assistance fund and Kentucky permanent pension fund as required by the Kentucky Revised Statutes. During July 2025, the Kentucky Finance and Administration Cabinet began overseeing the revenue receipts from the sports wagering excise taxes and distribution of the funds to the Corporation, Kentucky problem gambling assistance fund and Kentucky permanent pension fund resulting in approximately $40.3 million decrease in revenue during fiscal 2026. The pari-mutuel taxes for horse racing are received from the Kentucky Department of Revenue and used to fund the various cash programs outlined in Note 1 to the financial statements. Pari-mutuel revenue increased during fiscal 2026 approximately $5.1 million for the Kentucky Thoroughbred Development Fund, approximately $1.4 million for the Kentucky Standardbred Development Fund and approximately $5.0 million for the Kentucky Thoroughbred Breeders Incentive Fund.

Operating expenses incurred during fiscal years ending June 30, 2026 and 2025 consist of personnel costs, operating costs and development and incentive fund awards. Personnel and operating costs are incurred by the Corporation to fulfill its responsibilities of regulating the conduct of live horse racing, pari-mutuel wagering, sports wagering, breed integrity and development and charitable gaming. Excluding adjustments for pension and other post-employment benefits, personnel costs increased approximately $3.1 million during fiscal 2026 with the new Office of Charitable Gaming. The development and incentive fund awards are the result of the Corporation's responsibility for administering various cash incentive programs to promote Kentucky racing and breeding. Comparing fiscal 2026 to fiscal 2025, Kentucky Thoroughbred Development Fund awards increased approximately $7.1 million and incentives and awards for standardbreds increased approximately $3.3 million.

Noncapital subsidies during fiscal years ending June 30, 2026 and 2025 are comprised of payments to/from the Commonwealth and donations. The Corporation received funding throughout both fiscal years from the Commonwealth related to a general fund appropriation and transfers from the sports wagering administration fund as required by the Kentucky Revised Statutes. The change in the administration and oversight of the revenue receipts from the sports wagering excise taxes and distribution of funds to the Kentucky Finance and Administration Cabinet explained in the operating revenues contributed to most of the $40,326,766 decrease in payments to the Commonwealth and $4,174,457 increase in payments from the Commonwealth during fiscal 2026.

Nonoperating revenues generated during fiscal years ended June 30, 2026 and 2025 include interest income and other income (expenses). Other expenses incurred during fiscal 2026 include $168,155 of proceeds from asset disposition while fiscal 2025 included income from asset dispositions of $3,507.

The Corporation assumed the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the Kentucky Department of Charitable Gaming effective July 1, 2025, and 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 the Unusual and Infrequent Item on the Statements of Revenues, Expenses, and Changes in Net Position for the fiscal years ending June 30, 2026 and 2025, respectively, and further explained in Note 1 to the financial statements.

4. Significant Capital Asset Activity

Capital Assets

Capital assets at cost for the years ended June 30, 2026 and 2025 were $1,181,388 and 739,853, respectively. Capital assets at cost as of June 30, 2026 includes $378,423 of assets associated with the new Office of Charitable Gaming. Approximately $513,000 of the capital assets at cost as of June 30, 2026 include 20 vehicles, while approximately $493,000 of the capital assets at cost as of June 30, 2025 include 19 vehicles.

Major capital asset activity during the year ended June 30, 2026 includes purchases totaling $349,529 for nine vehicles while eight vehicles were disposed of as trade-ins on the new vehicle purchases.

Major capital asset activity during the year ended June 30, 2025 includes a $33,429 purchase for one vehicle.

5. Currently Known Facts, Decisions, or Conditions

House Bill 904 of the 2026 Regular Session of the General Assembly added the regulation of fantasy contest and fixed-odds wagering as responsibility of the Corporation beginning during fiscal year 2027. House Bill 500 of the 2026 Regular Session of the General Assembly permits the Corporation, with approval of the Kentucky Quarter Horse Racing Association, to utilize up to 20% of the total current receipts of the Kentucky Quarter Horse Development Fund to purchase the rights to a Grade 1 Quarter Horse race by March 1, 2027. Additionally, licensing fees for quarter horse racing will increase during fiscal year 2027.

Contacting the Corporation's Financial Management

This financial report is designed to provide the public and other interested parties with an overview of the financial results of the Corporation's activities, and to show the Corporation's accountability for the revenue that it generates. If you have any questions about this report or need additional financial information, contact the Kentucky Horse Racing and Gaming Corporation, 4047 Iron Works Parkway, Lexington, KY 40511 or by telephone at (859) 246-2040.

KENTUCKY HORSE RACING AND GAMING CORPORATION
STATEMENTS OF NET POSITION

JUNE 30, 2026 AND 2025

	2026	2025
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 36,224,418	$ 4,272,806
Restricted cash and equivalents	120,474,091	113,814,088
Unrestricted investments	358,012	2,113,373
Restricted investments	7,470,095	24,760,113
Accounts receivable	1,468,596	1,431,424
Prepaid expenses	67,129	-
Other receivables	1,621,597	892,877
Total Current Assets	167,683,938	147,284,681
Noncurrent Assets:		
Capital assets	761,921	353,546
Total Noncurrent Assets	761,921	353,546
Total Assets	168,445,859	147,638,227
Deferred Outflows of Resources	5,884,906	4,853,565
LIABILITIES		
Current Liabilities:		
Accounts payable	782,040	565
Other liabilities	6,059,851	12,087,971
Accrued payroll and related taxes	97,023	386,680
Incentives accrual	17,386,667	20,913,506
Compensated absences	493,607	662,189
Total Current Liabilities	24,819,188	34,050,911
Noncurrent Liabilities:		
Compensated absences	1,016,284	620,129
Net pension liability	31,846,641	23,695,549
Net other postemployment benefit liability	2,337,871	1,397,170
Total Noncurrent Liabilities	35,200,796	25,712,848
Total Liabilities	60,019,984	59,763,759
Deferred Inflows of Resources	2,699,353	2,055,294
NET POSITION		
Net investment in capital assets	761,921	353,546
Restricted	103,479,432	104,147,754
Unrestricted	7,370,075	(13,828,561)
Total Net Position	$ 111,611,428	$ 90,672,739

The accompanying notes to the financial statements are an integral part of these financial statements.

KENTUCKY HORSE RACING AND GAMING CORPORATION
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
Operating Revenues:		
License, assessments, registration fees, financial reporting fees and unclaimed tickets	$ 21,947,270	$ 16,392,904
Sports and gaming revenue	429,012	40,755,408
Pari-mutuel revenue	112,139,913	98,952,544
Total Operating Revenues	134,516,195	156,100,856
Operating Expenses:		
Personnel costs	10,346,569	7,536,430
Operating expenses	3,379,202	2,987,307
Development and incentive funds	114,403,805	103,579,767
Capital outlay	45	920
Total Operating Expenses	128,129,621	114,104,424
Income from Operations	6,386,574	41,996,432
Noncapital Subsidies:		
Payments from the Commonwealth	8,407,697	4,233,240
Payments to the Commonwealth	(583,240)	(40,910,006)
Donations	2,075,179	-
Income from Operations and Noncapital Subsidies	16,286,210	5,319,666
Other Nonoperating Revenues and Expenses:		
Interest income	3,061,395	2,798,342
Other (expense) income	(168,155)	10,282
Total Other Nonoperating Revenues	2,893,240	2,808,624
Unusual and Infrequent Item:		
Transfer of net assets from the Commonwealth (see Note 12)	1,759,239	82,544,449
Change in net position	20,938,689	90,672,739
Net position, beginning of year	90,672,739	-
Net position, end of year	$ 111,611,428	$ 90,672,739

The accompanying notes to the financial statements are an integral part of these financial statements.

KENTUCKY HORSE RACING AND GAMING CORPORATION
STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
Cash flows from operating activities:		
Cash receipts for license, assessments, registration fees, financial reporting fees and unclaimed tickets	$ 22,442,455	$ 15,704,459
Cash receipts (payments) for sports and gaming revenue	(3,699,156)	44,516,271
Cash receipts for pari-mutuel revenue	117,283,102	98,062,365
Cash payments for personnel expenses	(12,194,051)	(8,465,808)
Cash payments for goods and services	(2,716,578)	(5,173,238)
Cash payments for development and incentive awards	(117,930,644)	(97,444,338)
Net cash flows from operating activities	3,185,128	47,199,711
Cash flows from noncapital financing activities:		
Cash receipts from other revenues	(168,155)	10,282
Donations	2,075,179	-
Payments to the Commonwealth	(583,240)	(40,910,006)
Payments from the Commonwealth	8,407,697	12,327,240
Cash transferred from Charitable Gaming	3,756,347	-
Net cash flows from noncapital financing activities	13,487,828	(28,572,484)
Cash flows from capital and financing activities:		
Purchase of capital assets	(349,529)	(33,429)
Net cash flows from capital and financing activities	(349,529)	(33,429)
Cash flows from investing activities:		
Proceeds from sales of investments	19,226,793	60,322,200
Income from investments	3,061,395	2,798,342
Net cash flows from investing activities	22,288,188	63,120,542
Net change in cash and cash equivalents and restricted cash	38,611,615	81,714,340
Cash and cash equivalents and restricted cash, beginning of year	118,086,894	36,372,554
Cash and cash equivalents and restricted cash, end of year	$ 156,698,509	$ 118,086,894
Cash and cash equivalents, unrestricted	$ 36,224,418	$ 4,272,806
Cash and cash equivalents, restricted	120,474,091	113,814,088
	$ 156,698,509	$ 118,086,894
Noncash investing, capital and financing activities		
Transfer of assets and liabilities from the Commonwealth	$ 2,749,314	$ -

The accompanying notes to the financial statements are an integral part of these financial statements.

KENTUCKY HORSE RACING AND GAMING CORPORATION
STATEMENTS OF CASH FLOWS (CONTINUED)

YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
Reconciliation of income from operations to net cash flows from operating activities:		
Income from operations	$ 6,386,574	$ 41,996,432
Depreciation	135,844	179,713
Transfer of net assets from the Commonwealth	(2,373,211)	-
Increase (decrease) due to changes in:		
Accounts receivable	(37,172)	(688,445)
Prepaid expenses	(67,129)	-
Other receivables	(728,721)	(892,878)
Deferred outflows	(1,031,341)	(1,424,048)
Accounts payable	781,475	565
Other liabilities	(6,028,120)	3,993,971
Accrued payroll	(289,657)	57,253
Incentives accrual	(3,526,839)	3,562,428
Compensated absences	227,573	169,098
Net pension liability	8,151,092	2,344,485
Net other postemployment benefit liability	940,701	95,125
Deferred inflows of resources	644,059	(2,193,988)
Net cash flows from operating activities	$ 3,185,128	$ 47,199,711

The accompanying notes to the financial statements are an integral part of these financial statements.

Note 1—Nature of operations

The Kentucky Horse Racing and Gaming Corporation ("Corporation") was established in 2024 by the General Assembly of the Commonwealth of Kentucky ("Commonwealth") as an independent, de jure municipal corporation and political subdivision of the Commonwealth charged with regulating horse racing, pari-mutuel wagering, sports wagering, breed integrity and development, and on and after July 1, 2025, charitable gaming. The Corporation is committed to protecting the health, safety, and welfare of the wagering public and all participants in activities under its jurisdiction. Effective July 1, 2024, the Corporation assumed all responsibilities of the Kentucky Horse Racing Commission, which was abolished, and all personnel, equipment, and funding was transferred to the Corporation. Effective July 1, 2025, the Corporation assumed all responsibilities of the Kentucky Department of Charitable Gaming which was abolished, and all personnel, equipment, and funding was transferred to the Corporation's newly created Office of Charitable Gaming. The Corporation is administered by a Governor appointed board of directors.

The Corporation is responsible for administering the following cash incentive programs to promote Kentucky racing and breeding by providing or supplementing purses for eligible horses that were bred in Kentucky. These programs are funded through an excise tax imposed on all tracks conducting pari-mutuel wagering under the jurisdiction of the Corporation:

- Kentucky Thoroughbred Development Fund (KTDF)
- Kentucky Standardbred Development Fund (KSDF)
- Kentucky Quarter Horse, Paint, Appaloosa and Arabian Development Fund through March 27, 2025
- Kentucky Quarter Horse Development Fund beginning March 28, 2025
- Kentucky Paint, Appaloosa and Arabian Development Fund beginning March 28, 2025

The Corporation is responsible for administering the following cash incentive programs to provide awards for breeders of horses bred and foaled in Kentucky. These programs are funded by the sales and use tax on the fees paid for breeding a mare to a stallion in Kentucky:

- Kentucky Thoroughbred Breeders' Incentive Fund (KTBIF or KBIF)
- Kentucky Standardbred Breeders' Incentive Fund (KSBIF)
- Kentucky Horse Breeders' Incentive Fund (KHBIF or Non-Race)

The following additional cash programs are administered by the Corporation:

Program	Purpose	Funding Source
Kentucky Racing Health and Welfare Fund	Provides benefits to backstretch workers for off-the-job injuries and illnesses that are not covered by union health and welfare plans, workers' compensation, social security, public welfare, military benefits, veterans' benefits or any other type of health, medical, dental or accident insurance	Un-cashed pari-mutuel tickets from thoroughbred races at Kentucky racetracks that are over one year old
Kentucky County Fair Purse Fund	Provides purses for the Kentucky County Fair races	Combination of un-cashed pari-mutuel tickets from standardbred races at Kentucky racetracks that are over one year old and an allocation from KSDF

Note 1—Nature of operations (continued)

Kentucky Equine Drug Research Fund	Provides financing for drug research, testing research, equine medical research, equine health research issues, and any regulatory or administrative activity of the Corporation that is related to the research and issues described above	Excise tax imposed on all Kentucky racetracks conducting pari-mutuel wagering under the jurisdiction of the Corporation
Kentucky Backside Improvement Fund	Provides funding for the improvement of backsides of thoroughbred racing associations averaging $1,200,000 or less pari-mutuel handle per racing day on live racing	Each thoroughbred racing association pays a percentage of its on-track pari-mutuel wagers
Kentucky Equine Aftercare Program	Funds awarded to aftercare facilities based in Kentucky only after the facilities have achieved and maintained levels of service and operation that resulted in national accreditation	Excise tax imposed on all Kentucky racetracks conducting pari-mutuel wagering on historical horse racing under the jurisdiction of the Corporation
Kentucky Equine Management Internship Program	Funding provided for equine management training	Excise tax imposed on all Kentucky racetracks conducting pari-mutuel wagering on historical horse racing under the jurisdiction of the Corporation

The Corporation's Office of Charitable Gaming is responsible for licensing and regulating the conduct of charitable gaming and licenses and regulating charitable organizations that desire to engage in charitable gaming, charitable gaming facilities, manufacturers, and distributors in Kentucky. The Corporation charges fees for licenses, financial reporting fees, administrative fines, revisions and renewals in accordance with Kentucky statute and regulations.

Note 2—Summary of significant accounting policies

Basis of Presentation and Accounting – The Corporation is a discretely presented component unit of the Commonwealth of Kentucky. The Corporation's financial statements are included in the Commonwealth's Annual Comprehensive Financial Report ("ACFR") as a discretely presented component unit.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Corporation is a special purpose government engaged only in business-type activities and, therefore presents only the financial statements required for the enterprise fund. In accordance with GASB Statement 34 requirements for enterprise fund, activity is recorded using the accrual basis of accounting and the measurement focus is on the flow of economic resources. Accordingly, revenues are recognized when they are earned and expenses are recognized when the liability is incurred, regardless of the timing of related cash flows.

Cash and Cash Equivalents – For financial statement purposes, the Corporation considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash and equivalents are reported at cost.

Investments – Investments are reported at fair value. The equity position of the Corporation in the Commonwealth's cash and investment pool is reported as assets of the Corporation. Unrealized gains and losses are included in the statements of revenues, expenses, and changes in net position.

Note 2—Summary of significant accounting policies (continued)

Accounts Receivable and Allowance for Doubtful Accounts – Accounts receivable consists of outstanding invoices for licensing, historical horse racing assessments, backside improvement assessments, charitable gaming financial reporting fees and fines. The Corporation uses the allowance for bad debts method of valuing doubtful accounts receivable, which is based on historical experience, coupled with a review of the current status of existing receivables. Management believes all accounts receivable as of June 30, 2026 and 2025, were collectible and no allowance was considered necessary.

Capital Assets – All capital assets are recorded at cost less accumulated depreciation. All normal expenditures of preparing an asset for use are capitalized when they meet or exceed the capitalization threshold of $5,000. The cost of vehicles and equipment is depreciated over the estimated useful lives of the related assets on a basis using the straight-line method. Depreciation on assets has been expensed in the statements of revenues, expenses, and changes in net position. The useful life for purposes of computing depreciation are as follows:

Vehicles and equipment	5-10 years

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net assets by the Corporation that is applicable to a future reporting period. At June 30, 2026 and 2025, deferred outflows of resources related to the following:

	2026	2025
Pension liability (see Note 7)	$ 4,700,195	$ 4,053,045
Other postemployment benefits liability (see Note 8)	1,184,711	800,520
Total deferred outflows of resources	$ 5,884,906	$ 4,853,565

Compensated Absences – In June 2022, GASB issued Statement 101. *Compensated Absences*. The provisions of the statement are effective for fiscal years beginning after December 15, 2023. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. The Corporation adopted this statement effective July 1, 2024 with no impact on net position.

A compensated absence liability is recognized in accordance with GASB 101, *Compensated Absences*, and includes: 1) leave that is attributable to services already rendered, 2) leave that accumulates, and 3) leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Incentives Accrual – Incentive accrual consists of earned, but unpaid awards in the purse supplement, breeders' incentive and other programs administered by the Corporation.

Pension Liability – For purposes of measuring the Corporation's estimated proportionate share of the collective net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense information regarding the Corporation's participation in the Kentucky Employees Retirement System has been determined on the same basis as reported by the Kentucky Public Pensions Authority. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Other Postemployment Benefits ("OPEB") Liability – For purposes of measuring the Corporation's estimated proportionate share of the collective net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense information regarding the Corporation's participation in the Kentucky Employees Retirement System (the Insurance Fund) has been determined on the same basis as reported by the Kentucky Public Pensions Authority. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Note 2—Summary of significant accounting policies (continued)

Deferred Inflows of Resources – Deferred inflows of resources represent an acquisition of net assets by the Corporation that is applicable to a future reporting period. At June 30, 2026 and 2025, deferred inflows of resources relate to the following:

	2026	2025
Pension liability (see Note 7)	$ 1,681,520	$ 455,633
Other postemployment benefits liability (see Note 8)	1,017,833	1,599,661
Total deferred inflows of resources	$ 2,699,353	$ 2,055,294

Net Position – Net position is displayed in three components:

- *Net Investment in Capital Assets* – Consists of capital assets including restricted capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted Net Position* – Consists of net position with constraints placed on the use thereof either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – All other net position that does not meet the definition of net investment in capital assets or restricted.

The Corporation has not otherwise adopted a formal policy which would govern (if and when applicable) the order of priority relative to the use of net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Operating Revenues and Expenses – Operating revenues and expenses consist of revenues earned and expenses incurred as a result of the principal operations of the Corporation. Operating revenue results from exchange transactions associated with license, assessments, registration fees, financial reporting fees, unclaimed tickets, sports and gaming revenue, and pari-mutuel revenue that are directly related to the Corporation's mission. Operating expenses consist of all expenses incurred to provide the operating services listed above.

Nonoperating Revenues and Expenses – Nonoperating revenue includes interest and other revenues not meeting the definition of operating.

Noncapital Subsidies – Noncapital subsidies include nonexchange transactions provided or received without a direct equivalent return of goods or services. Payments from the Commonwealth include the General Fund appropriation made to the Corporation and the transfers from the sports wagering administration fund as required by the Kentucky Revised Statutes. Payments to the Commonwealth are for distribution of funds to accounts and other agencies of the Commonwealth as required by the Kentucky Revised Statutes, the majority of 2025 payments pertain to the required transfers for the sports wagering and gaming revenue to the Kentucky problem gambling assistance fund and the Kentucky permanent pension fund. Additionally, the Corporation receives donations to fund its incentive programs as outlined in Note 1.

Implementation of Accounting Pronouncement – In April 2024, GASB issued Statement 103, *Financial Reporting Model Improvements*. The requirements of this statement were effective for fiscal years beginning after June 15, 2025. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Corporation adopted this statement effective July 1, 2025 with no impact to net position.

Note 2—Summary of significant accounting policies (continued)

Reclassifications – Certain reclassifications have been made to the 2025 financial statements to conform to the 2026 presentation. These reclassifications had no impact on net position.

Note 3—Cash and cash equivalents

The Corporation maintains checking accounts in financial institutions which are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 per bank. The Corporation maintains cash balances in excess of FDIC limits with the excess funds covered by collateral of the pledging institution's trust department in the Corporation's name for the main operating account. In addition, the Corporation is allowed to participate in a cash and investment pool maintained by the Commonwealth of Kentucky.

As of June 30, 2026 and 2025, cash and cash equivalents consist of the following:

	2026	2025
Checking accounts	$ 153,812,759	$ 102,449,621
Commonwealth pooled cash	2,885,750	15,637,273
Total cash and cash equivalents	$ 156,698,509	$ 118,086,894

Note 4—Investments

State cash and investment pool funds are held in the Commonwealth's general depository or depositories designated by the State Treasurer, which has statutory responsibility and authority to safeguard the funds.

Investments are valued based on the fair value measurements below:

The fair value measurements framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as described below:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs such as quoted prices in active markets for similar assets or liabilities or quoted prices for identical or similar assets or liabilities in markets that are not active or unobservable inputs that are derived principally from or corroborated by observable market data.

Level 3 – Unobservable inputs that are based on the Corporation's own assumptions as to how knowledgeable parties would price assets or liabilities that are not corroborated by market data.

Valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While the Corporation believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 4—Investments (continued)

At June 30, 2026 and 2025, the Corporation's restricted investment balances were as follows:

	2026	2025
Level 1	$ 829,050	$ 2,887,491
Level 2	6,999,057	23,985,995
	$ 7,828,107	$ 26,873,486

Credit Risk – Under Commonwealth statutes, the Corporation, subject to certain limitations, is permitted to invest in the following:

- Obligations backed by the full faith and credit of the United States or a United States government agency
- Obligations of any corporation of the United States government or government sponsored enterprise
- Securities issued by a state or local government, or any instrumentality or agency thereof
- Collateralized or uncollateralized certificates of deposit or other interest-bearing accounts
- Bankers' acceptances
- Commercial paper
- Mutual funds
- Asset-backed securities
- United States dominated corporate, Yankee, and Eurodollar securities, excluding corporate stocks, issued by foreign and domestic issuers, including sovereign and supranational governments
- State and local delinquent property tax claims, which upon purchase, shall become certificates of delinquency secured by interests in real property

Concentration of Credit Risk – With the exception of certain limitations under Commonwealth statutes, there is no limit on the amount the Corporation may invest in any one issuer. The Corporation may consult with the Office of Financial Management (within the Kentucky Finance and Administration Cabinet) to determine suitable investments.

Custodial Credit Risk – The custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of another party. As indicated above, as of June 30, 2026 and 2025, the Corporation's investments do not consist of any investments held outside of the Commonwealth cash and investment pool.

Interest Rate Risk – The Corporation does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As previously indicated (see Concentration of Credit Risk), the Corporation may consult with the Office of Financial Management (within the Kentucky Finance and Administration Cabinet) to determine suitable investments.

Foreign Currency Risk – As indicated above, as of June 30, 2026 and 2025, the Corporation's investments do not consist of any investments held outside of the Commonwealth cash and investment pool. Accordingly, the Corporation's investments are not otherwise believed to be subject to foreign currency risk.

Note 5—Capital assets

A summary of the changes in capital assets for the years ended June 30, 2026 and 2025 is as follows:

	Balance 7/1/2025	Additions	Disposals	Transfers	Balance 06/30/26
Vehicles and equipment	$ 739,853	$ 349,529	$ (446,481)	$ 538,487	$ 1,181,388
Total capital assets	739,853	349,529	(446,481)	538,487	1,181,388
Accumulated depreciation	(386,307)	(135,844)	265,068	(162,384)	(419,467)
Net capital assets	$ 353,546	$ 213,685	$ (181,413)	$ 376,103	$ 761,921

	Balance 7/1/2024	Additions	Disposals	Balance 06/30/25
Vehicles and equipment	$ 706,424	$ 33,429	$ -	$ 739,853
Total capital assets	706,424	33,429	-	739,853
Accumulated depreciation	(206,594)	(179,713)	-	(386,307)
Net capital assets	$ 499,830	$ (146,284)	$ -	$ 353,546

Note 6—Compensated absences

Employees may accumulate earned but unused annual leave and sick pay benefits for the years ended June 30, 2026 and 2025, and compensatory leave for the year ended June 30, 2025.

Annual and Compensatory Leave – Annual leave is accumulated at amounts ranging from 12 to 24 days per year, determined by length of service, with maximum accumulations ranging from 30 to 60 days. The calendar year is the period used for determining accumulated leave. At June 30, 2026 and 2025, the Corporation's estimated liability for accrued annual leave totals $856,544 and $520,162, respectively.

Compensatory leave is granted to authorized employees for any hours pre-approved for and physically worked beyond the prescribed hours of duty, Sunday through Saturday, in accordance with the Fair Labor Standards Act (FLSA) guidelines up to a maximum of 240 or 480 hours depending on if the position is deemed policy-making. The rate and manner of earnings is based on a 37.5-hour work week and the employee's FLSA status. A maximum of 240 hours is eligible for payment at termination, less applicable deductions. At June 30,2025, the Corporation's estimated liability for compensatory leave totals $362,103. During the year ended June 30, 2026, the compensatory leave program was ended and all liabilities were paid out.

Sick Leave – Sick pay is accumulated at the rate of one working day per month with no maximum if the employee meets specific work hour requirements for eligibility. After the completion of both 120 months of service and 240 months of service, an additional 10 days of sick leave is automatically credited to the employee's sick leave balance. In accordance with the employee's retirement tier, the employee may receive credit for unused sick leave upon retirement. At June 30, 2026 and 2025, the liability for accumulated sick leave is $653,347 and $400,053, respectively, which excludes the unused sick leave eligible for credit upon retirement.

Note 6—Compensated absences (continued)

The activity relative to the liability for compensated absences for the years ended June 30, 2026 and 2025, respectively, is as follows:

	2026		2025
Balance, beginning of the year	$ 1,282,318		$ 1,113,220
Additions	227,573	*	169,098
Reductions	-		-
Balance, end of the year	$ 1,509,891		$ 1,282,318

* The change in compensated absences liability is presented as a net change.

At June 30, 2026 and 2025, the estimated amount of annual, compensatory (2025 only) and sick leave due within one year totaled $493,607 and $662,189, respectively.

Note 7—Retirement plans

General Information

Plan Description

All employees who average 100 or more hours per month over a calendar or fiscal year participate in the Kentucky Employees Retirement System ("KERS") of the Commonwealth of Kentucky, which is a cost-sharing, multiple employer defined benefit pension plan. Under the provisions of Kentucky Revised Statutes 61.645, the Kentucky Public Pensions Authority ("KPPA") Board of Trustees administers the KERS.

Ten-year historical trend information showing the KERS' progress in accumulating sufficient assets to pay benefits when due (as well as financial statements and other required supplementary information) is presented in the KERS' Annual Financial Report (which is a matter of public record). The most recent actuarial valuation is as of June 30, 2025. Such report may be obtained by writing to the Kentucky Public Pensions Authority, 1260 Louisville Road, Perimeter Park West, Frankfort, Kentucky 40601. KPPA can also be reached by telephone at (502)696-8800 or by email at kppa.mail@kyret.ky.gov. The Commonwealth's ACFR should also be referred to for additional disclosures related to the KERS.

In addition to the KERS, the Corporation's employees are also eligible to participate in two deferred compensation plans sponsored by the Commonwealth. These plans are organized as a Section 457 plan and as a Section 401(k) plan under the Internal Revenue Code. Both plans permit employees to defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death, or financial hardship. The Kentucky Public Employees' Deferred Compensation Authority (KPEDCA) issues a publicly available report that includes financial statements and other required supplementary information relative to the deferred compensation plans. Such report may be obtained by writing to the Kentucky Public Employees' Deferred Compensation Authority, 501 High Street, 2nd Floor, Frankfort, Kentucky 40601. The KPEDCA can also be reached by telephone at (502)573-7925 or by email at kydcp@nationwide.com. The Commonwealth's ACFR should also be referred to for additional disclosures related to the two deferred compensation plans.

Note 7—Retirement plans (continued)

General Information (continued)

Benefits Provided

The KERS provides retirement, as well as health care, disability, and death benefits to plan members. The KERS provides for cost-of-living adjustments at the discretion of the Kentucky legislature. Benefits are established by State statute. The below information summarizes the significant benefits related provisions of the KERS non-hazardous plan. The below is not intended to be, nor should it be interpreted as, a complete account of all such provisions.

	Tier 1 employees Participation prior to September 1, 2008	**Tier 2 employees** Participation from September 1, 2008 to December 31, 2013	**Tier 3 employees** Participation on or after January 1, 2014
Covered employees	Substantially all regular, full-time members employed in non-hazardous duty positions of any State department, board, or any agency directed by Executive Order to participate in the KERS		
Benefit formula	Final compensation X benefit factor X years of service		Cash Balance Plan - hybrid plan with characteristics of both a defined benefit plan and a defined contribution plan
Final compensation	Average of the highest 5 fiscal years (must contain at least 48 months); includes lump-sum compensation payments (before and at retirement)	5 complete fiscal years immediately preceding retirement; each year must contain 12 months; lump-sum compensation payments (before and at retirement) are not to be included in creditable compensation	No final compensation
Benefit factor	1.97% - if you do not have 12 months credit for January 1, 1998 - January 1, 1999 2.00% - if you have 13 months credit for January 1, 1998 - January 1, 1999	10 years or less - 1.10% Greater than 10 years, but no more than 20 years - 1.30% Greater than 20 years, but no more than 26 years - 1.50% Greater than 26 years, but no more than 30 years - 1.75% Additional years above 30 years - 2.00% (2.00% benefit factor only applies to service earned in excess of 30 years)	No benefit factor; a life annuity can be calculated in accordance with actuarial assumptions and a method adopted by the KPPA Board of Trustees based on the member's accumulated account balance
Cost of living adjustment	No cost of living adjustment unless authorized by the legislature with specific criteria; if authorized, the cost of living adjustment is limited to 1.50%		
Unreduced retirement benefits	Any age with 27 years of service Age 65 with 48 months of service Money purchase for age 65 with less than 48 months based on contributions and interest	Member must be at least 57 and age plus earned service must equal 87 years at retirement to retire under the Rule of 87 Provision Age 65 with 5 years of earned service; no money purchase calculations	
Reduced retirement benefits	Any age with 25 years of service Age 55 with 5 years of service	Age 60 with 10 years of service (excludes purchased service with certain exceptions)	No reduced retirement benefits

Note 7—Retirement plans (continued)

Contributions

Contribution rates are established by State statute. Pursuant to the provisions of Kentucky Revised Statutes 61.645, contribution requirements of active employees and participating employers are established and may be amended by the KPPA Board of Trustees.

During the 2021 Regular Session, the General Assembly passed House Bill 8 which changed how employer contributions are allocated and collected from the participating employers in the non-hazardous plan. The proportionate share of the collective pension amount for employers that participate in the non-hazardous plan is based upon the employer's allocation of the amortization cost, as specified under State statutes, plus the employer's allocation of the normal cost portion of the required contribution based on the employer's payroll. The total proportionate share of the collective pension amount, which represents an employer's share of the long-term contribution effort, assumes the amortization cost portion is approximately 90% of the aggregate required employer contribution.

The Corporation, for the years ended June 30, 2026 and 2025, was required to contribute a total of 42.76% and 48.75%, respectively, of the covered employees' salaries between the pension plan and the KPPA Insurance Fund (see Note 8). The actuarially determined employer contribution represents the amount, that when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, the costs of administration, and an amortized portion of any unfunded liability. The below information summarizes the significant employee contributions related provisions of the KERS non-hazardous plan. The below is not intended to be, nor should it be interpreted as, a complete account of all such provisions.

Tier 1 employees	Contributions equal 5.00% of all creditable compensation
Tier 2 employees	Contributions equal 6.00%, with 5.00% being credited to the member's account and 1% to fund the KPPA Insurance Fund (see Note 8) Interest is paid each June 30th on members' accounts at a rate of 2.50% The member is entitled to a full refund of contributions and interest if employment is terminated, however, the 1.00% contribution to the KPPA Insurance Fund is non-refundable
Tier 3 employees	Contributions equal 6.00%, with 5.00% being credited to the member's account and 1% to fund the KPPA Insurance Fund (see Note 8) Employee accounts are also credited with a 4.00% employer pay credit At the end of each fiscal year, interest is paid into each employee's account The account is guaranteed the 4.00% interest credit on the employee's account balance as of June 30 of the previous fiscal year-end The employee's account may be credited with additional interest if the five-year average investment return exceeds 4.00% If an employee terminates his/her employment, the employee, if fully vested (fully vested upon reaching 5 years of service), is eligible to either take a refund of his/her accumulated account balance or, if the employee is eligible for retirement benefits, he/she may annuitize the account balance If an employee terminates his/her employment prior to being fully vested and requests a refund, the employee is only eligible to receive his/her contributions plus the interest thereon, forfeiting the employer pay credit and the associated interest The 1.00% contribution to the KPPA Insurance Fund is non-refundable

Note 7—Retirement plans (continued)

Retired employees receive certain health care benefits depending on length of service. In accordance with State statutes, such benefits are provided and advanced-funded on an actuarially determined basis through the KERS.

The Corporation's contributions (specific to the pension portion) for the years ended June 30, 2026 and 2025, totaled $3,301,934 and $1,937,056, respectively.

Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources

At June 30, 2026 and 2025, the Corporation's liability with respect to its estimated proportionate share of the collective net pension liability was $31,846,641 and $23,695,549, respectively. The June 30, 2026 net pension liability has been measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The Corporation's estimated proportionate share of the collective net pension liability was based on a projection of the Corporation's long-term share of contributions to the pension plan relative to the projected contributions of all employer participants and assumes the amortization cost is approximately 35% of the requirement contribution for the plans, as actuarially determined. At June 30, 2026 and 2025, the Corporation's estimated proportionate share (as rounded) is 0.27% and 0.20%, respectively.

The Corporation's estimate of pension expense with respect to the years ended June 30, 2026 and 2025 totaled $3,026,229 and $1,493,323, respectively.

At June 30, 2026, deferred outflows and inflows of resources related to pensions consist of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience in the measurement of the total pension liability	$ 541,349	$ -
Net difference between projected and actual earnings on pension plan investments	178,687	868,542
Changes in the proportionate share and differences between the corporation's contributions and its proportionate share of the contributions	678,225	812,978
Subsequent to measurement date contributions	3,301,934	-
	$ 4,700,195	$ 1,681,520

The $3,301,934 of deferred outflows of resources as of June 30, 2026 (per the above table) attributable to the subsequent to measurement date contributions will be recognized as a reduction of the net pension liability in the plan year ending June 30, 2026.

Note 7—Retirement plans (continued)

The other amounts reflected as net deferred outflows and inflows of resources related to pensions as of June 30, 2026 will be recognized within pension expense as follows:

Years Ending June 30,		
2026	$	333,241
2027		(252,043)
2028		(224,829)
2029		(139,628)
	$	(283,259)

Actuarial Assumptions

The total pension liability per the actuarial valuation was determined using the following actuarial assumptions:

Inflation rate – 2.50%
Payroll growth rate – 0.00%
Projected salary increases – 3.30% to 15.30%; varies by service
Investment rate of return – 5.25%
Mortality rates – Pub-2010 General Mortality table, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010

The actuarial assumptions used in the June 30, 2025 actuarial valuation were based on the results of an actuarial experience study performed with respect to the period ending June 30, 2024. There have been no assumption, method, or plan provision changes since that date.

The long-term expected rate of return on pension plan assets is determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. The ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage.

The target asset allocations and best estimates of the arithmetic long-term expected real rate of return for each major asset class are as follows:

Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Equity:		
Public	30.00%	4.15%
Private	6.00%	7.90%
Fixed Income:		
Core fixed income	20.00%	3.83%
Specialty credit	27.00%	2.70%
Cash	2.00%	1.25%
Inflation Protected:		
Real estate	5.00%	4.75%
Real return	10.00%	5.20%
	100.00%	

Note 7—Retirement plans (continued)

The long-term expected rate of return on pension plan assets, which is established by the KPPA Board of Trustees, was 5.25% with respect to the June 30, 2025 actuarial valuation.

Discount Rate

The discount rate used to measure the total pension liability was 5.25%. The projection of cash flows used to determine the discount rate assumed the funds receive the required employer contributions each future year, as determined by the current funding policy established in Statute, as amended by House Bill 8, passed during the 2021 legislative session, over the remaining 26 years (closed) amortization period of the unfunded actuarial accrued liability. The discount rate determination does not use a municipal bond rate.

Sensitivity of the Corporation's Estimated Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate

The following table presents the Corporation's estimated proportionate share of the collective net pension liability as of June 30, 2026 calculated using the discount rate of 5.25%, as well as what the Corporation's estimated proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.25%) or one percentage point higher (6.25%) than the current discount rate.

	1.00% Decrease (4.25%)	Current Discount Rate (5.25%)	1.00% Increase (6.25%)
Corporation's estimated proportionate share of the collective net pension liability	$ 37,245,279	$ 31,846,641	$ 27,371,883

Note 8—Other postemployment benefits

General Information

Plan Description

All eligible employees receiving benefits under the KERS are provided hospital and medical insurance through the KPPA Insurance Fund, a cost-sharing multiple employer defined benefit other postemployment benefits ("OPEB") plan. Under the provisions of Kentucky Revised Statutes 61.645, the KPPA Board of Trustees administers the KERS, including the Insurance Fund. The KPPA is the successor to Kentucky Retirement Systems.

Ten-year historical trend information showing the KERS' progress in accumulating sufficient assets to pay benefits when due (as well as financial statements and other required supplementary information) is presented in the KERS' Annual Financial Report (which is a matter of public record). The most recent actuarial valuation is as of June 30, 2025. Such report may be obtained by writing to the Kentucky Public Pensions Authority, 1260 Louisville Road, Perimeter Park West, Frankfort, Kentucky 40601. KPPA can also be reached by telephone at (502)696-8800 or by email at kppa.mail@kyret.ky.gov. The Commonwealth's ACFR should also be referred to for additional disclosures related to the KERS and the Insurance Fund.

Note 8—Other postemployment benefits (continued)

Benefits Provided

The Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance for eligible employees. The Insurance Fund provides health insurance benefits to employees and certain beneficiaries under prescribed circumstances. As a result of 2004 Regular Session House Bill 290, medical insurance benefits are calculated differently for members who began participating on, or after, July 1, 2003. The below information summarizes the significant benefits related provisions of the OPEB plan. The below is not intended to be, nor should it be interpreted as, a complete account of all such provisions.

Participation prior to July 2003		Participation between July 2003 and August 2008		Participation on or after September 2008	
Months of service	Percent of premium	Months of service	Percent of premium	Months of service	Percent of premium
< 48	0%	Greater than or equal to 120 months	$10 per month for each year of service without regard to a maximum dollar adjusted by 1.5% annually	Greater than or equal to 180 months	$10 per month for each year of service without regard to a maximum dollar adjusted by 1.5% annually
48 to 119 inclusive	25%				
120 to 179 inclusive	50%				
180 to 239 inclusive	75%				
240 or more	100%				

This benefit is not protected under the inviolable contract provisions of State statutes. The Kentucky General Assembly reserves the right to suspend or reduce this benefit if, in its judgment, the welfare of the Commonwealth so demands.

Contributions

Pursuant to the provisions of Kentucky Revised Statutes 61.645, contribution requirements of participating employers are established and may be amended by the KPPA Board of Trustees. The Corporation, for the years ended June 30, 2026 and 2025, was required to contribute a total of 42.76% and 48.75%, respectively, of the covered employees' salaries between the KERS pension plan (see Note 7) and the Insurance Fund. Covered employees hired prior to September 1, 2008 are not required to contribute to the Insurance Fund. Covered employees hired after September 1, 2008 are required by State statute to contribute an additional 1.00% of their salary to fund the Insurance Fund. Such contributions are deposited to an account created for the payment of health insurance benefits under 26 USC Section 401(h) in the Pension Fund (Kentucky Administrative Regulation 105 KAR 1:420E).

The Corporation's contributions to the Insurance Fund for the years ended June 30, 2026 and 2025 totaled $115,899 and $63,594, respectively.

Net OPEB Liability, OPEB Expense, and Deferred Outflows and Inflows of Resources

At June 30, 2026, the Corporation's liability with respect to its estimated proportionate share of the collective net OPEB liability is $2,337,871. The net OPEB liability was measured as of June 30, 2025 and was based on an actuarial valuation date of June 30, 2024. The total OPEB liability was rolled-forward from the valuation date (June 30, 2024) to the plan's fiscal year ending June 30, 2025 using generally accepted actuarial principles. The Corporation's estimated proportionate share of the collective net OPEB liability was based on a projection of the Corporation's long-term share of contributions to the OPEB plan relative to the projected contributions of all employer participants and assumes the amortization cost is approximately 35.33% of the requirement contribution for the plans, as actuarially determined. At June 30, 2026 and 2025, the Corporation's estimated proportionate share (as rounded) is 0.27% and 0.20%, respectively.

The Corporation's estimate of OPEB expense (benefit) with respect to the year ended June 30, 2026 and 2025 totaled $(867,023) and $(629,825), respectively.

Note 8—Other postemployment benefits (continued)

At June 30, 2026, deferred outflows and inflows of resources related to OPEB consist of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience in the measurement of the total OPEB liability	$ 481,735	$ 462,971
Changes to the assumptions	97,520	-
Net difference between projected and actual earnings on OPEB plan investments	97,699	364,955
Changes in the proportionate share and differences between the corporation's contributions and its proportionate share of the contributions	318,670	189,907
Subsequent to measurement date contributions and implicit subsidy	189,087	-
	$ 1,184,711	$ 1,017,833

The $189,087 of deferred outflows of resources as of June 30, 2026 attributable to the subsequent to measurement date contributions and implicit subsidy will be recognized as a reduction of the collective net OPEB liability in the plan year ended June 30, 2026.

The other amounts reflected as net deferred outflows and inflows of resources related to OPEB as of June 30, 2026 will be recognized within OPEB expense as follows:

Years Ending June 30,	
2026	$ (119,618)
2027	144,399
2028	2,353
2029	(49,343)
	$ (22,209)

Actuarial Assumptions

The total OPEB liability per the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions:

Inflation rate – 2.50%
Payroll growth rate – 0.00%
Projected salary increases – 3.30% to 15.30%; varies by service
Investment rate of return – 6.50%
Health care cost trend rates –

- Pre-65 - Initial trend starting at 7.10% at January 1, 2026 and gradually decreasing to an ultimate trend rate of 4.25% over a period of 14 years
- Post-65 - Initial trend starting at 8.00% in 2026, and gradually decreasing to an ultimate trend rate of 4.25% over a period of 10 years

Note 8—Other postemployment benefits (continued)

Mortality –

- Pre-retirement - Pub-2010 General Mortality Table projected with the ultimate rates from the MP-2020 Mortality Improvement Scale using a base year of 2010
- Post-retirement (nondisabled) - System-specific mortality table based on mortality experience from 2013-2022 projected with the ultimate rates from the MP-2020 Mortality Improvement Scale using a base year of 2023
- Post-retirement (disabled) - Pub-2010 Disabled Mortality Table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 Mortality Improvement Scale using a base year of 2010

The actuarial assumptions used in the June 30, 2025 actuarial valuation were based on the results of an actuarial experience study performed with respect to the period ending June 30, 2024. The total OPEB liability was rolled forward from the valuation date to the measurement date of June 30, 2025.

The long-term expected rate of return on OPEB plan assets is determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. The ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage.

The target asset allocations and best estimates of the arithmetic long-term expected real rate of return for each major asset class are as follows (with respect to the June 30, 2025 actuarial valuation):

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equity:		
Public	40.00%	4.15%
Private	8.00%	7.90%
Fixed Income:		
Specialty credit	10.00%	2.70%
Core fixed income	25.00%	3.83%
Cash	2.00%	1.25%
Inflation Protected:		
Real estate	7.00%	4.75%
Real return	8.00%	5.20%
	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability per the June 30, 2025 actuarial valuation was 6.25%. The discount rate increased from 6.00% to 6.25% and the new rates were used to measure the total OPEB liability as of the measurement date of June 30, 2025. The discount rate is based on the long-term expected rate of return on OPEB plan investments of 6.50% and a long-term municipal bond rate of 5.20% fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2025.

Note 8—Other postemployment benefits (continued)

Sensitivity of the Corporation's Estimated Proportionate Share of the Collective Net OPEB Liability to Changes in the Discount Rate

The following table presents the Corporation's estimated proportionate share of the collective net OPEB liability as of June 30, 2026 calculated using the discount rate of 6.25%, as well as what the Corporation's estimated proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.25%) or one percentage point higher (7.25%) than the current discount rate.

	1.00% Decrease (5.25%)	Current Discount Rate (6.25%)	1.00% Increase (7.25%)
Corporation's estimated proportionate share of the collective net pension liability	$ 3,188,124	$ 2,337,871	$ 1,621,043

Sensitivity of the Corporation's Estimated Proportionate Share of the Collective Net OPEB Liability to Changes In the Health Care Cost Trend Rates

The following table presents the Corporation's estimated proportionate share of the collective net OPEB liability as of June 30, 2026 calculated using the discount rate of 6.25%, as well as what the Corporation's estimated proportionate share of the collective net OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower or one percentage point higher than the current health care cost trend rate.

	1.00% Decrease	Current Health Care Cost Trend Rate	1.00% Increase
Corporation's estimated proportionate share of the collective net pension liability	$ 1,691,213	$ 2,337,871	$ 3,092,008

Note 9—Restricted net position

As outlined in Note 1, the Corporation is responsible for administering various programs as authorized by the General Assembly and outlined in the Kentucky Revised Statutes. As of June 30, 2026 and 2025, the net position of the Corporation restricted to these cash programs consists of the following:

	2026		2025	
Kentucky Thoroughbred Development Fund	$ 25,557,095		$ 31,582,436	
Consolidated Standardbred	37,914,490	*	36,682,654	*
Kentucky Quarter Horse Development Fund	11,160,273		7,101,814	
Kentucky Paint, Appaloosa, Arabian Development Fund	199		185	
Kentucky Thoroughbred Breeders' Incentive Fund	23,455,073		23,565,877	
Kentucky Horse Breeders' Incentive Fund	2,301,120		2,202,534	
Kentucky Racing Health and Welfare Fund	-		23,057	
Kentucky Equine Drug Research Fund	1,636,441		1,151,271	
Kentucky Backside Improvement Fund	1,204,741		1,837,926	
Kentucky Equine Aftercare Program	250,000		-	
Total restricted net position	$ 103,479,432		$ 104,147,754	

* Consolidated Standardbred consists of the Kentucky Standardbred Development Fund, Kentucky Standardbred Horsemens Fees, Kentucky Standardbred Breeders' Incentive Fund and the Kentucky County Fair Purse Funds as the funds within these programs are used interchangeably.

Note 10—Risk management

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; data breach; and natural disasters. The Corporation has purchased commercial insurance to cover these risks except for workers' compensation, automobile, and damage to buildings and personal property for which the Corporation utilizes the Commonwealth of Kentucky's Risk Management Fund to cover the exposure to these potential losses. The Commonwealth's ACFR should be referred to for additional disclosures related to the Risk Management Fund.

Note 11—Payments to the Commonwealth

The Sports Wagering Administrative Fund was previously created by the General Assembly to collect licensing fees and the excise tax associated with sports wagering in Kentucky and was under the authority of the Corporation during the fiscal year ending June 30, 2025. The amounts deposited in the fund were available for distribution and the following uses: 1) Corporation for administration and operation purposes, 2) Kentucky problem gambling assistance account, and 3) Kentucky permanent pension fund. Beginning March 28, 2025, amounts deposited in the fund were used as follows:

- 10% of receipts distributed to the Corporation for administration and operation purposes
- 2.5% of receipts deposited in the Kentucky problem gambling assistance account
- Funds remaining deposited in the Kentucky permanent pension fund

During July 2025, the Kentucky Finance and Administration Cabinet began overseeing the revenue receipts from the sports wagering excise taxes and distribution of the funds to the Corporation, Kentucky problem gambling assistance fund and Kentucky permanent pension fund. Additionally, the development fund programs outlined in Note 1 have requirements for an initial amount of funds to be provided to the Kentucky problem gambling assistance account.

Note 11—Payments to the Commonwealth (continued)

Payments to the Commonwealth consist of the following for fiscal years ending June 30:

	2026	2025
Sports Wagering Administration Fund	$ 10,725	$ 1,030,472
Kentucky Thoroughbred Development Fund	100,000	100,000
Kentucky Standardbred Development Fund	75,000	75,000
Kentucky Paint Horse, Paint, Appaloosa and Arabian Development Fund	129	-
Kentucky Quarter Horse Development Fund	25,000	-
Kentucky Quarter Horse, Paint, Appaloosa and Arabian Development Fund	-	25,000
	210,854	1,230,472
Transfer to the Corporation for administration and expenses	-	566,740
Transfer from the Department of Revenue	(3,000)	1,223,757
Transfer to Kentucky permanent pension fund	375,386	37,889,037
Total payments to the Commonwealth	$ 583,240	$ 40,910,006

Note 12—Unusual and infrequent items

Effective July 1, 2025, the Corporation assumed all responsibilities of the Department of Charitable Gaming, which was abolished, and all personnel, equipment, and funding was transferred to the Corporation. As a result of the transfer, the Corporation 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. The Corporation adjusted the assets, deferred outflows of resources, liabilities and deferred inflows of resources to bring them into conformity with the accrual basis of accounting utilized by the Corporation as an enterprise fund by recording capital assets, accrued liabilities, and pension and OPEB liabilities. The net position assumed by the Corporation is reported as an unusual or infrequent Item in the statements of revenues, expenses, and changes in net position. The balance reported is comprised of the following:

Current assets	$ 11,850,348
Capital assets	376,103
Deferred outflow of resources	910,721
Current liabilities	(225,169)
Noncurrent liabilities	(10,209,011)
Deferred inflow of resources	(943,753)
Net beginning balance	$ 1,759,239

Note 12—Unusual and infrequent items (continued)

Effective July 1, 2024, the Corporation assumed all responsibilities of the Kentucky Horse Racing Commission, which was abolished, and all personnel, equipment, and funding was transferred to the Corporation. As the transfer of operations resulted in the formation of a new government entity, the Corporation 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. The Corporation adjusted the assets, deferred outflows of resources, liabilities and deferred inflows of resources to bring them into conformity with the accrual basis of accounting utilized by the Corporation as an enterprise fund by recording accounts receivable, capital assets, accrued liabilities, and pension and OPEB liabilities. The net position assumed by the Corporation is reported as an unusual or infrequent item in the statements of revenues, expenses, and changes in net position. The balance reported as an unusual or infrequent Item is comprised of the following:

Current assets	$	124,311,219
Capital assets		499,829
Deferred outflow of resources		3,429,517
Current liabilities		(17,934,892)
Noncurrent liabilities		(23,511,942)
Deferred inflow of resources		(4,249,282)
Net beginning balance	$	82,544,449

SUPPLEMENTARY INFORMATION

KENTUCKY HORSE RACING AND GAMING CORPORATION
SCHEDULES OF THE CORPORATION'S ESTIMATED PROPORTIONATE SHARE
OF THE COLLECTIVE NET PENSION LIABILITY AND RELATED RATIOS
BASED ON THE CORPORATION'S PARTICIPATION IN THE KERS

PLAN FISCAL YEAR ENDED JUNE 30

	2025	2024	2023
Total collective net pension liability for the Kentucky Employees Retirement System (KERS) non-hazardous employees	$ 11,587,422,000	$ 12,049,666,000	$ 12,318,726,000
Corporation's estimated portion (percentage) of the total collective net pension liability	0.27%	0.20%	0.17%
Corporation's estimated portion (amount) of the total collective net pension liability	$ 31,846,641	$ 23,695,549	$ 21,351,064
Corporation's estimated portion of the covered employees payroll	$ 4,102,869	$ 3,519,005	$ 2,607,247
Corporation's estimated proportionate share of the total collective net pension liability as a percentage of the Corporation's estimated portion of the covered employees payroll	776%	673%	819%
KERS' non-hazardous employees total fiduciary net position	$ 5,061,425,000	$ 4,223,936,000	$ 3,539,443,000
KERS' non-hazardous employees total pension liability	$ 16,648,847,000	$ 16,273,602,000	$ 15,858,669,000
KERS' non-hazardous employees total fiduciary net position as a percentage of the total pension liability	30%	26%	22%

Note - This schedule is intended to present 10 years of information. The schedule is presented for the Corporation as a stand alone entity and future years will be presented as they become available.

See the accompanying report of the independent auditor and note to the required supplementary information.

KENTUCKY HORSE RACING AND GAMING CORPORATION
SCHEDULES OF THE CORPORATION'S PENSION CONTRIBUTIONS BASED
ON THE CORPORATION'S PARTICIPATION IN THE KERS

YEAR ENDED JUNE 30

	2026	2025	2024
Actuarially determined contribution amount	$ 3,301,934	$ 1,937,056	$ 2,058,070
Contribution amount in relation to the actuarially determined contribution amount	3,301,934	1,937,056	2,058,070
Excess (deficiency)	$ -	$ -	$ -
Corporation's estimated portion of the covered employees payroll	$ 7,993,063	$ 4,102,869	$ 3,519,005
Contribution amount as a percentage of the Corporation's estimated portion of the covered employees payroll	41%	47%	58%

Note - This schedule is intended to present 10 years of information.

See the accompanying report of the independent auditor and note to the required supplementary information.

KENTUCKY HORSE RACING AND GAMING CORPORATION
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2026

The actuarial methods and assumptions used to calculate the actuarially determined pension contribution rate are as follows:

Actuarial valuation date	June 30, 2023
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	30 years; closed
Asset valuation method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation rate	2.50%
Payroll growth rate	0.00%
Projected salary increases	3.30% to 15.30%; varies by service
Investment rate of return	5.25%

See the accompanying report of the independent auditor and note to the required supplementary information.

KENTUCKY HORSE RACING AND GAMING CORPORATION
SCHEDULES OF THE CORPORATION'S ESTIMATED PROPORTIONATE SHARE OF
THE COLLECTIVE NET OTHER POSTEMPLOYMENT BENEFITS LIABILITY AND
RELATED RATIOS BASED ON THE CORPORATION'S PARTICIPATION IN THE KERS

PLAN FISCAL YEAR ENDED JUNE 30

	2025	2024	2023
Total collective net other postemployment benefits (OPEB) liability for the Kentucky Employees Retirement System (KERS) nonhazardous employees	$ 855,601,000	$ 723,049,000	$ 784,592,000
Corporation's estimated portion (percentage) of the total collective net OPEB liability	0.273243%	0.193233%	0.165952%
Corporation's estimated portion (amount) of the total collective net OPEB liability	$ 2,338,000	$ 1,397,000	$ 1,302,000
Corporation's estimated portion of the covered employees payroll	$ 4,102,869	$ 3,519,005	$ 2,607,247
Corporation's estimated proportionate share of the total collective net OPEB liability as a percentage of the Corporation's estimated portion of the covered employees payroll	57%	40%	50%
KERS' non-hazardous employees total fiduciary net position	$ 1,915,732,000	$ 1,765,729,000	$ 1,532,752,000
KERS' non-hazardous employees total OPEB liability	$ 2,771,333,000	$ 2,488,778,000	$ 2,317,344,000
KERS' non-hazardous employees total fiduciary net position as a percentage of the total OPEB liability	69%	71%	66%

Note - This schedule is intended to present 10 years of information. The schedule is presented for the Corporation as a stand alone entity and future years will be presented as they become available.

Note - this schedule presents the plans' fiscal years

See the accompanying report of the independent auditor and note to the required supplementary information.

KENTUCKY HORSE RACING AND GAMING CORPORATION
SCHEDULES OF THE CORPORATION'S OTHER POSTEMPLOYMENT BENEFITS
CONTRIBUTIONS BASED ON THE CORPORATION'S PARTICIPATION IN THE KERS

YEAR ENDED JUNE 30

	2026	2025	2024
Actuarially determined contribution amount	$ 115,899	$ 63,594	$ 249,623
Contribution amount in relation to the actuarially determined contribution amount	115,899	63,594	249,623
Excess (deficiency)	$ -	$ -	$ -
Corporation's estimated portion of the covered employees payroll	$ 7,993,063	$ 4,102,869	$ 3,519,005
Contribution amount as a percentage of the Corporation's estimated portion of the covered employees payroll	1%	2%	7%

Note - This schedule is intended to present 10 years of information. Additional years of information will be presented as such information becomes available for subsequent years.

See the accompanying report of the independent auditor and note to the required supplementary information.

KENTUCKY HORSE RACING AND GAMING CORPORATION
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2026

The actuarial methods and assumptions used to calculate the actuarially determined other postemployment benefits contribution rate are as follows:

Actuarial valuation date	June 30, 2023
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	30 years; closed
Asset valuation method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation rate	2.50%
Payroll growth rate	0.00%
Projected salary increases	3.30% to 15.30%; varies by service
Investment rate of return	6.50%
Health care cost trend rates (pre-65)	Initial trend starting at 6.80% at January 1, 2025, decreasing to an ultimate trend rate of 4.05% over a period of 13 years
Health care cost trend rates (post-65)	Initial trend starting at 8.00% starting at January decreasing to an ultimate trend rate of 4.05% over a period of 13 years

See the accompanying report of the independent auditor and note to the required supplementary information.

Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Kentucky Horse Racing and Gaming Corporation
Lexington, Kentucky

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Kentucky Horse Racing and Gaming Corporation (the "Corporation") as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated September 22, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion of the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

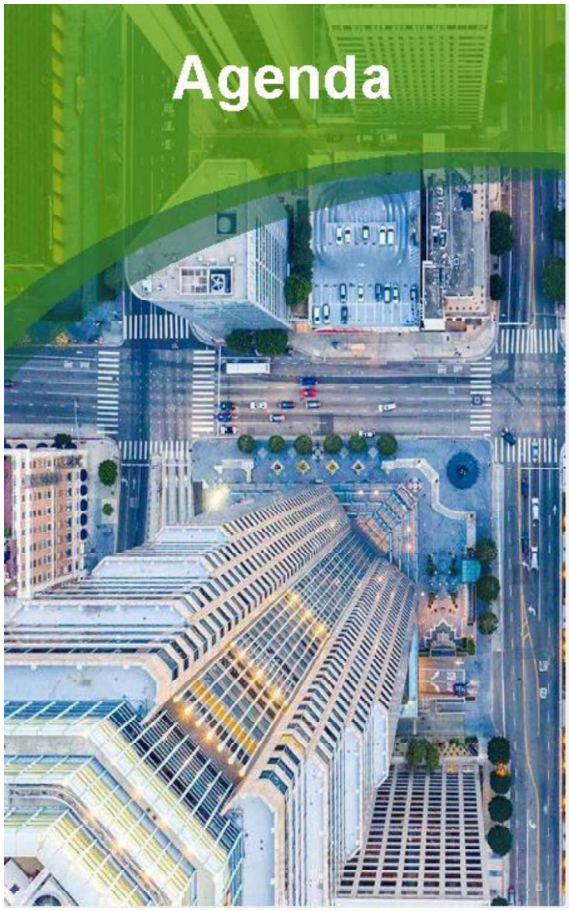
Lexington, Kentucky
September 22, 2026

KENTUCKY HORSE RACING AND GAMING CORPORATION

Audit Executive Summary

September 22, 2026

Cherry Bekaert LLP
Your Guide Forward

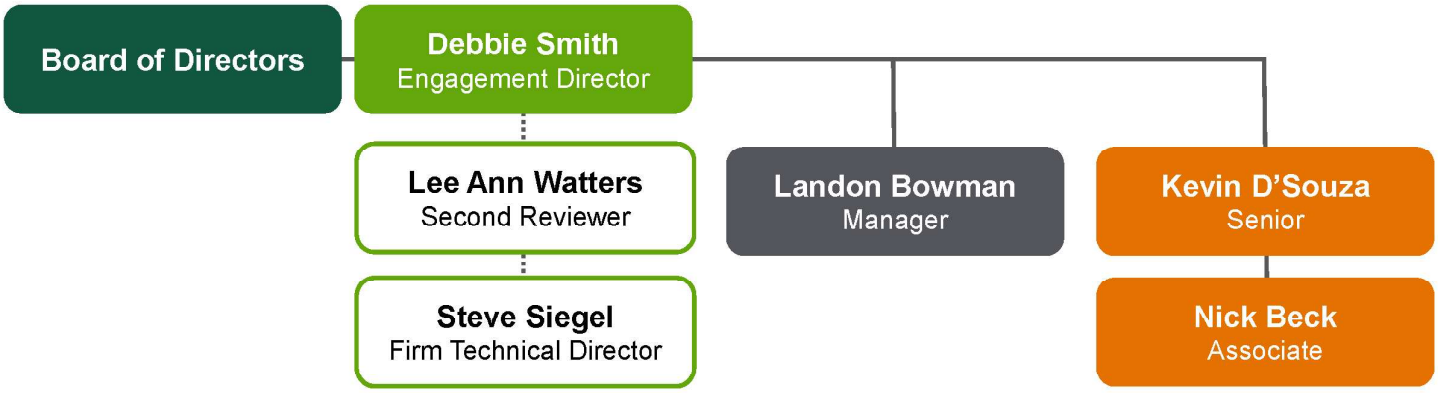


Agenda

- Client Service Team
- Results of the Audit
- Internal Control Communication
- Corrected and Uncorrected Misstatements
- Qualitative Aspects of Accounting Practices
- Independence Considerations
- Other Required Communications
- Other Matters
- Upcoming Financial Reporting Changes

This information is intended solely for the use of the Kentucky Horse Racing and Gaming Corporation and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

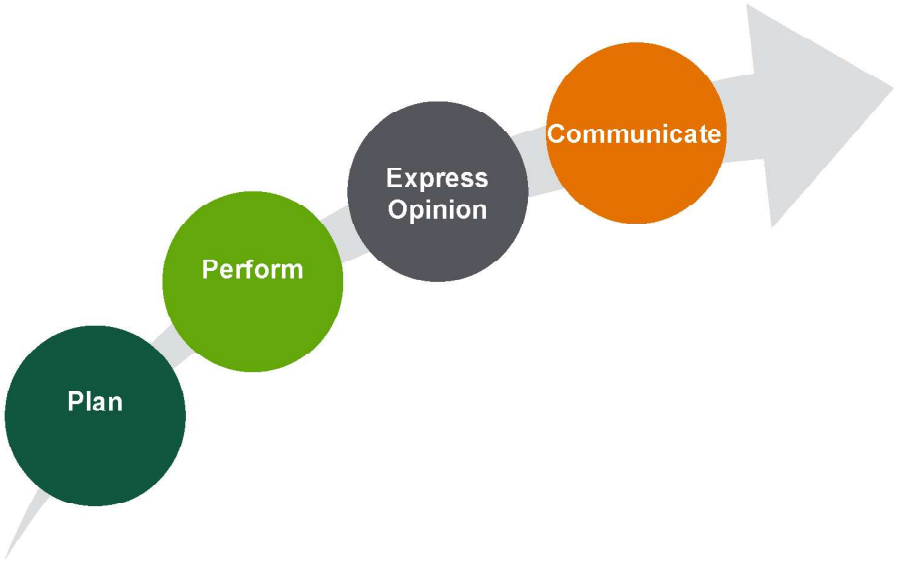
Client Service Team



Results of the Audit

We have audited the financial statements of the Kentucky Horse Racing and Gaming Corporation ("KHRGC") for the year ended June 30, 2026, and we have issued our report thereon dated September 22, 2026.

We have issued an unmodified opinion on the financial statements.



Internal Control Communication

In planning and performing our audit, we considered internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of KHRGC's internal control. Accordingly, we do not express an opinion on the effectiveness of KHRGC's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

Internal Control Communication

Material Weakness

- A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of KHRGC's financial statements will not be prevented, or detected and corrected, on a timely basis.

Significant Deficiency

- A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We did not identify any control deficiencies that we believe to be material weaknesses.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

Corrected Misstatements

- None noted.

Uncorrected Misstatements

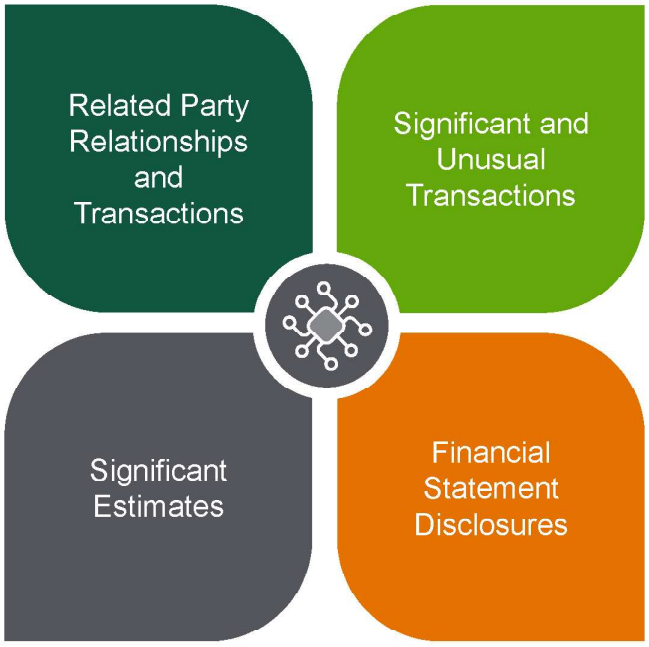
- None noted.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by KHRGC are described in Note 2 to the financial statements.

As described in Note 2, the Authority implemented GASB 103 with no impact to net position.

We noted no inappropriate accounting policies or practices.

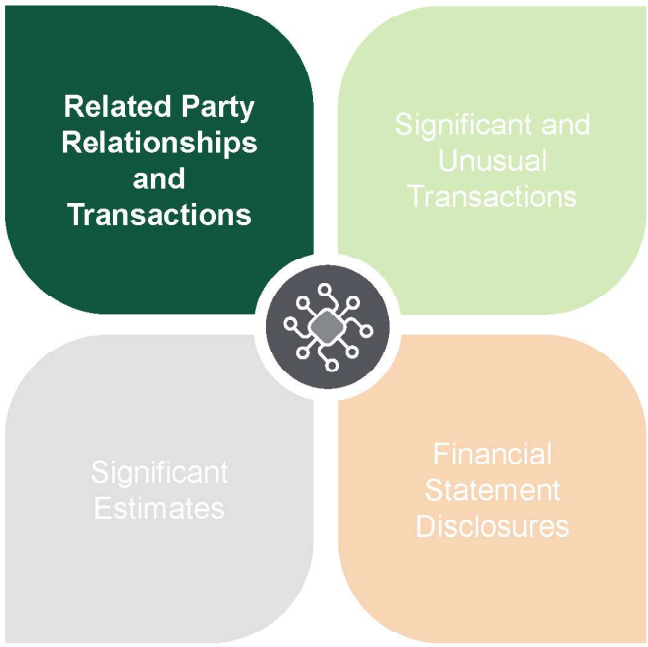


Qualitative Aspects of Accounting Practices

As part of our audit, we evaluated KHRGC's identification of, accounting for, and disclosure of KHRGC's relationships and transactions with related parties as required by professional standards.

We noted none of the following:

- Related parties or related party relationships or transactions that were previously undisclosed to us;
- Significant related party transactions that have not been approved in accordance with KHRGC's policies or procedures or for which exceptions to KHRGC's policies or procedures were granted;
- Significant related party transactions that appeared to lack a business purpose;
- Noncompliance with applicable laws or regulations prohibiting or restricting specific types of related party transactions; and
- Difficulties in identifying the party that ultimately controls KHRGC.

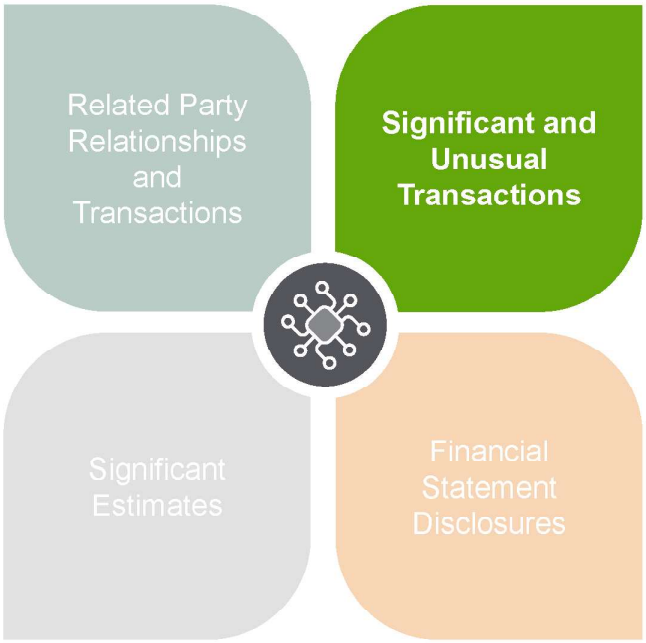


Qualitative Aspects of Accounting Practices

We noted no transactions entered into by KHRGC during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

For purposes of this presentation, professional standards define significant unusual transactions as transactions that are outside the normal course of business for KHRGC or that otherwise appear to be unusual due to their timing, size, or nature.

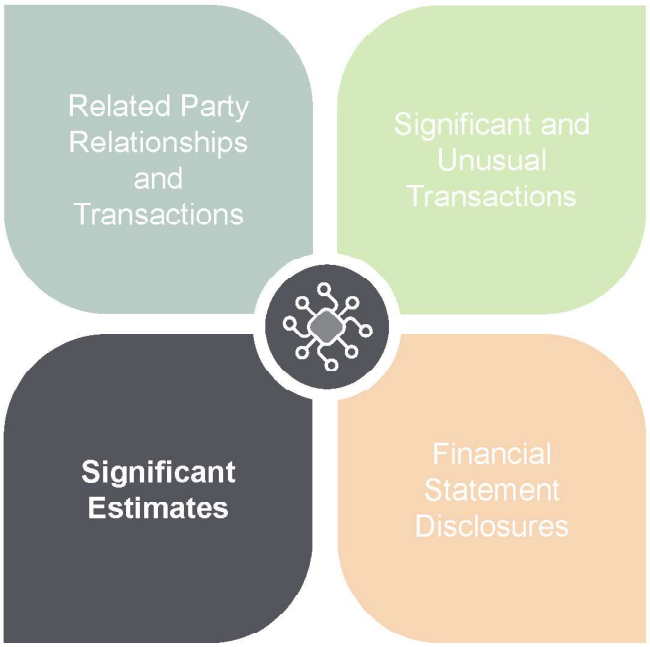
KHRGC assumed the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the Charitable Gaming Corporation effective July 1, 2025 in the net amount of $1,759,237 for the year ended June 30, 2026.



Qualitative Aspects of Accounting Practices

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Pension and OPEB liabilities

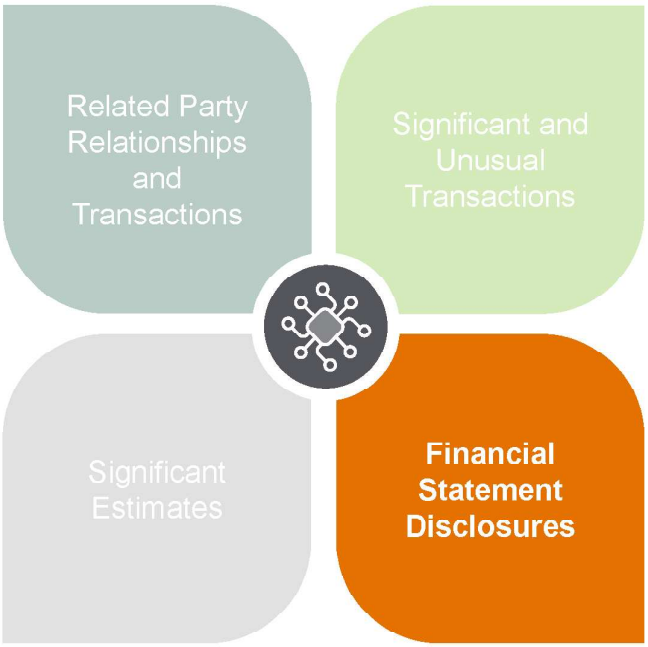


Qualitative Aspects of Accounting Practices

The financial statement disclosures are neutral, consistent, and clear.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- Restricted net position
- Retirement plans
- Other postemployment benefits



Independence Considerations

Nonattest Services

- We facilitated the preparation of the financial statements, related notes and the required supplementary information.
- For all nonattest services we perform, you are responsible for designating a competent employee to oversee the services, make any management decisions, perform any management functions related to the services, evaluate the adequacy of the services, and accept overall responsibility for the results of the services.



Independence Conclusion

- We are not aware of any other circumstances or relationships that create threats to auditor independence.
- We are independent of KHRGC and have met our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit.



Other Required Communications

Difficulties Encountered	We encountered no significant difficulties in dealing with management in performing and completing our audit.
Disagreements with Management	Includes disagreements on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.
Auditor Consultations	We noted no matters that are difficult or contentious for which the auditor consulted outside the engagement team.
Management Representations	We have requested certain representations from management that are included in the management representation letter dated September 22, 2026.

Other Required Communications

Management Consultations	In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. To our knowledge, there were no such consultations with other accountants.
Other Findings or Issues	We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year. These discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Fraud and Illegal Acts	As of the date of our report, no fraud, illegal acts, or violations of laws and regulations noted.
Going Concern	No events or conditions noted that indicate substantial doubt about KHRGC's ability to continue as a going concern.

Other Matters

Required Supplementary Information

We applied certain limited procedures to the required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.



Upcoming Financial Reporting Changes

This standard will be effective for KHRGC in the upcoming years and may have an impact on KHRGC's financial reporting.

- GASB Statement 105 – *Subsequent Events*



17

Questions

Contacts

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This material has been prepared for general informational purposes only and is not intended to be relied upon as tax, accounting, or other professional advice. Before taking any action, you should consult a professional advisor familiar with your particular facts and circumstances.

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Cherry Bekaert LLP
Your Guide Forward

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GOVERNOR

Jacqueline Coleman
LIEUTENANT GOVERNOR

KENTUCKY HORSE RACING & GAMING
Kentucky's Safe Bet

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

Jamie Eads
PRESIDENT & CEO

Jonathan Rabinowitz
CHAIRMAN

TO: Kentucky Horse Racing & Gaming

FROM: Drew Conners, Director, Incentives & Development

DATE September 18, 2026

RE: **BACKSIDE IMPROVEMENT REQUEST – CHURCHILL DOWNS RACETRACK, LLC.**

The Corporation received the enclosed letter from Churchill Downs on September 9, 2026, to repair pavement at their Trackside training facility.

Total requested for the project is $6,742.00.

All details pertaining to the scope of work of the project can be found following this memorandum.

The KHRG confirms the project meets the statutory and regulatory requirements of KRS 230.3615 & 810 KAR 7:010. Funding is available. KHRG staff will inspect the installation once the project is complete. All invoices, photographs and communication will remain on file at the KHRG Offices for Corporation review.

The Kentucky Thoroughbred Association ("KTA") / Kentucky Thoroughbred Owners and Breeders ("KTOB"), and the Kentucky Horsemen's Benevolent and Protective Association ("KYHBPA") recommend approval of this request.

KHRG Staff Recommends Approval.

BOARD ACTION
_____ Approve
_____ Defer
_____ Deny

CHURCHILL DOWNS

September 9, 2026

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

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

Dear Ms. Eads,

Churchill Downs Racetrack (CDRT) is requesting use of Backside Improvement Funds to repair potholes at the Trackside training facility. The estimated cost of the improvement is $6,742.

Defined project scope and bids from suppliers are attached.

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

Please contact me if you have any questions.

Regards,

Mike Ziegler
General Manager & Senior Vice President

Churchill Downs Racetrack
700 Central Ave.
Louisville, KY 40208
Office: (502) 394-1137

Enclosure: Project Estimates

Proposal & Contract

PAVING

RIVERSIDE and Contracting Company, Inc.

263 EILER AVE. LOUISVILLE. KENTUCKY 40214 • 502-368-4484

KASEY CASSELL @ 502-658-3188

PROPOSAL SUBMITTED	PHONE/FAX	DATE
CHURCHILL DOWNS	502-634-6430	SEPT. 2 2026
STREET	**JOB NAME**	
700 CENTRAL AVE	POTHOLE PATCHING PER PICTURES	
CITY, STATE AND ZIP CODE	**JOB LOCATION**	
LOUISVILLE KY 40208	1360 DURRETT AVE LOUISVILLE KY	

We propose to furnish all equipment, labor and materials necessary to perform the following scope of work:

ASPHALT PATCHING: APPROX. 4 AREAS: 1,831 SFT / 203 SYD

MILL AREAS TO A DEPTH OF 2", HAUL OFF SITE ALL DEBRIS
PAVE 2.5" BIT. HMA SURFACE ROLLED & COMPACTED
TACK & SAND ALL EDGES AFTER PAVING ..... $ 6,742.00

Riverside Paving & Contracting Co., Inc. agrees to provide and furnish the necessary materials, equipment and labor, in the manner described above, and to perform such work in a workmanlike manner and as expeditiously as working schedule and weather permit. Out work is guaranteed for one year against workmanship and materials. Payment is due and payable upon completion of the work, unless otherwise herein provided:
TERMS:--100% UPON completion of work to date --NO RETAINAGE HELD
Customer hereby agrees to make payment of the contract price and any additions that may be made thereto upon completion of the work by Riverside Paving & Contracting Co., Inc. unless otherwise specifically provided for at the time of the execution of this contract. . **Riverside Paving & Contracting Co., Inc.** cannot guarantee against "reflective cracking" on overlays or resurfacing projects. Existing cracks cannot be guaranteed not to reappear at a later date, after overlaying or resurfacing. **Riverside Paving & Contracting Co., Inc.** must have 1" of fall per 10'-0" to achieve proper drainage on any project. The contractor and/or owner must accept responsibility if the grade is not equal to or better than that stated above.**The following quote is based on THE CURRENT PRICE OF LIQUID ASPHALT, PLUS sales tax. Due to the unstable market for PETROLEUM products RIVERSIDE PAVING reserve the right to ADJUST OUR PRICE TO REFLECT INCREASE IN THE COST OF LIQUID ASPHALT & FUEL, AT THE TIME ASPHALT MIX IS LAID.**

Acceptance of Proposal

It is agreed that the contract price for the above work to be performed by Riverside Paving & Contracting Co., Inc. is _____

This proposal shall become a contract, binding upon both parties upon the signing of the same by the parties hereto.

Signed Riverside Paving & Contracting Co., Inc.

Signed _____
Customer

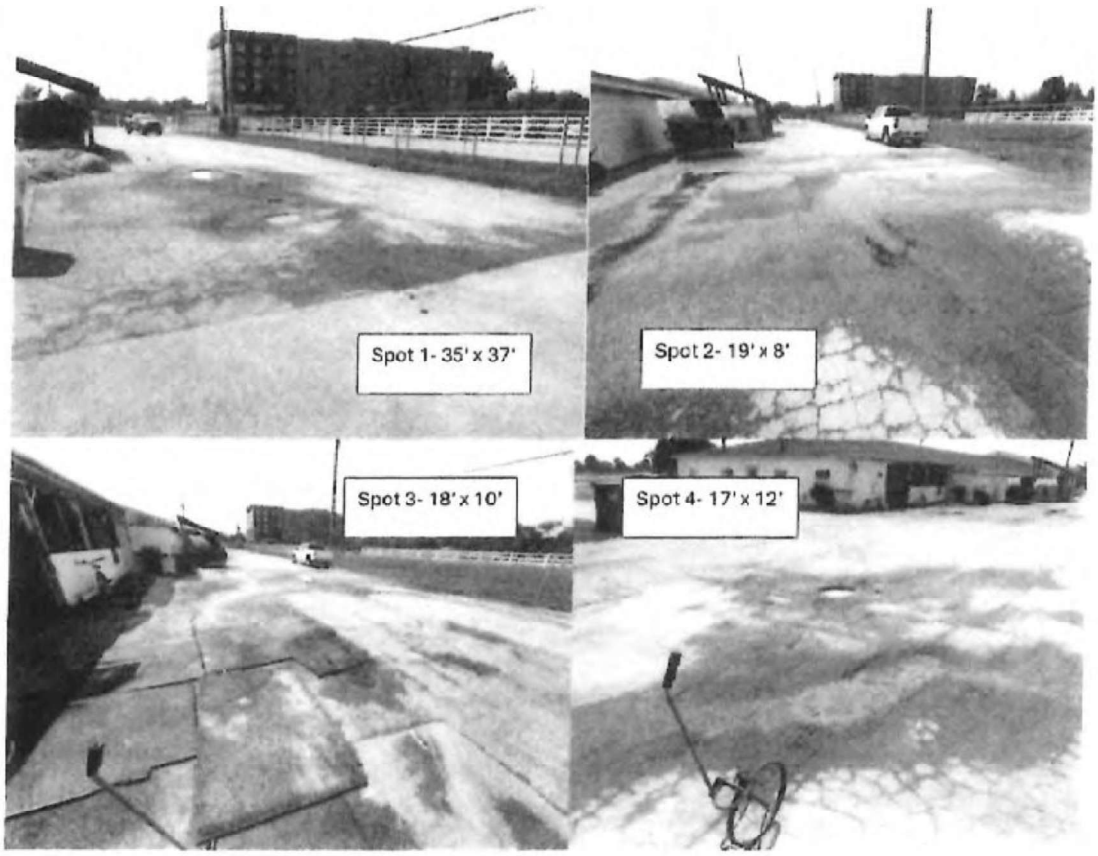
By DONNIE MANFORD, II SR. ESTIMATOR

Date _____

Date SEPT 2 2026

D

Proposal: CHURCHILL



LIBS PAVING CO., INC.

6931 Atkins Road, Floyds Knobs, Indiana
Office: 812-944-8942

8/6/2026

QT-21207

Project Info:

Kasey Cassell

5026583188

Churchill Downs
600 N. Hurstbourne Pkwy #400
Louisville KY 40222
United States

CHURCHILL

Practice Track Pothole Repairs

Churchill Downs
4520 POPLAR LEVEL RD
LOUISVILLE KY 40213-2100
United States

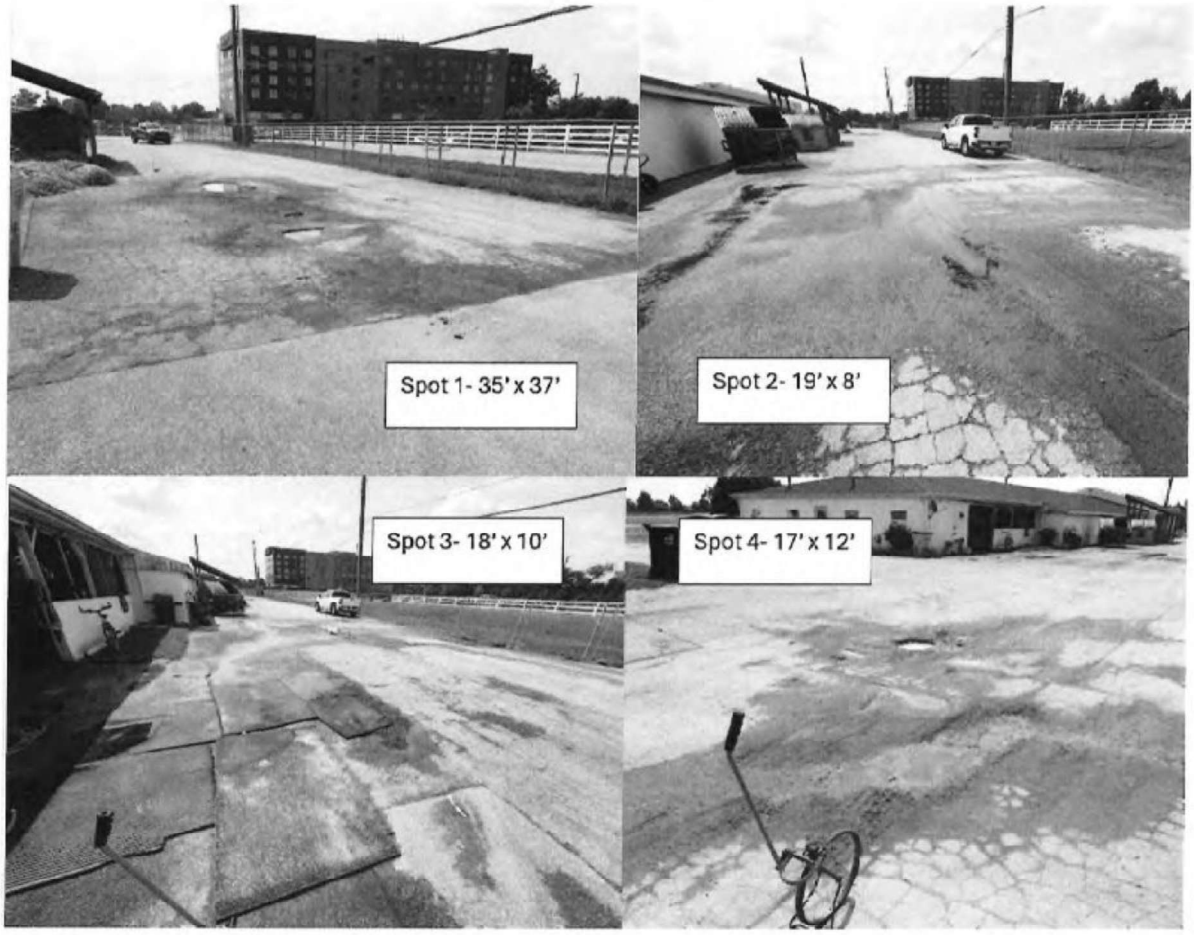
Rep: Hayden Burke

We are happy to present to you the following proposal for work to be performed. If you have any questions, please do not hesitate to contact us. Thank you!

Asphalt Pothole Repairs Approx. 203 SY

1. The areas under consideration comprises approx. **1,831** square feet located in **4** area(s).
2. Please review attached pictures.
3. Our firm will mill / edge key your pavement to the approx. depth of **2** inches.
4. All repairs will be shaped symmetrically where possible.
5. Millings and debris will be removed from job site and hauled to proper recycling facility. Work area will then be swept and cleaned.
6. Then we will install **2** inches of compacted thickness surface asphalt.

Total price for this service: $9,905.00


Spot 1- 35' x 37'
Spot 2- 19' x 8'
Spot 3- 18' x 10'
Spot 4- 17' x 12'

Contract Payment Terms and Conditions

1. **Warranty:** We guarantee all work against defects in materials and workmanship for a period of (1) year from date of installation. We do not guarantee against puddling where existing slope is less than 2%. We do not guarantee against reflective cracking and dry weather cracking.
2. **Exclusions:** Survey layout, traffic loops, permits, fees, testing, underground locates of utilities on private property, adjustment or relocation of existing utilities, scale or predeterminned wage.
3. ***Price based on current price of liquid asphalt. If price of liquid asphalt changes, we reserve the right to change our price accordingly.**
4. The following terms and conditions are between Libs Paving Company, Inc. (aka the contractor) and the person, company, or agent who executes the proposal (aka the customer).
5. The customer agrees to pay the contractor within the specified time period designated in the proposal. Any amounts past due, after 30 days from the invoice date, are subject to a 1.5% per month late charge. By signing this contract, the customer acknowledges this charge may be incurred. If full payment, including late charge, have not been received within 60 days, the account will be turned over to a collection agency. At this point, the customer agrees to pay for all collection fees (attorney costs, court costs, any other collection cost incurred by the contractor).
6. The contractor will provide price protection, for this proposal, for 30 days from the date on the proposal.
7. The contractor will typically arrive to the project site no later than 7:00 am, unless otherwise discussed with customer. It is the responsibility of the customer to notify tenants, postal service, garbage service, landscapers, etc. of the proposed work dates and times. The contractor recommends that a towing service be on-site, or on stand-by, to relocate any vehicles in the work area at start time. Should the contractor be delayed more than 1 hour, additional fees may be incurred for down time. The customer is required to contact all service providers in the event that the work is re-scheduled.
8. **Sprinklers** should be off 24 hours prior and 24 hours after service. Avoid lawn cutting during this same period of time.
9. While performing the contracted work, if the contractor encounters "soft" sub base material, the contractor will notify the customer of the issue encountered and provide an estimated cost of repairs. If the customer declines the corrective work and directs the contractor to proceed with original scope of work, the contractor shall not be held responsible for the structural integrity of that area and the warranty will be voided.
10. If unsuitable or hazardous materials are encountered and deemed by contractor undeliverable to contracted waste facility, the materials will be transported to the proper waste facility. The customer agrees to pay for any additional dump fee and trucking costs.
11. When paving handicap parking areas and ramps, the contractor will pave per existing elevations and conditions, unless otherwise specified in the proposal.
12. The contractor will not be responsible for any standing water in areas with fixed structures, or where the existing slope is less than 2%.
13. Libs Paving will only replace existing speed bumps, or install new speed bumps if specified in the proposal.
14. The contractor will not be responsible for any damages to new asphalt, concrete, or sealcoating which may be caused by footprints, graffiti, tire tracks, or loads in excess of design capacity.
15. The contractor will not be responsible for any delays in construction due to weather, natural disasters, delays in transportation, fuel or raw material shortage, plant failures, or any other circumstance that is out of our control.
16. Work specified in the proposal requires the use of heavy trucks and equipment. The contractor will not be held responsible for repair or replacement of existing structures or utilities damaged by heavy equipment necessary to complete the job.
17. When driving on your newly paved or sealed surface, the contractor encourages the customer to keep their vehicle(s) in motion when turning their wheels. "Scuffing" and "turn marks" are not considered warranty work. These marks will blend in time with the rest of the surface.
18. When re-painting existing parking bumpers or concrete curbing, we recommend hydro / sand blasting prior to re-painting. This is the only way to ensure proper bonding and to prevent "flaking".
19. The contractor will re-stripe parking lots per existing layout unless specified in the proposal.
20. Where applicable - "Alligator" or "spider web" areas or areas of failed asphalt will not receive crack filler.

Price Breakdown: CHURCHILL

Please find the following breakdown of all services we have provided in this proposal. This proposal originated on 8/6/2026. **Quote Number: QT-21207**

Item	Description	
1	Asphalt Pothole Repairs Approx. 203 SY	$9,905.00
	Total:	$9,905.00

Authorization to Proceed & Contract

1. By Signing I agree to all contract terms & conditions and scope of work outlined in this proposal.
2. I understand that if any additional work is required different than stated in this proposal/contract there will be additional charges.

Date: _____

Hayden M. Burke

Kasey Cassell
CHURCHILL
Churchill Downs 600 N. Hurstbourne Pkwy #400
Louisville KY 40222 United States
kasey.cassell@kyderby.com
C: 5026583188

Hayden Burke
hburke@libspaving.com
C: 8128501473
Libs Paving Company, Inc.
6931 Atkins Road
Floyds Knobs, IN 47119
P: 812-944-8942
F: 812-949-2806
http://www.libspaving.com

LOUISVILLE PAVING
AND CONSTRUCTION

September 4, 2026

ATT: Churchill Downs

RE: Trackside Patching

Louisville Paving Company is pleased to offer the following proposal for the above-mentioned project.

Scope of Work

Asphalt
Equipment Mobilization (1)
Mill (4) Areas 2" Deep provided pictures
Remove Spoils
Patch 2" Potholes with Surface Asphalt

Est Base Bid Lump Sum $11,661.25

Escalator: This price is firm for 30 days. After 30 days, we reserve the right to adjust due to increases in the price of liquid asphalt, asphalt materials, haul, and fuel. This quotation is based on the current price of liquid asphalt ($542.86).

Warranty: We guarantee all work against defects in material and workmanship for a period of (1) year from date of installation. We do not warranty the stability of existing stone bases/sub-bases or those sub-bases installed by others, we do not guarantee against puddling where existing slope is less than 1.5 %. We do not guarantee against reflective or tree root cracking.

Exclusions: Permits, bonds or fees associated with project, relocation of any utilities, cut and fill due to unstable sub-base, Contractor is not responsible for existing drainage systems or any drainage issues arising from current site conditions, any preparation or paving services not itemized in scope of work, multiple mobilizations unless itemized in quote, wrecker services to tow/relocate cars, solid rock removal, payment and performance bonds, disposal of contaminated materials/spoils, tree root removal, soil modifications/or stabilization, surveying, layout, weekend paving operations unless agreed upon in the quote, sink hole remediations, or thermoplastic striping unless itemized. Elevation shots to determine final drainage.

We appreciate the opportunity to bid on this project. Please call if you have any questions.

Sincerely

Lee Gettings
Project Manager. **Accepted**_____ **Date**_____

Office: (502) 583-1726
Fax: (502) 583-6375
15415 Shelbyville Rd
Louisville, KY 40245
An LPX Group Company
LOUPAVING.COM

Andy Beshear
GOVERNOR

Jacqueline Coleman
LIEUTENANT GOVERNOR

KENTUCKY HORSE RACING & GAMING
Kentucky's Safe Bet

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

Jamie Eads
PRESIDENT & CEO

Jonathan Rabinowitz
CHAIRMAN

TO:	Kentucky Horse Racing & Gaming
FROM:	Katie Smith, CFO
DATE	September 18, 2026
RE:	**FINANCIAL REPORTS**

Please find attached the following reports/financial information:

- Attachment 1 – Listing of all purchase requests approved to date in accordance with KHRG's Procurement Procedures for fiscal year ending June 30, 2027

Attachment 1

KENTUCKY HORSE RACING & GAMING CORPORATION

Purchase Request Tracker - Fiscal Year Ending June 30, 2027

Date	Vendor	Short Description	Amount	Anticipated Start Date	Anticipated End Date	Procurement Method	CEO/President Approval Date	Finance Committee Approval Date	KHRGC Board Approval Date
6/30/2025	Sleip AI AB	Subscription for application for pre-morning and post-race horse exams	$6,200.00	7/1/2025	12/31/2026	Incident / Small Purchase	7/1/2025	Not required	Not required
8/13/2025	Patterson Veterinary Supply Inc	Renewal of Master Agreement for Lasix supplies	$244,031.36	10/13/2025	10/13/2026	Competitive Sealed Bidding	8/13/2025	8/19/2025	8/19/2025
9/7/2025	Hannah News Services	Subscription for legislative tracking services	$4,299.00	10/1/2025	10/1/2026	Incident / Small Purchase	9/8/2025	Not required	Not required
10/22/2025	Trucordia (f/n/a Maverick Insurance	Cyber Insurance policy	$28,100.00	Upon execution	12 months	Incident / Small Purchase	10/22/2025	Not required	Not required
10/24/2025	Association of Racing Commissioners International	ARCI annual membership dues	$18,700.00	1/1/2026	12/31/2026	Incident / Small Purchase	10/24/2025	Not required	Not required
10/24/2025	Association of Racing Commissioners International	ARCI licensing system software	$23,214.63	1/1/2026	12/31/2026	Incident / Small Purchase	10/24/2025	Not required	Not required
11/21/2025	Trucordia (f/n/a Maverick Insurance	Insurance	$130,091.41	12/23/2025	12/23/2026	Non-Competitive Negotiation	11/21/2025	11/25/2025	11/25/2025
12/12/2025	Frost Brown Todd	Litigation Services RFP 2025-001	$395/hour up to $400,000	1/1/2026	12/31/2026	Competitive Negotiation	12/11/2025	12/15/2025	12/16/2025
12/12/2025	Sturgill, Turner, Barker & Moloney, PLLC	Litigation Services RFP 2025-001	$325/hour up to $400,000	1/1/2026	12/31/2026	Competitive Negotiation	12/11/2025	12/15/2025	12/16/2025
12/12/2025	Embry Merritt Womack Nance, PLLC	Litigation Services RFP 2025-001	$300/hour up to $400,000	1/1/2026	12/31/2026	Competitive Negotiation	12/11/2025	12/15/2025	12/16/2025
12/12/2025	Dentons Bingham Greenebaum, LLP	Litigation Services RFP 2025-001	$400/hour up to $400,000	1/1/2026	12/31/2026	Competitive Negotiation	12/11/2025	12/15/2025	12/16/2025
12/12/2025	Frost Brown Todd	General Legal Services RFP 2025-002	$495/hour up to $200,000	1/1/2026	12/31/2026	Competitive Negotiation	12/11/2025	12/15/2025	12/16/2025
12/12/2025	Sturgill, Turner, Barker & Moloney, PLLC	General Legal Services RFP 2025-002	$325/hour up to $200,000	1/1/2026	12/31/2026	Competitive Negotiation	12/11/2025	12/15/2025	12/16/2025
12/12/2025	Embry Merritt Womack Nance, PLLC	General Legal Services RFP 2025-002	$300/hour up to $200,000	1/1/2026	12/31/2026	Competitive Negotiation	12/11/2025	12/15/2025	12/16/2025
12/12/2025	Dentons Bingham Greenebaum, LLP	General Legal Services RFP 2025-002	$450/hour up to $200,000	1/1/2026	12/31/2026	Competitive Negotiation	12/11/2025	12/15/2025	12/16/2025
1/30/2026	Cherry Bekaert LLP	Financial Statement Audit FY2026 RFP 2025-003	$39.375.00	5/1/2026	6/30/2027	Competitive Negotiation	1/30/2026	2/10/2026	2/10/2026
3/19/2026	KY Thoroughbred Owners & Breeders	KTBIF advertising	$75,000.00	7/1/2026	6/30/2027	Non-Competitive Negotiation	3/23/2026	4/14/2026	4/14/2026

Date	Vendor	Short Description	Amount	Anticipated Start Date	Anticipated End Date	Procurement Method	CEO/President Approval Date	Finance Committee Approval Date	KHRGC Board Approval Date
3/20/2026	Dean Dorton Allen Ford PLLC	Finance & HR Services	$462,000.00	7/1/2026	6/30/2028	Competitive Negotiation	3/26/2026	4/14/2026	4/14/2026
3/20/2026	The Jockey Club Information Systems Inc.	Annual services for database support, maintenance, custom reports and database hosting	$73,987.80	7/1/2026	6/30/2027	Sole Source	3/23/2026	4/14/2026	4/14/2026
3/23/2026	Thoroughbred Daily News	KTBIF advertising	$35,400.00	7/1/2026	6/30/2027	Non-Competitive Negotiation	3/23/2026	4/14/2026	4/14/2026
3/24/2026	GLI Capital Group Inc.	Compliance and integrity services	$100,000.00	7/1/2026	6/30/2027	Competitive Sealed Bidding	3/30/2026	4/14/2026	4/14/2026
3/24/2026	Public Protection Cabinet	Database services for sports wagering & charitable gaming	$400,000.00	7/1/2026	6/30/2027	Non-Competitive Negotiation	3/30/2026	4/14/2026	4/14/2026
3/26/2026	TEKSystems	IT Project Manager Senior	$200,000.00	7/1/2026	6/30/2027	Cooperative Purchasing	3/30/2026	4/14/2026	4/14/2026
3/26/2026	Kentucky Horse Park	Lease for office space	$164,850.00	7/1/2026	6/30/2028	Non-Competitive Negotiation	3/26/2026	4/14/2026	4/14/2026
3/27/2026	University of Kentucky Vet Diagnostic Lab	Equine necropsies	$80,000.00	7/1/2026	6/30/2027	Non-Competitive Negotiation	3/26/2026	4/14/2026	4/14/2026
3/27/2026	The Industrial Laboratories Company Inc.	Post-race laboratory testing	$20,000.00	7/1/2026	6/30/2028	Competitive Negotiation	4/1/2026	4/14/2026	4/14/2026
4/20/2026	Office of the Attorney General	Hearing officers for administrative appeals	$125/hour up to $40,000	7/1/2026	6/30/2027	Non-Competitive Negotiation	4/20/2026	5/12/2026	5/12/2026
5/28/2026	Trucordia	Directors & Officers and Employment Practices Liability and Excess Insurance Policies	$132,000.00	7/1/2026	6/30/2027	Non-Competitive Negotiation	6/1/2026	6/9/2026	6/9/2026
5/29/2026	McBrayer PLLC	Continued Legal Services for Ongoing Litigation	$50,000.00	7/1/2026	6/30/2027	Non-Competitive Negotiation	5/30/2026	6/9/2026	6/9/2026
6/1/2026	Krueger International c/o KDA Office Furniture	Furniture for work stations and offices	$134,300.00	Upon approval	8/31/2026	Cooperative Purchasing	6/2/2026	6/9/2026	6/9/2026
6/5/2026	Thomson Reuters	CLEAR Subscription for Enforcement	$16,242.60	7/1/2026	6/30/2027	Cooperative Purchasing	6/5/2026	6/9/2026	Not required
6/23/2026	Commonwealth Office of Technology	IT Cabling for New Space on 2nd Floor	$7,157.00	After Approval	N/A	Non-Competitive Negotiation	6/25/2026	Not required	Not required
6/24/2026	Dever Golf Car Sales & Rentals	Golf Cart Rental for Standardbred Vet Division	$2,111.72	7/1/2026	11/16/2026	Incident / Small Purchase	6/25/2026	Not required	Not required
6/25/2026	RS Body Shop	CG Vehicle (KW4557) 2016 Ford Explorer repairs	$3,845.99	Upon approval	3-4 weeks after start	Incident / Small Purchase	6/25/2026	Not required	Not required

Date	Vendor	Short Description	Amount	Anticipated Start Date	Anticipated End Date	Procurement Method	CEO/President Approval Date	Finance Committee Approval Date	KHRGC Board Approval Date
7/2/2026	Dean Dorton Allen Ford	RFP for Managed IT and Proactive Cybersecurity Services	$175,000.00	7/20/2026	12 months	Competitive Negotiation	7/6/2026	7/21/2026	7/21/2026
7/28/2026	Alpha Energy Solutions	Access Control Door Additions for 2nd Floor	$9,979.26	8/24/2026	8/27/2026	Incident / Small Purchase	7/29/2026	Not required	Not required
8/6/2026	Classic Blinds	Blinds for New Space on 2nd Floor	$2,563.00	After Approval	N/A	Incident / Small Purchase	8/7/2026	Not required	Not required
9/3/2026	Hannah News Service	Legislative tracking services - Hannah News Service	$3,774.00	10/1/2026	9/30/2027	Incident / Small Purchase	9/3/2026	Not required	Not required
9/16/2026	Patterson Veterinary Supply, Inc.	Renewal modification to extend term through end of year for Lasix and medical supply purchases	$0.00	10/13/2026	12/31/2026	Competitve Sealed Bidding	9/17/2026	Not required	Not required

THOROUGHBRED RULINGS

	Total	Fines	Suspensions	Disqualifications	Appeals	
Jockey Violations						
Careless Riding	9	0	9	6	0	Routine riding offense
Overly Aggressive Riding	0	0	0	0	0	
Other Disciplinary Violations	3	1	2	0	0	Display of temper, eased up on mount approaching finish without adequate cause
Subtotal	12	$500				
Other Licensee Violations						
Misc. violations by licensees	7	7	0	0	0	Fined for violating scratch regulation, participating without a license, violated claiming regulation
Disorderly conduct and formal ejections	10	1	9	0	0	Display of temper, falsification of license application, failed human drug test, possession of electrical device on association grounds, criminal charges, formal ejection, participated while suspended, assumed responsibilities of ineligble person
Suspended for non payment of fines	0	0	0	0	0	
Subtotal	17	$5,500				
Other Rulings Issued	4	0	0	0	0	Licensee restored to good standing, apprentice allowance extension granted
TOTAL 2026 RULINGS	33	$6,000				
TOTAL 2026 HISA RULINGS	96	$134,816				A total of 96 HISA rulings have been issued in 2026 by the Kentucky stewards. 62 were issued due to overuse of the crop, 31 HISA Agreed Resolutions, 1 purse redistribution, 1 Shockwave Therapy Violation and 1 Possession of Electric Device

2026 THOROUGHBRED RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG CLASS	PENALTY OR ACTION	FINE	STATUS	
26-0034	9/17/2026	9/16/2026	Gabriel Saez	Suspended pending the disposition of criminal charges 9-16-26		Suspended		Current suspension	
26-0035	9/18/2026	9/17/2023	Jose L. Ortiz	careless riding		Suspended 3 days September 20, September 23 and September 24, 2026		Suspension served	

2026 KENTUCKY HISA RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG CLASS	PENALTY OR ACTION	FINE	STATUS	
H-26-082	8/2/2026	7/31/2026	Summer Pauly	HISA crop violation (3rd offense)		Fined and suspended 3 days , August 21 through August 23, 2026 (inclusive)	$750 (Under Appeal)	APPEALED	
H-26-083	8/2/2026	8/1/2026	Gerardo Corrales	HISA crop violation		Fined and suspended 1 day August 9, 2026	$ 500	Suspension served	
H-26-084	8/7/2026	8/1/2026	William Antongeorgi, III	HISA crop violation		Fined and suspended 1 day August 15, 2026	$ 250	Suspension served	
H-26-085	8/7/2026	7/19/2026	Francisco Arrieta	HISA Agreed Resolution of KY Stewards Ruling #26-081		Fined and suspended 4 days , August 14, August 15, August 16 and August 21, 2026	$ 500	Suspension served	
H-26-086	8/8/2026	8/1/2026	Francisco Arrieta	HISA crop violation (8th offense)		Fined and suspended 8 days , August 29, 30, September 3, 5, 6, 7, 9, and September 10, 2026	$4,000 (Under Appeal)	APPEALED	
H-26-087	8/15/2026	7/31/2026	Summer Pauly	HISA Agreed Resolution of KY Stewards Ruling #26-082		Fined and suspended 1 day August 23, 2026	$ 350	Suspension served	
H-26-088	8/15/2026	7/18/2026	Edagr Morales	HISA Agreed Resolution of KY Stewards Ruling #26-080		Fined	$ 31	Fine Paid	
H-26-089	8/28/2026	8/1/2026	Francisco Arrieta	HISA Agreed Resolution of KY Stewards Ruling #26-086		Fined and suspended 4 days , August 30, September 3, September 5 and September 6, 2026	$ 500	Suspension served	
H-26-090	9/3/2026	8/30/2026	Luis Fuenmayor	HISA crop violation		Fined and suspended 1 day September 9, 2026	$ 1,000	Suspension served	
H-26-091	9/12/2026	9/10/2026	William Antongeorgi, III	HISA crop violation (2nd offense)		Fined and suspended2 days, September 26 and September 27, 2026	$500 (Under Appeal)	APPEALED	

2026 KENTUCKY HISA RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG CLASS	PENALTY OR ACTION	FINE	STATUS	
H-26-092	9/13/2023	9/11/2026	Cristian A. Torres	HISA crop violation (4th offense)		Fined and suspended 4 days, October 2, October 3, October 4 and October 7, 2026	$2,000 (Under Appeal)	APPEALED	
H-26-093	9/18/2026	9/13/2023	Jane Elliott	HISA crop violation		Fined and suspended 1 day September 24, 2026	$ 250	Suspension served	
H-26-094	9/18/2026	9/13/2023	Rafael Bejarano	HISA crop violation (2nd offense)		Fined and suspended 2 days, October 3 and October 4, 2026	$1,000 Under Appeal)	APPEALED	
H-26-095	9/18/2026	9/11/2026	Cristian A. Torres	HISA Agreed Resolution of KY Stewards Ruling #26-092		Fined and suspended 1 day September 20, 2026	$ 500	Suspension served	
H-26-096	9/20/2026	9/10/2026	William Antongeorgi, III	HISA Agreed Resolution of KY Stewards Ruling #26-091		Fined and suspended 1 day October 3, 2026	$ 350	Current suspension	

STANDARDBRED RULINGS

KHRG Judges Rulings					Date	9/15/2026	
Infraction Date	Ruling Date	71 Ruling #	Licensee	Infraction	$ 28,850 Fine	Status	1360 Days
4/17/2025	1/24/2026	OG2026-001	Dean Eckley	Ruling Rescinded "OG2025-010"	$ -	COMPLETED	
3/22/2026	3/23/2026	OG2026-002	Randy Crisler	No Coggins / Health Papers / Conduct	$ 250	COMPLETED	
3/23/2026	3/24/2026	OG2026-003	Tyler Shehan	Contact With Foot	$ 100	COMPLETED	
3/24/2026	3/25/2026	OG2026-004	Jamaal Denson	Interference Causing A Break	$ 200	COMPLETED	
3/30/2026	4/6/2026	OG2026-005	Joseph Hershberger	Whipping While Not In Contention	$ 250	COMPLETED	
4/7/2026	4/13/2026	OG2026-006	Josert Fonseca	Failure To Set Proper Pace	$ 100	COMPLETED	
4/13/2026	4/13/2026	OG2026-007	Charles Smith	Late Driver Change	$ 50	COMPLETED	
4/5/2026	4/14/2026	OG2026-008	Jim Brinson	Failure To Pay Fines	$ -	COMPLETED	Restored
7/13/2025	4/14/2026	OG2026-009	Curtis Bradford	Failure To Pay Fines	$ -	PENDING	FULL
4/14/2026	4/20/2026	OG2026-010	Wyatt Avenatti	Excessive Use Of The Whip	$ 250	COMPLETED	
4/14/2026	4/20/2026	OG2026-011	Randy Crisler	Taking Up Abruptly In Front Of Horses	$ 300	COMPLETED	
4/20/2026	4/21/2026	OG2026-012	Joseph W Putnam	Employing Unlicensed Person	$ 100	COMPLETED	
4/21/2026	4/22/2026	OG2026-013	Tyler Shehan	Contact With Foot	$ -	COMPLETED	2
4/14/2026	4/27/2026	OG2026-014	Dein Spriggs	Failure To Set Proper Pace	$ 100	COMPLETED	
4/28/2026	4/28/2026	OG2026-015	Phillip Edmonson	Late Driver Change	$ 50	COMPLETED	
4/21/2026	4/28/2026	OG2026-016	Terry Skinner	Interference Causing A Break	$ 200	COMPLETED	
4/13/2026	5/5/2026	OG2026-017	Donald Brock	Post Race Positive - Class C	$ 1,000	COMPLETED	
4/28/2026	5/10/2026	OG2026-018	Randy Crisler	Crowding Another Horse	$ -	COMPLETED	2
5/5/2026	5/10/2026	OG2026-019	Tony Dinges	Failure To Set Proper Pace	$ 100	COMPLETED	
5/5/2026	5/10/2026	OG2026-020	Brandon Bates	Failure To Set Proper Pace	$ 100	COMPLETED	
5/10/2026	5/11/2026	OG2026-021	Adarryl Gates Jr	Unconventional Use Of The Whip	$ 250	COMPLETED	
4/21/2026	5/11/2026	OG2026-022	Issac Love	Excessive Use Of The Whip	$ 250	COMPLETED	
5/10/2026	5/11/2026	OG2026-023	Archie Buford	Unconventional Use Of The Whip	$ 250	COMPLETED	
5/10/2026	5/11/2026	OG2026-024	Tyler Miller	Unconventional Use Of The Whip	$ 250	COMPLETED	
5/10/2026	5/11/2026	OG2026-025	James Stiltner II	Unconventional Use Of The Whip	$ 250	COMPLETED	
5/16/2026	5/16/2026	OG2026-026	Jean P Dubois	Late Driver Change	$ 50	COMPLETED	
3/30/2026	5/16/2026	OG2026-027	Justin Lloyd	Post Race Positive - Class B	$ 1,000	COMPLETED	30
5/18/2026	5/18/2026	OG2026-028	Steven Fortune	Late Driver Change	$ 50	COMPLETED	
5/18/2026	5/18/2026	OG2026-029	Peter Kleinhans	Medication Procedure Violation	$ 200	COMPLETED	
5/18/2026	5/19/2026	OG2026-030	Randal Jerrel	Failure To Set Proper Pace	$ 100	COMPLETED	
5/19/2026	5/25/2026	OG2026-031	Zyler Maxwell	Excessive Use Of The Whip	$ 250	COMPLETED	
5/24/2026	5/25/2026	OG2026-032	Phillip Edmonson	Failure To Obey The Instructions Of An Official	$ 200	COMPLETED	
5/24/2026	5/25/2026	OG2026-033	Michael Oke	Failure To Obey The Instructions Of An Official	$ 200	COMPLETED	
5/26/2026	6/1/2026	OG2026-034	Joey Benamon	Trespassed Off Association Grounds	$ -	COMPLETED	FULL
5/24/2026	6/2/2026	OG2026-035	Lonette Manley	Failure To Pay Fines	$ -	PENDING	FULL
5/24/2026	6/2/2026	OG2026-036	Anjanica Linton	Failure To Pay Fines	$ -	PENDING	FULL
4/13/2026	6/9/2026	OG2026-037	Randy Crisler	Post Race Positive - Class C	$ 1,500	COMPLETED	10
6/9/2026	6/9/2026	OG2026-038	Steven Fortune	Late Driver Change	$ 50	UNPAID	
6/9/2026	6/9/2026	OG2026-039	Matthew Wilson	Late Driver Change	$ 50	COMPLETED	
6/19/2026	6/22/2026	OG2026-040	Matthew Wilson	Summarily Suspended	$ -	COMPLETED	8
6/15/2026	6/24/2026	OG2026-041	Ronnie Wrenn JR	Unconventional Use Of The Whip	$ 250	COMPLETED	
6/15/2026	6/24/2026	OG2026-042	Patrick Curtin	Unconventional Use Of The Whip	$ 200	COMPLETED	
3/23/2026	6/29/2026	OG2026-043	Randy Crisler	Post Race Positive - Class C	$ 1,500	COMPLETED	
6/19/2026	6/30/2026	OG2026-044	Matthew Wilson	Conduct Detrimental To Horse Racing	$ 1,000	APPEAL	365
6/9/2026	7/7/2026	OG2026-045	Jonas Czernyson	Post Race Positive - Class B	$ 2,000	COMPLETED	10

7/6/2026	7/7/2026	OG2026-046	John Mungillo	Unconventional Use Of The Whip	$ -	COMPLETED	3
4/7/2026	7/9/2026	OG2026-047	Leslie Burton	Post Race Positive - Class A	$ 5,000	APPEAL	180
7/8/2026	7/9/2026	OG2026-048	Jim Brinson	Pending Criminal Charges	$ -	PENDING	FULL
7/13/2026	7/14/2026	OG2026-049	Jamaal Denson	Unconventional Use Of The Whip	$ 250	COMPLETED	
7/13/2026	7/14/2026	OG2026-050	Adarryl Gates Jr	Indiscriminate Use Of The Whip	$ -	COMPLETED	3
7/13/2026	7/15/2026	OG2026-051	Jalen Gray	Unconventional Use Of The Whip	$ 250	COMPLETED	
6/6/2026	7/13/2026	KPS2026-01	James Latiker	Unpaid Entry Fee	$ -	COMPLETED	Restored
6/6/2026	7/26/2026	KPS2026-02	Rodney DeBeck	Post Race Positive - Class C	$ 1,000	COMPLETED	
7/27/2026	7/28/2026	RM2026-001	Tyler Shehan	Contact With Foot	$ -	COMPLETED	3
7/27/2026	7/28/2026	RM2026-002	Franciso Del Cid	Unconventional Use Of The Whip	$ -	COMPLETED	2
7/29/2026	7/30/2026	RM2026-003	Paul Fraley Jr	Offensive & Profane Language	$ 500	COMPLETED	
7/28/2026	8/5/2026	RM2026-004	Ronald Best	Pre Race Positive - TCO2	$ 1,500	COMPLETED	15
8/17/2026	8/18/2026	RM2026-005	Marvin Luna	Unconventional Use Of The Whip	$ 250	COMPLETED	
5/6/2026	8/18/2026	RM2026-006	Bianca Johnson	Received License While Underage	$ -	COMPLETED	136
5/6/2026	8/18/2026	RM2026-007	Brendan Johnson	Falsified Application For Underage Applicant	$ 250	COMPLETED	
8/18/2026	8/19/2026	RM2026-008	Jerry Austin	Pending Criminal Charges	$ -	COMPLETED	114
8/23/2026	8/24/2026	RM2026-009	Morgan Whisenant	Falsified Application - Pending Charges	$ -	COMPLETED	129
8/24/2026	9/1/2026	RM2026-010	Matt Rodriguez	Possession of Needles, Syringes, Injectables	$ 5,000	UNPAID	180
8/23/2026	8/25/2026	RM2026-011	James Stiltner II	Unconventional Use Of The Whip	$ -	COMPLETED	2
8/19/2026	8/26/2026	RM2026-012	Jim Oscarsson	Foot Out Of Stirrup	$ 100	COMPLETED	
8/27/2026	8/27/2026	RM2026-013	Bryan Bridges	Falsified Application - Felony Charges		COMPLETED	127
8/26/2026	8/27/2026	RM2026-014	Jamaal Denson	Unconventional Use Of The Whip	$ 250	UNPAID	
8/26/2026	8/27/2026	RM2026-015	Terry Skinner	Unconventional Use Of The Whip	$ -	COMPLETED	2
8/26/2026	8/27/2026	RM2026-016	Geremy Bobbitt	Unconventional Use Of The Whip	$ -	COMPLETED	2
9/26/2024	9/1/2026	RM2025-020	Tony Alagna	Post Race Positive - Class B	$ 1,000	UNPAID	30
9/7/2026	9/8/2026	RM2026-017	Tyler Shehan	One Hand Whipping - Full Swings	$ 500	UNPAID	5

QUARTER HORSE RULINGS

2026 (through September 21, 2026)

	Total	Fines	Suspensions	Disqualifications	Appeals	
Jockey Violations						
Careless Riding	0	0	0	0	0	
Overly Aggressive Riding	0	0	0	0	0	
Other Disciplinary Violations	6	5	1	0	0	Display of temper, crop violation
Subtotal	6	$2,250				
Other Licensee Violations						
Misc. violations by licensees	1	1	0	0	0	Fined for violating scratch regulation
Disorderly conduct and formal ejections	0	0	0	0	0	
Suspended for non payment of fines	0	0	0	0	0	
Subtotal	17	$200				
Other Rulings Issued	0	0	0	0	0	
TOTAL 2026 RULINGS	7	$2,450				

QUARTER HORSE RULINGS 2026

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG CLASS	PENALTY OR ACTION	FINE	STATUS	
SRR26-0001	8/25/2026	8/21/2026	Cesar Esqueda	Violated Scratch Regulation		Fined	$ 200	Unpaid	
SRR26-0002	8/26/2026	8/21/2026	Francisco Quintero	Crop Violation		Suspension		Unserved	
SRR26-0003	8/26/2026	8/20/2026	Martin Munoz	Display of Temper		Fined	$ 250	Unpaid	
SRR26-0004	8/28/2026	8/27/2026	Germarius O'Neal	Crop Violation		Fined	$ 500	Unpaid	
SRR26-0005	9/7/2026	9/6/2026	Roman Cruz	Crop Violation		Fined	$ 500	Unpaid	
SRR26-0006	9/7/2026	9/6/2026	Gonzalo Gutierrez	Crop Violation		Fined	$ 500	Paid	
SRR26-0007	9/7/2026	9/6/2026	Randy Vega	Crop Violation		Fined	$ 500	Unpaid	

VETERINARY DIVISION

KHRGC Veterinary Report

Ellis Park 2026

Total Starts			**1901**
	Post Race Samples		**510**
	tCO_2		**184**
Veterinary Scratches			**59 (3% of potential starts (1960))**
	Pre-Race		**35**
		Soundness Related	**34**
		Injury	**1**
	On-Track		**24**
		Soundness Related	**17**
		Gate / Paddock Injury	**7**
KHRGC Veterinary List			**90**
	Veterinary Scratches		**59**
	Race Injuries/Post Race Lame/Test Barn Lame		**28**
	EIPH/Epistaxis		**0**
	Heat / Physical Distress		**3**
Claimed Horses			**118**
Voided Claims			**19 (16%)**
Ambulance Runs			**14**
Racing Fatalities			**4 (2.1 per 1000 Starts)**
	Musculo-skeletal		**4**
	Sudden Death		**0**
Training Fatalities			**2**
	Musculo-skeletal		**2**
	Sudden Death		**0**
Vets List Works			**92**
	Failed Works		**30 (21 post work + 9 pre-work)**
	Locale / Type:	KY	**46**
		Other Jurisdiction	**16**
		Layoff / 4yo+ 1st time starter	**30**

KHRGC Veterinary Report

Sandy Ridge 2026

Total Starts		**481**
	Post Race Samples	**145**
Veterinary Scratches		**18 (3.6% of potential starts (499))**
	Pre-Race	**4**
	On-Track	**14**
	Soundness related	**1**
	Gate/paddock Injury	**13**
KHRC Veterinary List		**30**
	Scratches	**18**
	Race Injuries/post race lame/test barn lame	**4**
	EIPH	**7**
	Heat Distress	**1**
Claimed horses		**2**
Voided Claims		**0**
Ambulance Runs		**9**
Racing Fatalities		**3 (6.24 per 1000 starts)**
	Musculo-skeletal	**2**
	Sudden Death	**0**
	Traumatic Gate Injury	**1**
Training Fatalities		**0**

KHRGC Veterinary Report

Kentucky Downs 2026

Total Starts			**825**
	Post Race Samples		**179**
	tCO_2		**128**
Veterinary Scratches			**26 (3% of potential starts (851))**
	Pre-Race		**23**
		Soundness Related	**21**
		Injury	**2**
	On-Track		**3**
		Soundness Related	**2**
		Gate / Paddock Injury	**1**
KHRGC Veterinary List			**37**
	Veterinary Scratches		**26**
	Race Injuries/Post Race Lame/Test Barn Lame		**7**
	EIPH/Epistaxis		**1**
	Heat / Physical Distress		**3**
Claimed Horses			**5**
Voided Claims			**1 (20%)**
Ambulance Runs			**3**
Racing Fatalities			**0**
Training Fatalities			**0**
Vets List Works			**24**
	Failed Works		**4 - post work**
	Locale / Type:	KY	**13**
		Other Jurisdiction	**5**
		Layoff / 4yo+ 1st time starter	**6**

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

Year	Category Non-musculoskeletal: EIPH, Sudden Death, Racing Accident	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Starts (Incompass)	Fatalities per 1,000 starts
2007	Musculoskeletal	2	1	5	2	4	3	4	2	2	3	4	5	37	23,180	1.60
	Non-musculoskeletal	0	0	0	0	0	0	0	0	0	1	0	0	1		0.04
	TOTAL	2	1	5	2	4	3	4	2	2	4	4	5	38		**1.64**
2008	Musculoskeletal	3	0	4	2	3	2	2	2	3	2	4	8	35	22,278	1.57
	Non-musculoskeletal	0	0	0	0	0	0	0	0	0	0	0	0	0		0.00
	TOTAL	3	0	4	2	3	2	2	2	3	2	4	8	35		**1.57**
2009	Musculoskeletal	3	5	1	2	4	1	2	4	3	3	2	3	33	20,142	1.64
	Non-musculoskeletal	0	0	0	0	0	0	0	0	0	0	0	0	0		0.00
	TOTAL	3	5	1	2	4	1	2	4	3	3	2	3	33		**1.64**
2010	Musculoskeletal	2	1	2	0	0	2	4	2	1	3	7	1	25	18,167	1.38
	Non-musculoskeletal	0	0	1	1	0	0	0	0	0	0	0	0	2		0.11
	TOTAL	2	1	3	1	0	2	4	2	1	3	7	1	27		**1.49**
2011	Musculoskeletal	2	2	1	1	2	5	1	3	2	5	3	1	28	18,258	1.53
	Non-musculoskeletal	0	0	0	0	0	0	0	0	1	0	0	0	1		0.05
	TOTAL	2	2	1	1	2	5	1	3	3	5	3	1	29		**1.59**
2012	Musculoskeletal	0	0	1	2	9	2	0	2	0	3	5	3	27	17,513	1.54
	Non-musculoskeletal	0	0	0	0	0	0	0	0	0	1	0	0	1		0.06
	TOTAL	0	0	1	2	9	2	0	2	0	4	5	3	28		**1.60**
2013	Musculoskeletal	2	2	0	0	1	2	2	5	3	1	1	3	22	16,242	1.35
	Non-musculoskeletal	0	0	0	0	0	0	0	0	1	0	0	0	1		0.06
	TOTAL	2	2	0	0	1	2	1	5	4	1	1	3	23		**1.42**
2014	Musculoskeletal	2	2	0	0	3	0	1	1	1	3	3	0	16	14,460	1.11
	Non-musculoskeletal	0	0	0	0	0	0	0	0	0	0	0	0	0		0.00
	TOTAL	2	2	0	0	3	0	1	1	1	3	3	0	16		**1.11**
2015	Musculoskeletal	3	1	1	0	3	2	1	1	3	3	2	1	21	15,514	1.35
	Non-musculoskeletal	0	0	0	0	0	1	0	1	0	0	0	0	2		0.13
	TOTAL	3	1	1	0	3	3	1	2	3	3	3	1	23		**1.48**

2016	Musculoskeletal	0	2	0	4	4	3	1	0	1	2	5	1	23	16,495	1.39
	Non-musculoskeletal	0	0	0	0	0	2	1	0	0	0	0	0	3		0.18
	TOTAL	0	2	0	4	4	5	2	0	1	2	5	1	26		**1.58**
2017	Musculoskeletal	1	2	1	2	1	3	0	1	2	3	2	0	18	15,032	1.20
	Non-musculoskeletal	0	0	0	0	0	2	0	0	0	0	0	0	2		0.13
	TOTAL	1	2	1	2	1	5	0	1	2	3	2	0	20		**1.33**
2018	Musculoskeletal	2	1	0	4	3	1	6	0	7	1	3	4	32	15,049	2.13
	Non-musculoskeletal	0	0	1	0	1	0	0	1	0	0	1	0	4		0.27
	TOTAL	2	1	1	4	4	1	6	1	7	1	4	4	36		**2.39**
2019	Musculoskeletal	0	1	1	4	1	0	0	1	1	5	2	3	19	15,456	1.23
	Non-musculoskeletal	0	0	0	0	0	2	0	1	0	0	0	0	3		0.19
	TOTAL	0	1	1	4	1	2	0	2	1	5	2	3	22		**1.42**
2020	Musculoskeletal	1	0	1	0	1	0	0	3	4	1	4	1	16	13,872	1.15
	Non-musculoskeletal	0	0	3	0	0	0	0	0	0	0	0	0	3		0.22
	TOTAL	1	0	4	0	1	0	0	3	4	1	4	1	19		**1.37**
2021	Musculoskeletal	2	1	0	0	1	2	1	1	4	3	2	2	19	14,676	1.29
	Non-musculoskeletal	0	0	0	0	0	0	0	0	0	0	0	0	0		0
	TOTAL	2	1	0	0	1	2	1	1	4	3	2	2	19		**1.29**
2022	Musculoskeletal	0	1	0	1	2	1	2	2	0	1	3	0	13	15,913	0.82
	Non-musculoskeletal	0	1	0	0	0	1	0	0	0	0	0	0	2		0.13
	TOTAL	0	2	0	1	2	2	2	2	0	1	3	0	15		**0.94**
2023	Musculoskeletal	1	2	3	3	8	1	1	0	0	1	2	1	23	16,699	1.38
	Non-musculoskeletal	0	0	0	1	1	0	0	0	0	0	0	0	2		0.12
	TOTAL	1	2	3	4	9	1	1	0	0	1	3	1	25		**1.49**
2024	Musculoskeletal	0	0	1	1	1	1	0	2	0	3	3	2	14	17,918	0.78
	Non-musculoskeletal	1	0	0	0	0	0	0	0	0	0	0	0	1		0.06
	TOTAL	1	0	1	1	1	1	0	2	0	3	3	2	15		**0.84**
2025	Musculoskeletal	1	2	0	3	5	2	1	0	2	2	3	1	22	17,811	1.24
	Non-musculoskeletal	0	0	0	0	0	0	0	0	0	0	0	0	0		0
	TOTAL	1	2	0	3	5	2	1	0	2	2	3	1	22		**1.24**
2026	Musculoskeletal	1	1	1	4	1	1	0	4					13	11,327	1.15
	Non-musculoskeletal	0	0	0	0	0	0	0	0					0		0
	TOTAL	1	1	1	4	1	1	0	4					13		**1.15**

PARI-MUTUEL WAGERING DIVISION

Pari-Mutuel Wagering for June 2026

June 2026

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

On-Track Wagers on Live Horse Racing

Licensee	Race Dates	On-Track Handle	Return to Public	Commission	Settlement	Breakage	Minus Pools	Daily Average Live Handle	Backside Improvement Fund	Excise Tax	TB Dev Fund	SB Dev Fund	QH Dev Fund	PH/AP/AR Dev Fund-Live	Equine Drug Research	Higher Ed Equine Trust	Equine Industry Programs	General Fund
Churchill Downs Racetrack, LLC	20	$4,833,765	$3,513,642	$917,816	$399,287	$4,350	($1,331)	$241,688	$24,169	$72,506	$19,335	$0	$0	$0	$4,834	$4,834	$9,668	$33,836
ECL Corbin, LLC	0	$0	$0	$0	$0	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Ellis Entertainment, ..	0	$0	$0	$0	$0	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Keeneland Association, In..	0	$0	$0	$0	$0	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Kentucky Downs, LLC	0	$0	$0	$0	$0	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Lexington Trots Breeders Asso..	0	$0	$0	$0	$0	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Revolutionary Racing Kentuc..	0	$0	$0	$0	$0	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Turfway Park, LLC	0	$0	$0	$0	$0	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
WKY Development, ..	9	$40,534	$28,498	$8,567	$3,439	$63	($34)	$4,504	$0	$608	$0	$405	$0	$0	$41	$41	$81	$41
Grand Total	29	$4,874,298	$3,542,140	$926,384	$402,726	$4,413	($1,365)	$168,079	$24,169	$73,114	$19,335	$405	$0	$0	$4,874	$4,874	$9,749	$33,877

Simulcast Wagers on Interstate and Intertrack Live Horse Racing

Licensee	Facility	Off-Track Handle (Simu..	Thoroughbred	Standardbred	Quarter Horse	Other Breeds	Excise Tax - Simulcast	TB Dev Fund-Sim	SB Dev Fund-Sim	QH Dev Fund-Sim	PH/AP/AR Dev Fund-Sim	Equine Drug Research	Higher Education Eq..	Equine Industry Prog..	General Fund
Churchill Downs Racetrack, LLC	Churchill Downs Racetrack	$1,336,106	$1,275,570	$50,697	$9,840	$0	$20,042	$12,756	$507	$98	$0	$668	$668	$334	$5,010
	Louisville Thoroughbred Socie..	$3,740	$3,633	$107	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
ECL Corbin, LLC	Cumberland Run Racetrack	$51,781	$49,328	$1,862	$591		$0	$0	$0	$0	$0	$0	$0	$0	$0
Ellis Entertainment, LLC	Ellis Park Racetrack	$803,448	$730,193	$69,781	$3,474	$0	$12,052	$7,302	$698	$35	$0	$402	$402	$201	$3,013
Keeneland Association,..	Keeneland Racetrack	$1,575,739	$1,571,026	$0	$4,712	$0	$23,636	$15,710	$0	$47	$0	$788	$788	$394	$5,909
Kentucky Downs, LLC	Kentucky Downs Racetrack	$909,278	$872,194	$27,996	$9,088		$13,639	$8,722	$280	$91		$455	$455	$227	$3,410
Lexington Trots Breed..	Red Mile Racetrack	$207,629	$0	$202,952	$4,674	$3	$0	$0	$0	$0	$0	$0	$0	$0	$0
Revolutionary Racing Kent..	Revolutionary Racing Kentucky, LLC	$111,304	$99,027	$10,913	$1,364	$0	$1,670	$990	$109	$14	$0	$56	$56	$28	$417
Turfway Park, LLC	Turfway Park Racetrack	$857,074	$820,506	$30,219	$6,349	$0	$12,856	$8,205	$302	$63	$0	$429	$429	$214	$3,214
WKY Developmen..	Oak Grove Racetrack	$202,436	$167,470	$30,881	$4,085	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Grand Total		$6,059,535	$5,509,946	$425,407	$44,177	$3	$83,894	$53,685	$1,990	$348	$0	$2,790	$2,790	$1,398	$20,974

Pari-Mutuel Wagering for June 2026

June 2026

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

On-Track Wagers on Historical Horse Racing

Licensee	Facility	On-Track Handle	Return to Public	Pool Growth	Breakage	Gross Commission - ..	Excise Tax - HHR	TB Dev. Fund	SB Dev. Fund	QH Dev. Fund	General Fund and Other	Adjusted Commission - ..	Avg. Terminal Count	Adjusted Commission - ..
Churchill Downs Rac..	Derby City Ga..	$200,426,976	$182,105,116	$291,151	$539	$18,030,170	$3,006,405	$801,708	$0	$0	$2,204,697	$15,023,766	1,247	$12,051
	Derby City Ga..	$17,412,152	$15,810,481	$18,002	$151	$1,604,508	$261,182	$69,649	$0	$0	$191,534	$1,343,326	428	$3,140
ECL Corbin, LLC	Corbin	$6,346,789	$5,699,459	$47,746	$77	$599,507	$95,202	$0	$25,387	$0	$69,815	$504,305	61	$8,299
	Williamsburg	$47,450,079	$42,658,912	$253,114	$864	$4,537,189	$711,751	$0	$189,800	$0	$521,951	$3,825,438	556	$6,882
Ellis Entertainment, LLC	Henderson	$22,871,828	$20,541,455	($140,254)	$309	$2,190,699	$343,077	$91,487	$0	$0	$251,590	$1,847,621	290	$6,375
	Owensboro	$46,874,358	$42,360,552	$181,657	$752	$4,331,396	$703,115	$187,497	$0	$0	$515,618	$3,828,281	587	$6,181
Kentucky Downs, LLC	Bowling Green	$40,440,307	$36,454,313	$162,328	$326	$3,823,340	$606,605	$161,761	$0	$0	$444,843	$3,216,735	448	$7,186
	Franklin	$170,262,214	$154,585,622	$233,141	$3,380	$15,440,070	$2,553,933	$681,049	$0	$0	$1,872,884	$12,886,137	1,266	$10,177
Lexington ..	Red Mile	$108,598,052	$98,433,348	($43,765)	$3,707	$9,790,797	$1,628,971	$217,196	$217,196	$0	$1,194,579	$8,161,826	824	$9,908
Revolution..	Sandy's Raci..	$34,227,232	$30,976,220	$134,740	$761	$3,115,511	$513,400	$0	$0	$342,272	$171,136	$2,602,103	510	$5,099
Turfway Park, LLC	Newport	$35,674,825	$32,419,770	($63,970)	$38	$3,318,988	$535,122	$142,699	$0	$0	$392,423	$2,783,866	456	$6,103
	Turfway Park	$70,536,850	$63,832,691	$174,930	$272	$6,528,956	$1,058,053	$282,147	$0	$0	$775,905	$5,470,903	758	$7,221
WKY Development, LLC	Marshall Yards	$14,703,709	$13,239,349	$88,428	$152	$1,389,378	$220,556	$0	$58,815	$0	$161,741	$1,168,822	221	$5,287
	Oak Grove	$159,129,574	$143,344,809	($405,659)	$521	$14,145,832	$2,371,944	$316,259	$316,259	$0	$1,739,425	$11,773,988	1,225	$9,611
Grand Total		$973,954,946	$882,462,097	$929,590	$11,849	$88,846,343	$14,609,324	$2,951,453	$807,458	$342,272	$10,508,141	$74,237,019	8,876	$103,519

Advance Deposit Account Wagering

Licensee	Total Handle	In-State Races	Out-of-State Races	Excise Tax - ADW	Host Track - Purses	Host Tracks	General Fund-ADW
AmWest Entertain..	$79,320	$0	$79,320	$1,190	$506	$506	$178
eDet Technologies	$6,569	$639	$5,930	$99	$42	$42	$15
Lien Games Racing	$159,516	$0	$159,516	$2,393	$1,017	$1,017	$359
NYRABets	$1,652,042	$410,819	$1,241,223	$24,781	$10,532	$10,532	$3,717
TVG	$10,507,076	$2,025,733	$7,681,343	$157,606	$66,983	$66,983	$23,641
Twinspires	$17,548,211	$6,401,761	$11,146,450	$263,223	$111,870	$111,870	$39,483
WatchandWager.c..	$11,097	$2,795	$8,302	$166	$71	$71	$25
Xpressbet	$2,072,322	$1,267,995	$1,704,327	$44,585	$18,040	$18,040	$6,688
Grand Total	$32,936,153	$10,909,741	$22,026,411	$494,042	$209,968	$209,968	$74,106

Total Distributions by Account

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

Total Excise Tax	$15,260,375
Equine Drug Research	$7,671
Equine Industry Program	$11,147
Higher Education Program	$7,671
K. Thoroughbred Development Fund	$3,024,474
K. Standardbred Development Fund	$809,759
K. Quarter Horse Development Fund	$342,621
Host Track - Purses	$209,968
Host Tracks	$209,968
General Fund (See Note on Caps)	$10,637,098
Backside Improvement Fund	$24,169

FY 2026

Pari-Mutuel Wagering for FY 2026 (YTD)

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

On-Track Wagers on Live Horse Racing

Licensee	Race Dates	On-Track Handle	Return to Public	Commission	Settlement	Breakage	Minus Pools	Daily Average Liv..	Backside Improveme..	Excise Tax	TB Dev Fund	SB Dev Fund	QH Dev Fund	PH/AP/AR Dev Fund-Li..	Equine Drug Research	Higher Ed Equine Trust	Equine Industry Pro..	General Fund
Churchill Downs Racetrack, L..	84	$55,780,354	$39,120,874	$10,598,057	$6,026,422	$43,324	($8,323)	$664,052	$278,902	$836,705	$251,985	$0	$0	$2,858	$55,780	$55,780	$111,561	$361,599
ECL Corbin, LLC	14	$46,067	$32,717	$9,103	$4,066	$110	($120)	$3,283	$0	$680	$0	$460	$0	$0	$46	$46	$92	$46
Ellis Entertainment, LLC	25	$2,725,746	$1,997,030	$524,921	$193,117	$2,068	($561)	$109,030	$13,629	$40,886	$20,443	$0	$0	$0	$2,726	$2,726	$5,451	$9,540
Keeneland Association, Inc.	32	$34,331,049	$26,607,821	$5,710,257	$3,961,063	$29,539	($3,595)	$1,072,845	$171,655	$514,966	$257,483	$0	$0	$0	$34,331	$34,331	$68,662	$120,159
Kentucky Downs, LLC	7	$2,305,764	$1,569,126	$414,637	$320,168	$2,122	($289)	$329,395	$11,529	$34,586	$17,293	$0	$0	$0	$2,306	$2,306	$4,612	$8,070
Lexington Trots Breeders Ass..	39	$860,114	$661,218	$175,713	$25,249	$697	($2,762)	$22,054	$0	$12,902	$0	$8,601	$0	$0	$860	$860	$1,720	$860
Revolutionary Racing Kentucky, LLC	0	$0	$0	$0	$0	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Turfway Park, LLC	58	$3,550,418	$2,670,952	$680,443	$196,763	$2,620	($360)	$61,214	$17,752	$53,256	$26,628	$0	$0	$0	$3,550	$3,550	$7,101	$12,426
WKY Development, LLC	36	$190,923	$138,280	$40,468	$12,098	$277	($199)	$5,303	$0	$2,864	$0	$1,909	$0	$0	$191	$191	$382	$191
Grand Total	295	$99,790,335	$72,798,017	$18,153,690	$10,738,945	$80,766	($16,218)	$338,272	$493,467	$1,496,855	$573,833	$10,970	$0	$2,858	$99,790	$99,790	$199,581	$512,891

Simulcast Wagers on Interstate and Intertrack Live Horse Racing

Licensee	Facility	Off-Track Handle (Gim..	Thoroughbred	Standardbred	Quarter Horse	Other Breeds	Excise Tax - Simulcast	TB Dev Fund-Gim	SB Dev Fund-Gim	QH Dev Fund-Gim	PH/AP/AR Dev Fund-Gi..	Equine Drug Research	Higher Education E..	Equine Industry Pro..	General Fund
Churchill Downs Racetr..	Churchill Downs Racetr..	$16,963,425	$16,180,341	$682,697	$100,304	$83	$254,451	$161,803	$6,827	$1,004	$1	$8,482	$8,482	$4,241	$63,613
Racetrack, LLC	Louisville Thor..	$106,140	$104,208	$1,368	$128	$436	$0	$0	$0	$0	$0	$0	$0	$0	$0
ECL Corbin, LLC	Cumberland Run Racetrack	$596,412	$575,816	$15,876	$4,477	$245	$0	$0	$0	$0	$0	$0	$0	$0	$0
Ellis Entertainment..	Ellis Park Racetrack	$9,140,263	$8,363,359	$746,928	$29,238	$739	$137,104	$83,634	$7,469	$300	$7	$4,570	$4,570	$2,285	$34,276
Keeneland As..	Keeneland Ra..	$20,872,056	$20,832,917	$0	$37,498	$1,641	$313,081	$208,329	$0	$391	$16	$10,436	$10,436	$5,218	$78,270
Kentucky Downs, LLC	Kentucky Downs Racetr..	$10,212,720	$9,727,264	$363,721	$118,192	$4,368	$153,191	$97,273	$3,637	$1,217	$44	$5,106	$5,106	$2,553	$38,298
Lexington Tro..	Red Mile Racet..	$7,629,999	$0	$7,560,648	$67,200	$2,151	$0	$0	$0	$0	$0	$0	$0	$0	$0
Revolutionary Racing Kentu..	Revolutionary Racing Kentuc..	$1,324,439	$1,225,324	$92,148	$6,950	$16	$19,867	$12,253	$921	$70	$0	$662	$662	$331	$4,967
Turfway Park, LLC	Turfway Park Racetrack	$11,017,202	$10,593,555	$355,213	$67,351	$1,084	$165,258	$105,936	$3,552	$684	$11	$5,509	$5,509	$2,754	$41,315
WKY Develop..	Oak Grove Ra..	$2,834,188	$2,455,198	$303,532	$72,254	$3,204	$0	$0	$0	$0	$0	$0	$0	$0	$0
Grand Total		$80,696,845	$70,057,983	$10,122,130	$503,591	$13,967	$1,042,952	$669,228	$22,407	$3,666	$79	$34,765	$34,765	$17,383	$260,738

Pari-Mutuel Wagering for FY 2026 (YTD)

FY 2026

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On-Track Wagers on Historical Horse Racing

Licensee	Facility	On-Track Handle	Return to Public	Pool Growth	Breakage	Gross Commission - ..	Excise Tax - HHR	TB Dev Fund-HHR	SB Dev Fund-HHR	QH Dev Fund-HHR	General Fund and Other	Adj. Commission - Win
Churchill Downs Racetrack, LLC	Derby City ..	$2,473,778,051	$2,251,124,181	($9,133,635)	$6,920	$222,502,472	$37,106,671	$16,901,376	$0	$0	$20,205,295	$185,395,802
	Derby City ..	$199,253,516	$180,170,848	($7,621,943)	$1,916	$18,447,911	$2,988,803	$1,354,344	$0	$0	$1,634,459	$15,459,108
ECL Corbin, LLC	Corbin	$63,105,141	$56,705,144	$476,205	$547	$5,923,246	$946,577	$0	$567,368	$0	$379,209	$4,976,669
	Williamsbu..	$581,170,476	$524,041,021	$1,600,888	$8,625	$55,519,941	$8,717,557	$0	$5,304,728	$0	$3,412,830	$46,802,384
Ellis Entertainment, LLC	Henderson	$271,878,212	$244,625,410	$661,047	$3,627	$26,308,509	$4,078,173	$1,859,665	$0	$0	$2,218,508	$22,230,336
	Owensboro	$583,374,983	$526,627,461	($1,682,098)	$8,766	$54,380,853	$8,750,625	$3,991,275	$0	$0	$4,759,350	$45,630,228
Kentucky Downs, LLC	Bowling Gr..	$508,646,279	$458,853,122	$1,733,935	$4,978	$48,054,245	$7,629,694	$3,479,656	$0	$0	$4,150,038	$40,424,551
	Franklin	$2,085,726,053	$1,893,354,733	$4,240,115	$42,712	$188,088,492	$31,285,891	$14,231,286	$0	$0	$17,054,604	$156,802,601
Lexington Trots Br..	Red Mile	$1,281,540,272	$1,161,936,972	$4,029,632	$48,707	$115,111,012	$19,223,104	$4,364,223	$5,860,815	$0	$8,998,066	$95,887,908
Revolutionary Raci..	Sandy's Ra..	$430,660,105	$391,288,488	$518,726	$12,715	$38,840,174	$6,459,902	$0	$0	$4,306,601	$2,153,301	$32,380,272
Turfway Park, LLC	Newport	$431,492,230	$389,995,006	($6,947,347)	$705	$40,475,098	$6,472,383	$2,952,329	$0	$0	$3,520,055	$34,002,715
	Turfway Pa..	$832,587,990	$751,539,197	($5,251,892)	$3,361	$78,294,529	$12,488,820	$5,671,721	$0	$0	$6,817,099	$65,805,709
WKY Development, LLC	Marshall Ya..	$68,909,848	$62,264,249	($948,118)	$785	$6,596,567	$1,033,648	$0	$539,610	$0	$494,038	$5,562,919
	Oak Grove	$1,992,197,129	$1,812,863,638	($247,932)	$6,155	$178,531,202	$29,882,957	$6,813,243	$9,136,070	$0	$13,933,644	$148,648,245
Grand Total		$11,804,320,284	$10,705,389,470	($18,572,418)	$150,519	$1,077,074,251	$177,064,804	$61,619,119	$21,408,590	$4,306,601	$89,730,494	$900,009,446

Advance Deposit Account Wagering

Licensee	Total Handle	In-State Races	Out-of-State Races	Excise Tax - ADW	Host Track - Purses	Host Tracks	General Fund-ADW
AmWest Entertain..	$826,637	$62,201	$764,436	$12,400	$5,270	$5,270	$1,860
eBet Technologies	$280,943	$27,217	$253,726	$4,214	$1,791	$1,791	$632
Lien Games Racing	$1,436,490	$54,214	$1,382,277	$21,547	$9,158	$9,158	$3,232
NYRABets	$19,649,760	$5,672,909	$13,976,851	$294,746	$125,267	$125,267	$44,212
TVG	$120,293,349	$37,237,208	$83,056,141	$1,804,400	$766,870	$766,870	$270,660
Twinspires	$197,603,485	$88,947,395	$108,656,089	$2,964,052	$1,259,722	$1,259,722	$444,608
WatchandWager.c..	$135,756	$23,408	$112,347	$2,036	$865	$865	$305
Xpressbet	$31,228,183	$12,655,366	$18,572,818	$468,423	$199,080	$199,080	$70,263
Grand Total	$371,454,602	$144,679,917	$226,774,685	$5,571,819	$2,368,023	$2,368,023	$835,773

Total Distributions by Account

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

Total Excise Tax	$187,816,430
Total Equine Drug Research	$454,555
Total Equine Industry Program	$2,216,963
Total Higher Education Program	$454,555
K. Thoroughbred Development Fund	$62,062,179
K. Standardbred Development Fund	$21,441,967
K. Quarter Horse Development Fund	$4,310,267
PH/AP/AR Development Fund	$2,937
Host Track - Purses	$2,368,023
Host Tracks	$2,368,023
General Fund (See Note on Caps)	$91,339,896
Backside Improvement Fund	$493,467

Pari-Mutuel Wagering for July 2026

July 2026

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On-Track Wagers on Live Horse Racing

Licensee	Race Dates	On-Track Handle	Return to Public	Commission	Settlement	Breakage	Minus Pools	Daily Average Live Handle	Backside Improvement Fund	Excise Tax	TB Dev Fund	SB Dev Fund	QH Dev Fund	PH/AP/AR Dev Fund-Live	Equine Drug Research	Higher Ed Equine Trust	Equine Industry Programs	General Fund
Churchill Downs Racetrack, LLC	0	$0	$0	$0	$0	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
ECL Corbin, LLC	0	$0	$0	$0	$0	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Ellis Entertainment, ..	14	$1,464,210	$1,141,980	$283,127	$34,886	$1,297	($155)	$104,586	$7,321	$21,963	$10,982	$0	$0	$0	$1,464	$1,464	$2,928	$5,125
Keeneland Association, In..	0	$0	$0	$0	$0	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Kentucky Downs, LLC	0	$0	$0	$0	$0	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Lexington Trots Breeders Asso..	3	$56,568	$45,533	$11,558	($408)	$43	($159)	$18,856	$0	$849	$0	$566	$0	$0	$57	$57	$113	$57
Revolutionary Racing Kentuc..	0	$0	$0	$0	$0	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Turfway Park, LLC	0	$0	$0	$0	$0	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
WKY Development, ..	6	$22,784	$14,574	$4,641	$3,570	$39	($41)	$3,797	$0	$342	$0	$228	$0	$0	$23	$23	$46	$23
Grand Total	23	$1,543,561	$1,202,087	$200,326	$38,048	$1,380	($355)	$67,111	$7,321	$23,153	$10,982	$794	$0	$0	$1,544	$1,544	$3,087	$5,204

Simulcast Wagers on Interstate and Intertrack Live Horse Racing

Licensee	Facility	Off-Track Handle (Simu..	Thoroughbred	Standardbred	Quarter Horse	Other Breeds	Excise Tax - Simulcast	TB Dev Fund-Sim	SB Dev Fund-Sim	QH Dev Fund-Sim	PH/AP/AR Dev Fund-Sim	Equine Drug Research	Higher Education Eq..	Equine Industry Prog..	General Fund
Churchill Downs Racetrack, LLC	Churchill Downs Racetrack	$1,554,634	$1,482,688	$61,885	$10,062	$0	$23,320	$14,827	$619	$101	$0	$777	$777	$389	$5,830
	Louisville Thoroughbred Socie..	$710	$564	$125	$21	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
ECL Corbin, LLC	Cumberland Run Racetrack	$32,546	$31,150	$989	$407		$0	$0	$0	$0	$0	$0	$0	$0	$0
Ellis Entertainment, LLC	Ellis Park Racetrack	$681,391	$583,940	$94,868	$2,564	$0	$10,221	$5,639	$949	$26	$0	$341	$341	$170	$2,555
Keeneland Association,..	Keeneland Racetrack	$1,345,215	$1,338,694	$0	$6,521	$0	$20,178	$13,387	$0	$65	$0	$673	$673	$336	$5,045
Kentucky Downs, LLC	Kentucky Downs Racetrack	$1,304,592	$1,255,423	$37,449	$11,720		$19,569	$12,554	$374	$117		$652	$652	$326	$4,892
Lexington Trots Breed..	Red Mile Racetrack	$493,243	$0	$485,975	$7,269	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Revolutionary Racing Kent..	Revolutionary Racing Kentucky, LLC	$88,841	$79,319	$9,094	$428	$0	$1,333	$793	$91	$4	$0	$44	$44	$22	$333
Turfway Park, LLC	Turfway Park Racetrack	$739,339	$703,135	$31,547	$4,656	$0	$11,090	$7,031	$315	$47	$0	$370	$370	$185	$2,773
WKY Developmen..	Oak Grove Racetrack	$200,578	$174,390	$21,214	$4,974	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Grand Total		$6,441,009	$5,649,302	$743,166	$48,621	$0	$85,710	$54,432	$2,349	$360	$0	$2,857	$2,857	$1,429	$21,428

Pari-Mutuel Wagering for July 2026

July 2026

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

On-Track Wagers on Historical Horse Racing

Licensee	Facility	On-Track Handle	Return to Public	Pool Growth	Breakage	Gross Commission - ..	Excise Tax - HHR	TB Dev. Fund	SB Dev. Fund	QH Dev. Fund	General Fund and Other	Adjusted Commission - ..	Avg. Terminal Count	Adjusted Commission - ..
Churchill Downs Rac..	Derby City Ga..	$208,623,142	$189,465,433	$426,393	$666	$18,723,187	$3,129,347	$1,564,674	$0	$0	$1,564,674	$15,593,840	1,243	$12,548
	Derby City Ga..	$18,501,648	$16,740,811	$44,779	$165	$1,689,788	$277,525	$138,762	$0	$0	$138,762	$1,412,264	426	$3,314
ECL Corbin, LLC	Corbin	$7,120,954	$6,406,632	$42,954	$88	$671,281	$106,814	$0	$71,210	$0	$35,605	$564,466	60	$9,403
	Williamsburg	$53,893,468	$48,355,931	$418,663	$1,084	$5,117,790	$808,402	$0	$538,935	$0	$269,467	$4,309,388	557	$7,742
Ellis Entertai nment, LLC	Henderson	$25,867,356	$23,588,342	($188,506)	$360	$2,473,956	$388,010	$194,005	$0	$0	$194,005	$2,085,945	296	$7,040
	Owensboro	$54,108,229	$49,039,581	$78,901	$742	$4,983,284	$811,623	$405,812	$0	$0	$405,812	$4,171,661	588	$7,093
Kentucky Downs, LLC	Bowling Green	$43,234,308	$39,165,307	($51,530)	$321	$4,120,209	$648,515	$324,257	$0	$0	$324,257	$3,471,694	450	$7,718
	Franklin	$190,956,189	$173,708,285	($72,589)	$4,029	$17,316,464	$2,864,343	$1,432,171	$0	$0	$1,432,171	$14,452,121	1,284	$11,253
Lexington ..	Red Mile	$117,687,592	$106,681,144	$464,977	$3,946	$10,547,665	$1,765,314	$441,328	$588,438	$0	$735,547	$8,782,351	838	$10,481
Revolution..	Sandy's Raci..	$34,750,383	$31,382,304	$171,163	$702	$3,196,045	$521,256	$0	$0	$347,504	$173,752	$2,674,780	500	$5,255
Turfway Park, LLC	Newport	$35,755,074	$32,215,368	$198,126	$46	$3,340,626	$536,326	$268,163	$0	$0	$268,163	$2,804,300	450	$6,230
	Turfway Park	$72,287,111	$65,086,594	$458,837	$253	$6,741,426	$1,084,307	$542,153	$0	$0	$542,153	$5,657,119	782	$7,237
WKY Develo pment, LLC	Marshall Yards	$15,846,418	$14,317,490	$34,591	$186	$1,494,150	$237,696	$0	$158,464	$0	$79,232	$1,256,454	223	$5,629
	Oak Grove	$190,083,652	$164,062,707	$65,680	$702	$15,955,500	$2,701,255	$675,314	$900,418	$0	$1,125,523	$13,254,245	1,229	$10,785
Grand Total		$1,058,715,524	$960,216,019	$2,092,430	$13,380	$96,371,370	$15,880,733	$5,986,640	$2,257,465	$347,504	$7,289,124	$80,490,637	8,929	$111,778

Advance Deposit Account Wagering

Licensee	Total Handle	In-State Races	Out-of-State Races	Excise Tax - ADW	Host Track - Purses	Host Tracks	General Fund-ADW
AmWest Entertain..	$58,150	$452	$57,698	$872	$371	$371	$131
DK Horse, LLC dba..	$87,611	$3,464	$84,147	$1,314	$559	$559	$197
eBet Technologies	$5,613	$402	$5,212	$84	$36	$36	$13
Lien Games Racing	$226,768	$74	$226,694	$3,402	$1,446	$1,446	$510
NYRABets	$1,051,827	$145,781	$1,806,046	$20,277	$12,443	$12,443	$4,302
TVG	$8,492,132	$753,443	$7,738,689	$127,382	$54,137	$54,137	$19,107
Twinspires	$11,970,169	$1,386,742	$10,583,426	$179,553	$76,310	$76,310	$26,933
WatchandWager.c..	$6,274	$437	$5,837	$94	$40	$40	$14
Xpressbet	$3,098,829	$389,655	$2,709,174	$46,482	$19,755	$19,755	$6,972
Grand Total	$25,897,372	$2,680,450	$23,216,922	$388,461	$165,096	$165,096	$58,269

Total Distributions by Account

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

Total Excise Tax	$16,378,057
Equine Drug Research	$4,401
Equine Industry Program	$4,516
Higher Education Program	$4,401
K. Thoroughbred Development Fund	$6,052,054
K. Standardbred Development Fund	$2,260,607
K. Quarter Horse Development Fund	$347,863
Host Track - Purses	$165,096
Host Tracks	$165,096
General Fund (See Note on Caps)	$7,374,025
Backside Improvement Fund	$7,321

FY 2027

Pari-Mutuel Wagering for FY 2027 (YTD)

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On-Track Wagers on Live Horse Racing

Licensee	Race Dates	On-Track Handle	Return to Public	Commission	Settlement	Breakage	Minus Pools	Daily Average Li..	Backside Improvem..	Excise Tax	TB Dev Fund	SB Dev Fund	QH Dev Fund	PH/AP/AR Dev Fund-..	Equine Drug Rese..	Higher Ed Equine Tr..	Equine Industry P..	General Fund
Churchill Downs Racetrack, ..	0	$0	$0	$0	$0	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
ECL Corbin, LLC	0	$0	$0	$0	$0	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Ellis Entertainment, LLC	14	$1,464,210	$1,141,980	$283,127	$34,886	$1,297	($155)	$104,586	$7,321	$21,963	$10,982	$0	$0	$0	$1,464	$1,464	$2,928	$5,125
Keeneland Association, Inc.	0	$0	$0	$0	$0	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Kentucky Downs, LLC	0	$0	$0	$0	$0	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Lexington Trots Breeders A..	3	$56,568	$45,533	$11,558	($408)	$43	($159)	$18,856	$0	$849	$0	$566	$0	$0	$57	$57	$113	$57
Revolutionary Racing Kentuck..	0	$0	$0	$0	$0	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Turfway Park, LLC	0	$0	$0	$0	$0	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
WKY Development, LLC	6	$22,784	$14,574	$4,641	$3,570	$39	($41)	$3,797	$0	$342	$0	$228	$0	$0	$23	$23	$46	$23
Grand Total	23	$1,543,561	$1,202,087	$299,326	$38,048	$1,380	($355)	$67,111	$7,321	$23,153	$10,982	$794	$0	$0	$1,544	$1,544	$3,087	$5,204

Simulcast Wagers on Interstate and Intertrack Live Horse Racing

Licensee	Facility	Off-Track Handle (Sim..	Thoroughbred	Standardbred	Quarter Horse	Other Breeds	Excise Tax - Simulcast	TB Dev Fund-Sim	SB Dev Fund-Sim	QH Dev Fund-Sim	PH/AP/AR Dev Fund-Si..	Equine Drug Research	Higher Education E..	Equine Industry Pro..	General Fund
Churchill Downs Racetrack, LLC	Churchill Downs Racetr..	$1,554,634	$1,482,688	$61,885	$10,062	$0	$23,320	$14,827	$619	$101	$0	$777	$777	$389	$5,830
	Louisville Thor..	$710	$564	$125	$21	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
ECL Corbin, LLC	Cumberland Run Racetrack	$32,546	$31,150	$989	$407		$0	$0	$0	$0	$0	$0	$0	$0	$0
Ellis Entertainment..	Ellis Park Racetrack	$681,391	$583,940	$94,888	$2,564	$0	$10,221	$5,839	$949	$26	$0	$341	$341	$170	$2,555
Keeneland As..	Keeneland Ra..	$1,345,215	$1,338,694	$0	$6,521	$0	$20,178	$13,387	$0	$66	$0	$673	$673	$336	$6,045
Kentucky Downs, LLC	Kentucky Downs Racetr..	$1,304,592	$1,255,423	$37,449	$11,720		$19,569	$12,554	$374	$117		$652	$652	$326	$4,092
Lexington Tro..	Red Mile Racet..	$493,243	$0	$485,975	$7,269	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Revolutionary Racing Kentu..	Revolutionary Racing Kentuc..	$88,841	$79,319	$9,094	$428	$0	$1,333	$793	$91	$4	$0	$44	$44	$22	$333
Turfway Park, LLC	Turfway Park Racetrack	$739,339	$703,135	$31,547	$4,656	$0	$11,090	$7,031	$315	$47	$0	$370	$370	$185	$2,773
WKY Develop..	Oak Grove Ra..	$200,578	$174,390	$21,214	$4,974	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Grand Total		$6,441,089	$5,649,302	$743,166	$48,621	$0	$85,710	$54,432	$2,349	$360	$0	$2,857	$2,857	$1,429	$21,428

Pari-Mutuel Wagering for July 2026

July 2026

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On-Track Wagers on Historical Horse Racing

Licensee	Facility	On-Track Handle	Return to Public	Pool Growth	Breakage	Gross Commission - ..	Excise Tax - HHR	TB Dev. Fund	SB Dev. Fund	QH Dev. Fund	General Fund and Other	Adjusted Commission - ..	Avg. Terminal Count	Adjusted Commission - ..
Churchill Downs Rac..	Derby City Ga..	$208,623,142	$189,465,433	$426,393	$666	$18,723,187	$3,129,347	$1,564,674	$0	$0	$1,564,674	$15,593,840	1,243	$12,548
	Derby City Ga..	$18,501,648	$16,740,811	$44,779	$165	$1,689,788	$277,525	$138,762	$0	$0	$138,762	$1,412,264	426	$3,314
ECL Corbin, LLC	Corbin	$7,190,954	$6,496,832	$42,954	$88	$671,281	$106,814	$0	$71,210	$0	$35,605	$564,466	60	$9,403
	Williamsburg	$53,893,468	$48,355,931	$418,663	$1,084	$5,117,790	$808,402	$0	$538,935	$0	$269,467	$4,309,388	557	$7,742
Ellis Entertainment, LLC	Henderson	$25,867,356	$23,588,342	($188,506)	$360	$2,473,956	$388,010	$194,005	$0	$0	$194,005	$2,085,945	296	$7,040
	Owensboro	$54,108,229	$49,039,581	$78,901	$742	$4,983,284	$811,623	$405,812	$0	$0	$405,812	$4,171,661	588	$7,093
Kentucky Downs, LLC	Bowling Green	$43,234,308	$39,165,307	($51,530)	$321	$4,120,209	$648,515	$324,257	$0	$0	$324,257	$3,471,694	450	$7,718
	Franklin	$190,956,189	$173,708,285	($72,589)	$4,029	$17,316,464	$2,864,343	$1,432,171	$0	$0	$1,432,171	$14,452,121	1,284	$11,253
Lexington ..	Red Mile	$117,687,592	$106,681,144	$464,977	$3,946	$10,547,665	$1,765,314	$441,328	$588,438	$0	$735,547	$8,782,351	838	$10,481
Revolution..	Sandy's Raci..	$34,750,000	$31,302,394	$171,150	$792	$3,196,045	$521,256	$0	$0	$347,504	$173,752	$2,674,709	509	$5,255
Turfway Park, LLC	Newport	$35,755,074	$32,215,368	$198,126	$46	$3,340,826	$536,326	$268,163	$0	$0	$268,163	$2,804,300	450	$6,230
	Turfway Park	$72,287,111	$65,088,594	$458,837	$253	$6,741,426	$1,084,307	$542,153	$0	$0	$542,153	$5,657,119	782	$7,237
WKY Development, LLC	Marshall Yards	$15,846,418	$14,317,490	$34,591	$186	$1,494,150	$237,696	$0	$158,464	$0	$79,232	$1,256,454	223	$5,629
	Oak Grove	$180,093,652	$164,062,707	$65,680	$702	$15,955,500	$2,701,255	$675,314	$900,418	$0	$1,125,523	$13,254,245	1,223	$10,835
Grand Total		$1,058,715,524	$960,216,019	$2,092,430	$13,380	$96,371,370	$15,880,733	$5,986,640	$2,257,465	$347,504	$7,289,124	$80,490,637	8,929	$111,778

Advance Deposit Account Wagering

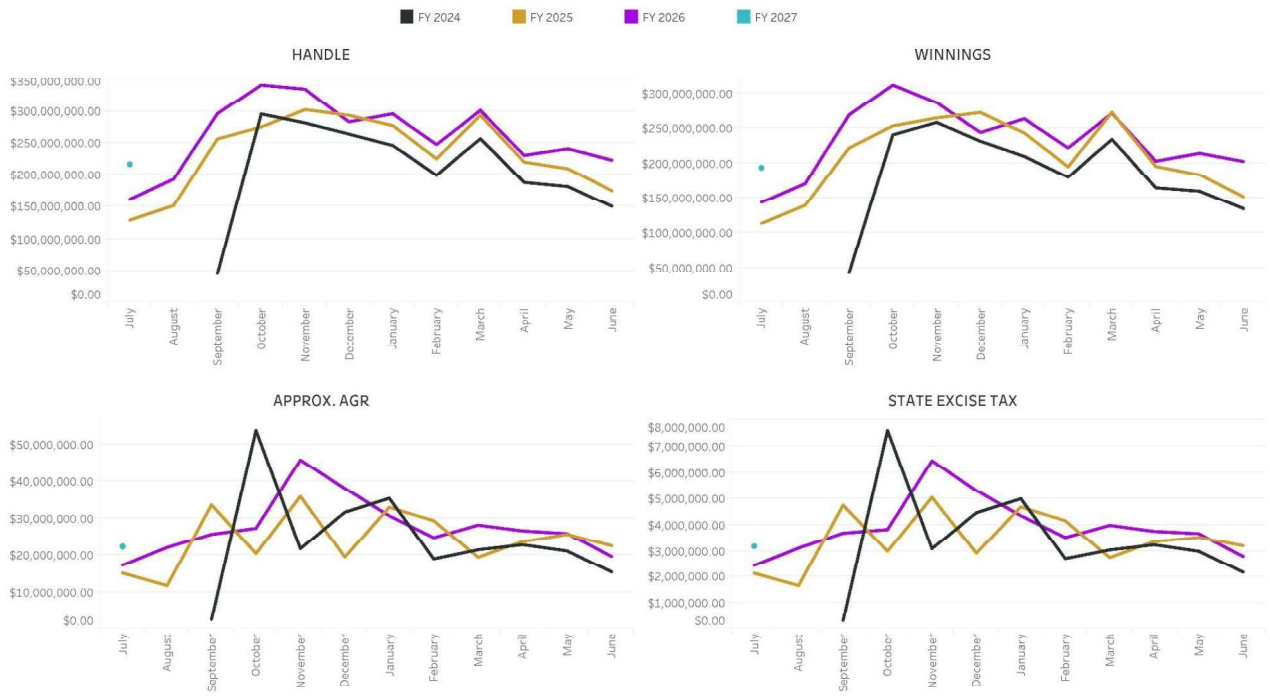
Licensee	Total Handle	In-State Races	Out-of-State Races	Excise Tax - ADW	Host Track - Purses	Host Tracks	General Fund-ADW
AmWest Entertain..	$58,150	$452	$57,698	$872	$371	$371	$131
DK Horse, LLC dba..	$87,611	$3,464	$84,147	$1,314	$559	$559	$197
eBet Technologies	$5,613	$402	$5,212	$84	$36	$36	$13
Lien Games Racing	$226,768	$74	$226,694	$3,402	$1,446	$1,446	$510
NYRABets	$1,951,827	$145,781	$1,806,046	$29,277	$12,443	$12,443	$4,392
TVG	$8,492,132	$753,443	$7,738,689	$127,382	$54,137	$54,137	$19,107
Twinspires	$11,970,169	$1,386,742	$10,583,426	$179,553	$76,310	$76,310	$26,933
WatchandWager.c..	$6,274	$437	$5,837	$94	$40	$40	$14
Xpressbet	$3,098,829	$389,655	$2,709,174	$46,482	$19,755	$19,755	$6,972
Grand Total	$25,897,372	$2,680,450	$23,216,922	$388,461	$165,096	$165,096	$58,269

Total Distributions by Account

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

Total Excise Tax	$16,378,057
Equine Drug Research	$4,401
Equine Industry Program	$4,516
Higher Education Program	$4,401
K. Thoroughbred Development Fund	$6,052,054
K. Standardbred Development Fund	$2,260,607
K. Quarter Horse Development Fund	$347,863
Host Track - Purses	$165,096
Host Tracks	$165,096
General Fund (See Note on Caps)	$7,374,025
Backside Improvement Fund	$7,321

SPORTS WAGERING DIVISION



Monthly Reports	Reports by Fiscal Year	Reports by Calendar Year	All-time Report

Sports Wagering Market Report for July 2026

2026 July

Data is provided for informational purposes using self-reported values submitted by licensees and is subject to change. For more information on tax data, please contact the Department of Revenue.

Online

		Handle	Winnings	Federal Excise Tax Paid	Approximate AGR	KY Excise Tax
Churchill Downs	Prime	$905,932	$826,153	$2,306	$77,473	$11,040
Cumberland Run	DraftKings	$82,029,278	$73,106,710	$199,056	$8,723,512	$1,243,101
Ellis Park	Penn Sports Interactive, LLC	$2,993,919	$2,800,189	$7,464	$186,266	$26,543
Kentucky Downs	Circa	$1,978,240	$1,967,738	$4,841	$5,662	$0
Oak Grove	Fanatics	$13,563,510	$12,107,129	$32,866	$1,423,515	$202,851
Red Mile	Caesars	$8,521,008	$7,845,376	$20,897	$654,735	$93,300
Sandy's	bet365	$25,531,768	$22,696,367	$62,612	$2,772,790	$395,123
	BetMGM	$20,265,917	$18,845,347	$49,522	$1,371,048	$195,374
Turfway Park	Fanduel	$57,710,086	$50,704,735	$140,411	$6,864,940	$978,254
Grand Total		**$213,499,659**	**$190,899,744**	**$519,974**	**$22,079,941**	**$3,145,585**

Retail

		Handle	Winnings	Federal Excise Tax Paid	Approximate AGR	KY Excise Tax
Churchill Downs	Kambi	$836,792	$719,237	$2,096	$115,459	$11,257
Cumberland Run	DraftKings	$207,265	$194,981	$514	$11,769	$1,147
Ellis Park	Kambi	$58,159	$48,508	$0	$9,651	$941
Kentucky Downs	Circa	$404,525	$433,149	$995	($29,619)	$0
	DraftKings	$190,925	$176,155	$474	$14,295	$1,394
Oak Grove	Kambi	$158,463	$112,085	$396	$45,981	$4,483
Red Mile	Caesars	$580,316	$523,037	$1,451	$55,828	$5,443
Sandy's	BetMGM	$60,381	$42,377	$0	$18,005	$1,755
Turfway Park	Kambi	$530,472	$463,117	$1,329	$66,026	$6,438
Grand Total		**$3,027,298**	**$2,712,647**	**$7,256**	**$307,396**	**$32,859**

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Monthly Reports	Reports by Fiscal Year	Reports by Calendar Year	All-time Report

Sports Wagering Market Report for FY 2026 (YTD)

FY 2026

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FY Online

		Handle	Winnings	Federal Excise Tax Paid	Approximate AGR	KY Excise Tax
Churchill Downs	Prime	$11,042,165	$10,482,919	$27,716	$531,531	$75,743
Cumberland Run	DraftKings	$1,175,015,867	$1,048,224,939	$2,863,015	$123,927,913	$17,659,728
Ellis Park	Penn Sports Inte..	$63,582,850	$56,609,656	$158,933	$6,814,261	$881,032
Kentucky Downs	Circa	$31,448,987	$31,245,968	$78,379	$124,640	$0
Oak Grove	Fanatics	$166,626,037	$149,779,888	$401,927	$16,444,221	$2,343,302
Red Mile	Caesars	$145,021,897	$132,283,668	$355,179	$12,383,051	$1,764,555
Sandy's	bet365	$300,323,185	$274,741,659	$722,822	$24,858,705	$3,542,365
	BetMGM	$191,182,655	$175,949,530	$463,216	$14,769,908	$2,104,712
Turfway Park	Fanduel	$988,432,588	$861,567,222	$2,374,030	$124,491,336	$17,740,015
Grand Total		$3,072,676,231	$2,740,885,449	$7,445,216	$324,345,566	$46,111,452

FY Retail

		Handle	Winnings	Federal Excise Tax Paid	Approximate AGR	KY Excise Tax
Churchill Downs	Kambi	$22,646,789	$20,101,295	$56,224	$2,489,270	$242,704
Cumberland Run	DraftKings	$2,758,707	$2,515,285	$6,847	$219,575	$23,066
Ellis Park	Kambi	$1,889,529	$1,669,074	$0	$220,455	$13,724
Kentucky Downs	Circa	$7,588,746	$6,773,690	$18,938	$796,118	$77,621
	DraftKings	$3,099,982	$2,709,474	$7,647	$382,861	$37,329
Oak Grove	Kambi	$6,804,759	$5,943,527	$17,012	$844,220	$82,311
Red Mile	Caesars	$14,856,815	$13,272,610	$37,142	$1,547,063	$150,839
Sandy's	BetMGM	$1,503,156	$1,275,856	$0	$227,300	$21,500
Turfway Park	Kambi	$9,480,852	$8,329,802	$23,484	$1,127,567	$109,938
Grand Total		$70,629,335	$62,590,613	$167,294	$7,854,429	$759,032

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2026

Sports Wagering Market Report for Calendar Year 2026 (YTD)

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YR Online

		Handle	Winnings	Federal Excise Tax Paid	Approximate AGR	KY Excise Tax
Churchill Downs	Prime	$7,929,817	$7,474,539	$19,967	$435,310	$62,032
Cumberland Run	DraftKings	$652,712,146	$583,604,342	$1,591,464	$67,516,341	$9,621,079
Ellis Park	Penn Sports Inte..	$25,106,121	$22,482,415	$62,630	$2,561,076	$364,953
Kentucky Downs	Circa	$14,529,722	$14,413,563	$36,062	$80,097	$0
Oak Grove	Fanatics	$106,407,319	$96,097,125	$257,866	$10,052,328	$1,432,457
Red Mile	Caesars	$78,788,208	$71,836,643	$193,157	$6,758,408	$963,073
Sandy's	bet365	$187,411,020	$171,548,869	$454,399	$15,407,752	$2,195,605
	BetMGM	$122,505,611	$113,389,560	$297,163	$8,818,888	$1,256,691
Turfway Park	Fanduel	$526,529,675	$462,354,876	$1,271,142	$62,903,657	$8,963,771
Grand Total		$1,721,919,638	$1,543,201,931	$4,183,851	$174,533,856	$24,859,661

YR Retail

		Handle	Winnings	Federal Excise Tax Paid	Approximate AGR	KY Excise Tax
Churchill Downs	Kambi	$9,597,106	$8,242,330	$23,425	$1,331,351	$129,807
Cumberland Run	DraftKings	$1,367,021	$1,251,260	$3,324	$95,437	$10,963
Ellis Park	Kambi	$746,484	$651,829	$0	$94,654	$9,229
Kentucky Downs	Circa	$3,998,501	$3,703,420	$9,976	$285,106	$30,686
	DraftKings	$1,845,131	$1,670,117	$4,555	$170,459	$16,620
Oak Grove	Kambi	$2,102,019	$1,833,022	$5,255	$263,742	$25,715
Red Mile	Caesars	$6,089,366	$5,314,146	$15,223	$759,997	$74,100
Sandy's	BetMGM	$643,666	$540,241	$0	$103,425	$10,084
Turfway Park	Kambi	$4,725,166	$4,124,738	$11,619	$588,809	$57,409
Grand Total		$31,114,460	$27,331,104	$73,377	$3,692,979	$364,611

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Sports Wagering Market Report September 2023-YTD

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Online

		Handle	Winnings	Federal Excise Tax Paid	Approximate AGR	KY Excise Tax
Churchill Downs	Prime	$11,948,097	$11,309,072	$30,022	$609,004	$86,783
Cumberland Run	DraftKings	$3,084,536,638	$2,738,853,360	$7,391,685	$338,291,594	$48,206,552
Ellis Park	Penn Sports Int..	$235,212,161	$211,849,787	$588,282	$22,774,291	$3,155,336
Kentucky Downs	Circa	$69,689,938	$69,284,458	$173,587	$231,892	$51,290
Oak Grove	Fanatics	$353,582,929	$320,767,795	$850,034	$31,965,097	$4,555,026
Red Mile	Caesars	$385,800,081	$353,911,054	$940,201	$30,948,826	$4,410,178
Sandy's	bet365	$717,642,843	$657,052,906	$1,710,511	$58,879,425	$8,390,318
	BetMGM	$485,136,702	$437,530,247	$1,116,944	$46,489,511	$6,624,755
Turfway Park	Fanduel	$2,696,027,002	$2,350,539,497	$6,407,146	$339,080,359	$48,318,951
Grand Total		$8,039,576,392	$7,151,098,177	$19,208,413	$869,270,000	$123,799,190

Retail

		Handle	Winnings	Federal Excise Tax Paid	Approximate AGR	KY Excise Tax
Churchill Downs	Kambi	$84,393,182	$77,479,651	$211,997	$6,701,514	$653,399
Cumberland Run	DraftKings	$9,768,206	$9,078,843	$24,329	$647,997	$64,841
Ellis Park	Kambi	$6,874,343	$6,611,342	$8,918	$254,044	$24,871
Kentucky Downs	Circa	$12,586,360	$11,449,641	$31,379	$1,105,340	$110,658
	DraftKings	$5,385,133	$4,840,863	$13,462	$530,809	$51,754
Oak Grove	Kambi	$19,723,030	$17,358,574	$49,307	$2,315,149	$225,727
Red Mile	Caesars	$50,590,016	$44,862,668	$126,475	$5,600,873	$546,085
Sandy's	BetMGM	$5,954,046	$4,924,599	$0	$1,029,428	$100,371
Turfway Park	Kambi	$36,584,650	$34,017,089	$91,388	$2,476,173	$241,427
Grand Total		$231,858,968	$210,623,270	$557,254	$20,661,326	$2,019,134

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