

Kentucky Horse Racing Commission

Established 1906



2019/2020 Biennial Report

Calendar Years
(except as noted)

4063 Iron Works Parkway
Building B
Lexington, KY 40511
(859) 246-2040

khrc.ky.gov

TEAM 
KENTUCKY

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Andy Beshear
Governor

Ray Perry
Deputy Secretary

**Public Protection Cabinet
Kentucky Horse Racing Commission
4063 Iron Works Parkway, Building B
Lexington, KY 40511
Telephone: (859) 246-2040
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Kerry B. Harvey
Secretary

Marc Guilfoil
Executive Director

Jonathan Rabinowitz
Chairman

March 16, 2021

The Honorable Andy Beshear
Commonwealth of Kentucky
700 Capitol Avenue
Frankfort, KY 40601

Dear Governor Beshear:

Enclosed with this letter, please find a copy of the 2019-2020 Biennial Report for the Kentucky Horse Racing Commission (KHRC), which we are pleased to submit to you in accordance with KRS 230.270. This report underlines the KHRC's accomplishments over the previous two years.

In 2019, the KHRC approved changes in ownership for three Thoroughbred racetracks operating within the Commonwealth. In addition, the KHRC also approved and oversaw the opening of Oak Grove Racing and Gaming, a new Standardbred racetrack located in Christian County, Kentucky. The expansion of live racing at Oak Grove has allowed the Commonwealth to fill a previous gap in its Standardbred racing calendar. That calendar now affords Standardbred horsemen the opportunity to race at county fairs in the summer; at The Red Mile from late August until October; and at Oak Grove in November, as a conclusion to the annual racing season. Standardbred purses in the Commonwealth surpassed \$10 million in 2019, and we saw a renewed interest in harness racing in Kentucky, strengthened by Oak Grove's entry into the industry.

As you are aware, 2020 presented a variety of unique challenges brought about by the COVID-19 pandemic. Nevertheless, the KHRC—and the horse racing industry, as a whole—adjusted and thrived. The KHRC approved requests for two new racetrack extension locations, which increased wagering options being offered in the Commonwealth (and consequently, resulted in enhanced purses). Due to social distancing protocols, the Kentucky Derby—historically raced on the first Saturday in May—was moved to the first Saturday in September. Similarly, Keeneland's Spring Meet was cancelled, but was replaced by an abbreviated, boutique Summer Meet that was run in July. Keeneland also served as host to the International Breeders' Cup World Championships in the fall.

TEAM
KENTUCKY
M/F/D

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Kentucky continues to provide a wide variety of desirable racing opportunities for both Thoroughbred and Standardbred horsemen. Purses continued to rise in 2019, and they remained stable throughout 2020, even in the face of the pandemic. The Commonwealth has seen healthy wagering growth, bolstered through the operation of historical horse racing. In sum, Kentucky remains an international leader in racing, breeding, and all aspects of the sport—earning its title as the “Horse Capital of the World.”

We both have been privileged to work with an outstanding group of dedicated and knowledgeable Commissioners, and with a KHRC staff that is committed to our Commonwealth. We are sincerely grateful for each of them, and for your continued support, as we seek to further the Commonwealth's place as the world leader in the sport of horse racing.

With respect,



Franklin S. Kling, Jr.
Chairman (2019)
Kentucky Horse Racing Commission



Jonathan Rabinowitz
Chairman (2020)
Kentucky Horse Racing Commission



Andy Beshear
Governor

Ray Perry
Deputy Secretary

Public Protection Cabinet
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Executive Director

Jonathan Rabinowitz
Chairman

The Honorable Andy Beshear
Commonwealth of Kentucky
700 Capitol Avenue
Frankfort, KY 40601

Dear Governor Beshear:

I respectfully submit to you the Kentucky Horse Racing Commission (KHRC) 2019-2020 Biennial Report. This report highlights KHRC's achievements over the previous two years.

In 2019, the KHRC approved changes in ownerships for three Thoroughbred racetracks in the Commonwealth, and approved the addition of a Standardbred racetrack - Oak Grove Racing and Gaming in Christian County, Kentucky. Oak Grove filled a previous void in the Standardbred racing calendar allowing those horsemen to race in the summer at the county fairs, at The Red Mile in late August-October, and finish up the annual racing season at Oak Grove in November. Standardbred purses in the Commonwealth surpassed \$10 million and we saw a renewed interest in harness racing in Kentucky.

Although 2020 had its challenges, the Commission approved two racetrack extension locations allowing for increased wagering in the Commonwealth and consequently improving purses. Due to Covid19 protocols, the Kentucky Derby, historically raced on the first Saturday in May, was moved to the first Saturday in September. Likewise, Keeneland's April meet was omitted and instead a boutique summer meet ran in July. Keeneland also hosted the International Breeders' Cup World Championships in the fall of 2020.

Kentucky continues to provide multiple desirable racing opportunities for horsemen. Purses were up in 2019 and remained steady in 2020 despite the pandemic. Wagering continues to grow, primarily through historical horse racing, and Kentucky remains an international leader in racing, breeding, and all aspects of the sport.



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It continues to be my privilege to work with not only an outstanding group of dedicated Commissioners, but also with a team of employees that is committed to our Commonwealth and its continuance as a leader in the sport of horse racing and the welfare of the horse. I am sincerely grateful for each of them and for your continued support.

With respect,



Marc A. Guilfoil
Executive Director

The Kentucky Horse Racing Commission met on the following dates in 2019 and 2020, and all meetings were open to the public.

2019 MEETING DATES

February 19
April 16
June 18
August 20
October 8
October 29
December 10

2020 MEETING DATES

February 18
March 19
April 21
June 16
August 18
October 20
December 8

NOTE: March-December 2020 meeting dates - Pursuant to Senate Bill 150, signed by Governor Beshear and effective March 30, 2020, Executive Order 2020-215, and 18 OAG 20-05, the public was not be able to attend the meetings in person. However, the public and the media could access the meetings through the agency YouTube page.

KENTUCKY HORSE RACING COMMISSION MEMBERS

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

The following racing industry and community leaders serve as voting members of the Commission (changes during 2019-2020 are noted).

Jonathan Rabinowitz – **Chair** (appointed April 23, 2020)
Frank Jones, Jr. – Vice Chair (appointed January 3, 2020)
J. Gatewood Bell, Jr.
Larry J. Bisig (resigned January 2, 2020)
Stuart E. Brown II, D.V.M. (resigned June 23, 2020)
Kerry T. Cauthen
Naveed Chowhan, M.D. (appointed April 23, 2020)
Kiki Courtelis (resigned January 2, 2020)
Patrick A. Day (term expired April, 2020)
James Gates (resigned January 2, 2020)
Douglas A. Hendrickson
Gerald W. Holt (resigned February, 2019)
Lesley Ann May Howard
Kenneth A. Jackson
Bret Jones (term expired April, 2020)
Franklin S. Kling (Chair, January 1, 2019- April 22, 2020)
Alan J. Leavitt (appointed April 23, 2020)
Foster Northrop D.V.M.
Charles F. O'Connor (appointed January 3, 2020)
J. David Richardson, M.D. (term expired April, 2020)
William T. Riddle, D.V.M. (appointed July 30, 2020)
Mark Simendinger (Vice Chair, January 1, 2019-January 2, 2020)
James E. Worley (appointed April 23, 2020)

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

1. Public Protection Cabinet
 - Kerry B. Harvey, Secretary (appointed December 10, 2019)
 - K. Gayle Russell, Secretary (resigned December 9, 2019)
2. Cabinet for Economic Development
 - Larry Hayes, Secretary (appointed December 10, 2019)
 - Vivek Sarin, Secretary (resigned December 9, 2019)
3. Tourism, Arts and Heritage Cabinet
 - Michael E. Berry, Secretary (appointed December 10, 2019)
 - Don Parkinson, Secretary (resigned December 9, 2019)

OFFICE OF THE EXECUTIVE DIRECTOR

Marc A. Guilfoil, **Executive Director**

Shawn D. Chapman, Executive Advisor/Deputy General Counsel (served until December 15, 2019)

Jamie H. Eads, Executive Advisor/Deputy Executive Director

John Forgy, General Counsel (served until February 7, 2020)

Bruce Howard, D.V.M., Equine Medical Director (appointed on June 1, 2020)

Amber Hobbs, Fiscal Manager

Sienna Hooper, Executive Advisor/Office Manager

Steve May, Director, Division of Pari-Mutuel Wagering and Compliance (served until April 21, 2020)

Susan Nash, Executive Administrative Secretary

Mary Scollay, D.V.M., Equine Medical Director (served until December 19, 2019)

Margi Stout, Paralegal Consultant

Thomas C. Thompson, Executive Advisor/Assistant Legal Counsel (appointed June 8, 2020)

Jennifer Wolsing, General Counsel (appointed on February 10, 2020)

DIVISION OF PARI-MUTUEL WAGERING AND COMPLIANCE

Waqas Ahmed, **Director**, (appointed August 1, 2020)

David Brown, Auditor III

DIVISION OF ENFORCEMENT

Paul L. Brooker, **Director**

Daniel Hyland, Investigator II

Don Kolioutas, Investigator III

DIVISION OF INCENTIVES AND DEVELOPMENT

Jamie H. Eads, **Director**

Drew Conners, Program Coordinator

Patricia Cooksey, Assistant Director

Britney Gavenonis, Program Coordinator (appointed January 2, 2019)

DIVISION OF LICENSING

Shannon Garner, **Director** (appointed on October 16, 2019)

George Haydon, Program Coordinator

Carol Hays, Racing License Administrator

Betty Moran, Racing License Administrator
Alicia Ritter, Racing License Administrator

DIVISION OF STEWARDS

Barbara Borden, **Chief State Steward**
Brooks Becraft III, State Steward

DIVISION OF VETERINARY SERVICES

Bruce Howard, D.V.M., **Chief Racing Veterinarian** (January 1, 2019- May 31, 2020)

Nicholas Smith, D.V.M., **Chief Racing Veterinarian** (appointed Chief Racing Veterinarian on June 1, 2020; formerly Horse Racing Veterinarian)

Victor M. Arias, Detention Barn Assistant

Dionne Benson, D.V.M., Horse Racing Veterinarian (Part-Time; served until May 6, 2019)

Brent Cassady, D.V.M., Horse Racing Veterinarian

Jennifer Engel, Administrative Specialist III

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

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

Patricia Ludwig, Veterinary Technician II (change in position from Part-Time to Full-Time as of May 30, 2020)

Sarah Padilla, D.V.M., Horse Racing Veterinarian (appointed January 1, 2020)

Alison Painter, D.V.M., Horse Racing Veterinarian (appointed June 16, 2020)

Robin Sauer, Veterinary Technician II (served until September 19, 2019)

J Iris, Veterinary Technician II

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

ADVISORY COMMITTEES and WORKING GROUPS

Committees and working groups are appointed by the Governor or KHRC Commission Chair to advise commission members on issues pertinent to the duties of the KHRC. For a list of current KHRC committees and members, visit <http://khrc.ky.gov>.

Kentucky Equine Drug Research Council

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

The council met four times in 2019 and four times in 2020.

Members:

Dr. Naveed Chowhan, **Chair**, representing the Kentucky Horse Racing Comm.
Marcus Cheney, D.V.M., Lexington, representing Thoroughbred horsemen
Michael Kilgore, PhD, Lexington, representing pharmacologists
Rep. Adam Koenig, Erlanger, representing Kentucky legislators
James Morehead, D.V.M., Lexington, representing equine veterinarians
Andrew M. Roberts, D.V.M., Lexington, representing Standardbred horsemen
Johnny Mac Smith, D.V.M., Versailles, representing Thoroughbred breeders
Mike Ziegler, Louisville, representing licensed racing associations
Arthur B. Zubrod, Lexington, representing Standardbred breeders

Kentucky Horse Breeders' Incentive Fund Advisory Committee

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

The committee did not meet in 2019 or 2020.

Members (appointed by Chair of the Commission pursuant to 811 KAR 2:120):

Kiki Courtelis, **Chair**

Sarah Coleman, appointed by the Kentucky Horse Racing Commission

Frank Penn, representing the Kentucky Equine Education Project

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

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

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

The panel met once in 2019 and once in 2020.

Members:

Kenneth A. Jackson, **Chair**, representing the Kentucky Horse Racing Commission

Bob Brady, representing the Commission (appointed by Commission Chairman)

Joe Costa, representing The Red Mile, host racetrack

Steve Stewart, representing the Kentucky Harness Horseman's Association

Arthur B. Zubrod, representing the Kentucky Standardbred Breeders' Association
(appointed by Commission Chairman)

Kentucky Thoroughbred Breeders' Incentive Fund Advisory Committee

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

The committee did not meet in 2019 or in 2020.

Members (appointed by Chairman of the Commission per 810 KAR 7:020):
Kerry T. Cauthen, representing the Kentucky Horse Racing Commission
Douglas A. Hendrickson, representing the Kentucky Horse Racing Commission
Neil Howard, Gainesway Farm, representing a breeder participating in the fund
Joe Seitz, Brookdale Farm, representing a breeder participating in the fund
James Edward Worley, representing the Kentucky Horse Racing Commission

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

Kentucky Thoroughbred Development Fund Advisory Committee

Each year, by July 1, the Kentucky Horse Racing Commission appoints a KTDF advisory committee to assist in the development of the supplemental purse program for Kentucky-bred thoroughbreds funded through an excise tax imposed on all tracks conducting pari-mutuel wagering under the jurisdiction of the Kentucky Horse Racing Commission. Additionally, the committee is charged with establishing guidelines for which the purses are to be administered to promote, enhance, improve and encourage development of thoroughbred breeding in Kentucky. For additional information regarding the Kentucky Thoroughbred Development Fund (KTDF), go to: www.kentuckybred.org.

The committee met four times in 2019 and six times in 2020.

Members (appointed by Chairman of the Commission per 810 KAR 7:020):
William L.S. Landes III, **Chair**, representing Thoroughbred breeders
Douglas A. Hendrickson, representing the Kentucky Horse Racing Commission
Bob Elliston, (Keeneland) representing a Kentucky Thoroughbred Racetrack
Rick Hiles, representing the Kentucky Horsemen's Benevolent & Protective Asso.
J. David Richardson, M.D., representing Thoroughbred breeders (KYTOBA)

KTDF funds supplement purses for eligible Kentucky-sired and Kentucky-foaled horses running at licensed Kentucky Thoroughbred race meetings for stakes, handicaps, allowances and non-claiming maiden races. Funds that are reverted are as a result of non-eligible horses placing in the designated races receiving those funds, and reverted funds are returned to the KTDF for distribution on other

designated races. The following tables document the Kentucky Thoroughbred Development Fund in 2019 and 2020:

2019 KTDF			
Track / Meet	KTDF Offered	KTDF Disbursed	Reverted
Ellis Park: Summer	\$3,359,000	\$2,896,514	\$462,486
Churchill Downs: Spring/Summer	\$5,126,000	\$4,362,072	\$763,928
Churchill Downs: September	\$1,363,500	\$1,196,212	\$167,288
Churchill Downs: Fall (November)	\$3,503,300	\$3,034,922	\$468,378
Keeneland: Spring	\$1,202,800	\$1,008,682	\$194,118
Keeneland: Fall	\$932,100	\$749,185	\$182,915
Kentucky Downs	\$5,104,000	\$4,951,380	\$152,620
Turfway Park: Holiday	\$1,179,000	\$999,787	\$179,213
Turfway Park: Winter/Spring	\$505,000	\$419,309	\$85,691
Grand Total:	\$22,274,700	\$19,618,063	\$2,656,637

2020 KTDF			
Track / Meet	KTDF Offered	KTDF Disbursed	Reverted
Ellis Park: Summer	\$2,804,500	\$2,692,934	\$111,566
Churchill Downs: Spring/Summer	\$2,902,100	\$2,421,447	\$480,653
Churchill Downs: September	\$1,342,100	\$1,201,429	\$140,671
Churchill Downs: Fall (November)	\$3,375,400	\$3,150,863	\$224,537
Keeneland: July	\$462,750	\$406,185	\$56,565
Keeneland: Fall	\$1,060,700	\$921,205	\$139,495
Kentucky Downs	\$5,262,500	\$4,410,223	\$852,277
Turfway Park: Holiday	\$592,000	\$486,335	\$105,665
Turfway Park: Winter/Spring	\$2,196,000	\$1,894,770	\$301,230
Grand Total:	\$19,998,050	\$17,585,391	\$2,412,659

License Review Committee

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

The committee met zero times in 2019 and one time in 2020.

Members (appointed by Chairman of the Commission per 810 KAR 3:020):
Kenneth A. Jackson, **Chair**, representing the Kentucky Horse Racing Commission
Paul Brooker, Steward Designee
Shannon Garner, representing the Kentucky Horse Racing Commission
Marc A. Guilfoil, representing the Kentucky Horse Racing Commission
Lesley Ann May Howard, representing the Kentucky Horse Racing Commission

Race Dates Committee

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

The committee met once in 2019 and met five times in 2020.

Members (appointed by Chairman of the Commission; not established by statute or regulation):
Jonathan Rabinowitz, **Chair**, representing the Ky Horse Racing Commission
Mark Simendinger, Vice-Chair, representing the Ky Horse Racing Commission
J. Gatewood Bell, Jr., representing the Kentucky Horse Racing Commission
Kerry T. Cauthen, representing the Kentucky Horse Racing Commission
Douglas A. Hendrickson, representing the Kentucky Horse Racing Commission
Kenneth A. Jackson, representing the Kentucky Horse Racing Commission
Franklin S. Kling, Jr., representing the Kentucky Horse Racing Commission
Foster Northrop, D.V.M., representing the Kentucky Horse Racing Commission
Charles O'Connor, representing the Kentucky Horse Racing Commission

Rules Committee

This committee reviews the regulatory structure of the Kentucky Horse Racing Commission and makes recommendations regarding regulations governing the horse industry.

The committee did not meet in 2019 and met two times in 2020.

Members:

Mark Simendinger, **Chair**, representing the Kentucky Horse Racing Commission
J. Gatewood Bell, Jr. representing the Kentucky Horse Racing Commission
Douglas A. Hendrickson, representing the Kentucky Horse Racing Commission
Frank Jones, Jr., representing the Kentucky Horse Racing Commission
Charles O'Connor, representing the Kentucky Horse Racing Commission
Anna Seitz, appointed by the Kentucky Horse Racing Commission
Wesley Ward, appointed by the Kentucky Horse Racing Commission
James Ed Worley, representing the Kentucky Horse Racing Commission

Safety and Welfare Committee

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

The committee did not meet in 2019 and met two times in 2020.

Members (appointed by Chairman of the Commission; not established by statute or regulation):

Charles O'Connor, **Chair**, representing the KHRC
Kerry T. Cauthen, representing the Kentucky Horse Racing Commission
Dr. Naveed Chowhan, representing the Kentucky Horse Racing Commission
Douglas A. Hendrickson, representing the Kentucky Horse Racing Commission
Lesley Ann May Howard, representing the Kentucky Horse Racing Commission
Bret Jones, appointed by the Kentucky Horse Racing Commission
Dr. J. David Richardson, appointed by the Kentucky Horse Racing Commission
Dr. Tom Riddle, representing the Kentucky Horse Racing Commission
Wesley Ward, appointed by the Kentucky Horse Racing Commission

Wagering Integrity Committee

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

The committee did not meet in 2019 or in 2020.

Members (appointed by Chairman of the Commission; not established by statute or regulation):

Franklin S. Kling, Jr., **Chair**, representing the Kentucky Horse Racing Commission
Chuck Grubbs, appointed by the Kentucky Horse Racing Commission
David Ingordo, appointed by the Kentucky Horse Racing Commission
Lesley Ann May Howard, representing the Kentucky Horse Racing Commission
Kenneth A. Jackson, representing the Kentucky Horse Racing Commission
Mike Maloney, appointed by the Kentucky Horse Racing Commission
Ted Nicholson, appointed by the Kentucky Horse Racing Commission
J. David Richardson, M.D., appointed by the Kentucky Horse Racing Commission

Other Funds attached to the Kentucky Horse Racing Commission

Kentucky Racing Health and Welfare Fund

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

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

The Fund's board of directors met April 18, July 16, October 17 and December 17 in 2019 and June 10 and December 9 in 2020. For additional information, regarding Kentucky Racing Health and Welfare Fund, please visit www.kyracinghealth.org.

Board of Directors as of December 31, 2020:

Officers:

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

Members:

Robert P. Benson, Jr., Counsel

Burr Travis, Jr.

Donna Ward

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

**Thoroughbred Unclaimed Pari-mutuel Tickets
Remitted to KY Racing Health and Welfare Fund by December 31, 2019**

Racing Facility	Amount	Amount Claimed	Advertising Paid	Total to Fund
Churchill Downs	\$932,496.79	\$8,177.50	\$779.53	\$923,539.76
Ellis Park	\$151,545.78	\$0.00	\$48.38	\$151,497.40
Keeneland	\$568,319.32	\$1,703.80	\$168.40	\$566,447.12
Kentucky Downs*	\$188,092.14	\$102,811.08	\$392.94	\$84,888.12
Turfway Park	\$154,037.15	\$78.55	\$30.28	\$153,928.32
Total	\$1,994,491.18	\$112,770.93	\$1,419.53	\$1,880,300.72

**Thoroughbred Unclaimed Pari-mutuel Tickets
Remitted to KY Racing Health and Welfare Fund by December 31, 2020**

Racing Facility	Amount	Amount Claimed	Advertising Paid	Total to Fund
Churchill Downs	\$1,096,424.88	\$8,067.80	\$717.56	\$1,087,639.52
Ellis Park	\$131,445.33	\$67.20	\$38.94	\$131,339.19
Keeneland	\$518,245.90	\$1,707.75	\$254.71	\$516,283.44
Kentucky Downs	\$98,822.27	\$8.70	\$92.00	\$98,721.57
Turfway Park	\$123,508.64	\$150.40	\$34.84	\$123,323.40
Total	\$1,968,447.02	\$10,001.85	\$1,138.05	\$1,957,307.12

County Fair Purse Fund

In 2019, the Kentucky Colt Association, also known as Kentucky Fair Racing, along with the Kentucky Horse Racing Commission, administered harness racing at county fairs in Kentucky. Beginning in 2020, the Kentucky Horse Racing Commission administered harness racing at county fairs. Purses for Kentucky county fair races are allocated annually from unclaimed Standardbred pari-mutuel tickets and the Kentucky Standardbred Development Fund.

In 2019, the KHRC approved purse payments up to \$595,000 for the County Fairs from the Standardbred Development Fund and Standardbred Breeders' Incentive Fund, and in 2020 payments were up to \$587,200. There were races at eight fairs throughout the Commonwealth, with separate divisions for two- and three-year-old trotters and pacers and separate divisions for fillies and colts. Eligible horses must be a two (2) year old or a three (3) year old that is a Kentucky-bred as defined in 810 KAR 7:040 and has met all requirements of 810 KAR 5:080. In 2019/2020, there was no pari-mutuel wagering at the fairs.

2019 Kentucky Fair Schedule (Location):

Purchase District Fair (Mayfield)	June 5
Ballard County Fair (LaCenter)	June 13
McCracken County Fair (Paducah)	June 24
Marion County Fair (Lebanon)	July 2
Washington County Fair (Lebanon)	July 9
Woodford County Fair (Lebanon)	July 19
Mercer County Fair (Red Mile)	July 26
Fair Finals (Red Mile)	August 3

2020 Kentucky Fair Schedule (Location):

Ballard County Fair (LaCenter)	June 6
Purchase District Fair (Mayfield)	June 15
McCracken County Fair – <i>Fair canceled*</i>	
* <i>Harness racing only</i> (Mayfield)	June 22
Marion County Fair (Lebanon)	June 30
Washington County Fair (Lebanon)	July 11
Woodford County Fair (Lebanon)	July 18
Mercer County Fair (Red Mile)	August 1
Fair Finals (Red Mile)	August 9

Standardbred Unclaimed Pari-mutuel Tickets in 2019 – Remitted to KHRC to fund the County Fair Purse Fund

Racing Facility	Amount	Amount Claimed	Advertising Paid	Total to Fund
Players Bluegrass Downs	\$20,932.06	\$0.00	\$196.95	\$20,735.11
The Red Mile	\$21,688.41	\$0.00	\$172.61	\$21,515.80
Total	\$42,620.47	\$0.00	\$369.56	\$42,250.91

Standardbred Unclaimed Pari-mutuel Tickets in 2020 - Remitted to KHRC to fund the County Fair Purse Fund

Racing Facility	Amount	Amount Claimed	Advertising Paid	Total to Fund
Players Bluegrass Downs	\$27,408.49	\$0.00	\$133.50	\$27,274.99
The Red Mile	\$23,043.00	\$8.10	\$254.71	\$22,780.19
Total	\$50,451.49	\$8.10	\$388.21	\$50,055.18

FINANCIAL ANALYSIS:

The following is the statement of activities-cash basis for the KHRC for the fiscal years ended June 30, 2020, and June 30, 2019.

	<u>6/30/2020</u>	<u>6/30/2019</u>
REVENUES:		
General fund allotment	\$ 3,147,700	\$ 3,092,300
Track assessments	787,407	777,023
License fees	1,381,614	1,391,320
General Sales to Public	96	351
Fines	17,525	202,940
Interest	160	170
Other receipts	372,210	378,601
Proceeds from asset disposition	10,693	6,970
	<hr/>	<hr/>
Total revenue	5,717,405	5,849,675
EXPENSES:		
Personnel	4,284,892	4,381,039
Operating	1,024,098	689,490
Capital outlay	64,045	50,871
	<hr/>	<hr/>
Total expenses	5,373,035	5,121,400
	<hr/>	<hr/>
Net program income	344,370	728,275
	<hr/>	<hr/>
Transfer to Public Protection Cabinet/Office of Administrative Services	(510,700)	(383,100)
	<hr/>	<hr/>
Change in net position	(166,330)	345,175
NET POSITION- BEGINNING	<u>1,808,415</u>	<u>1,463,240</u>
NET POSITION- ENDING	<u><u>\$ 1,642,085</u></u>	<u><u>\$ 1,808,415</u></u>

Discussion of Financial Analysis

For the fiscal year ending June 30, 2019, the KHRC started the year with a balance carry-forward of \$1,463,240 and received funding from the following sources: General Fund allotment, track assessments, participant licensing fees, general sales to the public, fines, interest, other receipts, and gains from assets disposition

in the amount of \$5,849,675. The carry-forward and receipts were reduced during the fiscal year by non-revenue receipts (i.e., governmental transfers for support services) in the amount of \$383,100, and total expenses of \$5,121,400, resulting in a net position ending balance of \$1,808,415 for the KHRC.

For the fiscal year ending June 30, 2020, the KHRC started the year with a balance carry-forward of \$1,808,415 and received funding from the following sources: General Fund allotment, track assessments, participant licensing fees, general sales to the public, fines, interest, other receipts, and gains from assets disposition in the amount of \$5,717,405. The carry-forward and receipts were reduced during the fiscal year by non-revenue receipts (i.e. governmental transfers for support services) in the amount of \$510,700 and total expenses of \$5,373,035, resulting in a net position ending balance of \$1,642,085 for the KHRC.

DIVISION of PARI-MUTUEL WAGERING and COMPLIANCE

The oversight responsibilities of the Division of Pari-Mutuel Wagering and Compliance insure the integrity of all methods of pari-mutuel wagering offered in the Commonwealth. As such, the Division staff conducts audits of all licensed racetracks, associations, totalizator companies, advance deposit wagering operators, and historical horse racing systems authorized to offer wagering in the Commonwealth.

The Division is responsible for reviewing yearly applications for all totalizator and advance deposit wagering licenses and proposed pari-mutuel wagering changes to racetrack applications. Before each live race meet, the Division ensures the proper functionality of pari-mutuel accounting through totalizator testing at each racetrack. In addition, the Division regularly conducts random audits of all historical horse racing manufacturers.

Over the years 2019 and 2020, the Division has streamlined and improved several processes by automating and applying a LEAN methodology to operations. To improve the verification of data received from licensed associations, the Division works with independent testing facilities and data providers to ensure the data's accuracy prior to publishing monthly reports, and is committed to reporting pari-mutuel handle and promoting transparency of wagering data to the Public.

Kentucky Pari-Mutuel Excise Tax and BIF by Source, FYTD 2019
June-2019

Racetrack/ADW	Thoroughbred Development Fund		Standardbred Development Fund		QH/Other Development Fund		Equine Industry Program		Equine Drug Program		Higher Education Program		Backside Improvement		ADW Host Track Allocation		ADW Purse Allocation		Kentucky General Fund		Total Excise Tax FYTD	
	FYTD	% of Fund Total	FYTD	% of Fund Total	FYTD	% of Fund Total	FYTD	% of Fund Total	FYTD	% of Fund Total	FYTD	% of Fund Total	FYTD	% of Fund Total	FYTD	% of Fund Total	FYTD	% of Fund Total	FYTD	% of Fund Total	FYTD	% of Fund Total
Live	\$ 764,424	4.5%	\$ 17,515	1.0%			\$ 206,648	22.6%	\$ 103,325	19.1%	\$ 103,325	19.1%	\$ 509,616	100.0%					\$ 358,133	2.4%	\$ 2,062,986	5.5%
Bluegrass Downs			\$ 153	0.0%			\$ 24	0.0%	\$ 12	0.0%	\$ 12	0.0%							\$ 12	0.0%	\$ 213	0.0%
Churchill Downs	\$ 451,748	2.7%					\$ 120,466	13.2%	\$ 60,233	11.1%	\$ 60,233	11.1%	\$ 301,165	59.1%					\$ 210,816	1.4%	\$ 1,204,661	3.2%
Ellis Park	\$ 32,315	0.2%					\$ 8,617	0.9%	\$ 4,309	0.8%	\$ 4,309	0.8%	\$ 21,544	4.2%					\$ 15,081	0.1%	\$ 86,175	0.2%
Keeneland	\$ 246,829	1.4%					\$ 65,821	7.2%	\$ 32,911	6.1%	\$ 32,911	6.1%	\$ 164,553	32.3%					\$ 115,187	0.8%	\$ 658,212	1.8%
Kentucky Downs	\$ 8,387	0.0%					\$ 2,237	0.2%	\$ 1,118	0.2%	\$ 1,118	0.2%	\$ 5,591	1.1%					\$ 3,914	0.0%	\$ 22,365	0.1%
The Red Mile			\$ 17,362	1.0%			\$ 2,778	0.3%	\$ 1,389	0.3%	\$ 1,389	0.3%							\$ 1,389	0.0%	\$ 24,307	0.1%
Thunder Ridge																						
Turfway Park	\$ 25,145	0.1%					\$ 6,705	0.7%	\$ 3,353	0.6%	\$ 3,353	0.6%	\$ 16,763	3.3%					\$ 11,734	0.1%	\$ 67,053	0.2%
Simulcast	\$ 2,281,917	13.4%	\$ 55,333	3.2%	\$ 15,276	100%	\$ 58,813	6.4%	\$ 117,627	21.7%	\$ 117,627	21.7%							\$ 882,198	5.9%	\$ 3,528,791	9.5%
Bluegrass Downs																						
Churchill Downs	\$ 586,378	3.4%	\$ 2,566	0.1%	\$ 5,434	35.6%	\$ 14,859	1.6%	\$ 29,719	5.5%	\$ 29,719	5.5%							\$ 222,892	1.5%	\$ 891,567	2.4%
Ellis Park	\$ 313,648	1.8%	\$ 28,014	1.6%	\$ 102	0.7%	\$ 8,544	0.9%	\$ 17,088	3.2%	\$ 17,088	3.2%							\$ 128,162	0.9%	\$ 512,646	1.4%
Keeneland	\$ 781,819	4.6%			\$ 2,858	18.7%	\$ 19,617	2.1%	\$ 39,234	7.3%	\$ 39,234	7.3%							\$ 294,254	2.0%	\$ 1,177,016	3.2%
Kentucky Downs	\$ 229,795	1.3%	\$ 15,091	0.9%	\$ 4,947	32.4%	\$ 6,246	0.7%	\$ 12,492	2.3%	\$ 12,492	2.3%							\$ 93,687	0.6%	\$ 374,750	1.0%
The Red Mile																						
Thunder Ridge																						
Turfway Park	\$ 370,277	2.2%	\$ 9,662	0.6%	\$ 1,935	12.7%	\$ 9,547	1.0%	\$ 19,094	3.5%	\$ 19,094	3.5%							\$ 143,203	1.0%	\$ 572,812	1.5%
ADW															\$ 544,320	100.0%	\$ 544,320	100.0%	\$ 192,113	1.3%	\$ 1,280,753	3.4%
Amwest															\$ 1,120	0.2%	\$ 1,120	0.2%	\$ 395	0.0%	\$ 2,635	0.0%
eBet															\$ 2,290	0.4%	\$ 2,290	0.4%	\$ 808	0.0%	\$ 5,388	0.0%
Horse Races Now															\$ 10	0.0%	\$ 10	0.0%	\$ 4	0.0%	\$ 24	0.0%
Lien Games															\$ 385	0.1%	\$ 385	0.1%	\$ 136	0.0%	\$ 906	0.0%
NYRA															\$ 6,843	1.3%	\$ 6,843	1.3%	\$ 2,415	0.0%	\$ 16,101	0.0%
TVG															\$ 168,164	30.9%	\$ 168,164	30.9%	\$ 59,352	0.4%	\$ 395,680	1.1%
TwinSpires															\$ 301,493	55.4%	\$ 301,493	55.4%	\$ 106,409	0.7%	\$ 709,395	1.9%
Watch and Wager															\$ 385	0.1%	\$ 385	0.1%	\$ 136	0.0%	\$ 906	0.0%
XpressBet															\$ 63,630	11.7%	\$ 63,630	11.7%	\$ 22,458	0.2%	\$ 149,718	0.4%
HHR	\$ 13,977,417	82.1%	\$ 1,643,707	95.8%			\$ 650,000	71.0%	\$ 319,999	59.2%	\$ 319,999	59.2%							\$ 13,509,269	90.4%	\$ 30,420,391	81.6%
Derby City Gaming	\$ 5,027,215	29.5%					\$ 52,856	5.8%	\$ 26,021	4.8%	\$ 26,021	4.8%							\$ 4,922,315	32.9%	\$ 10,054,428	27.0%
Ellis Park	\$ 734,769	4.3%					\$ 45,123	4.9%	\$ 22,214	4.1%	\$ 22,214	4.1%							\$ 645,217	4.3%	\$ 1,469,537	3.9%
Keeneland/Red Mile	\$ 1,232,781	7.2%	\$ 1,643,707	95.8%			\$ 136,605	14.9%	\$ 67,251	12.4%	\$ 67,251	12.4%							\$ 1,783,527	11.9%	\$ 4,931,122	13.2%
Kentucky Downs	\$ 6,982,652	41.0%					\$ 415,416	45.4%	\$ 204,513	37.8%	\$ 204,513	37.8%							\$ 6,158,210	41.2%	\$ 13,965,304	37.4%
Grand Total	\$ 17,023,758	100.0%	\$ 1,716,555	100.0%	\$ 15,276	100%	\$ 915,461	100.0%	\$ 540,951	100.0%	\$ 540,951	100.0%	\$ 509,616	100.0%	\$ 544,320	100.0%	\$ 544,320	100.0%	\$ 14,941,713	100.0%	\$ 37,292,921	100.0%

Kentucky Pari-Mutuel Excise Tax and BIF by Source, FYTD 2020

Racetrack/ADW	Thoroughbred Development Fund		Standardbred Development Fund		QH/Other Development Fund		Equine Industry Program		Equine Drug Program		Higher Education Program		Backside Improvement		ADW Host Track Allocation		ADW Purse Allocation		Kentucky General Fund		Total Excise Tax FYTD	
	% of Fund		% of Fund		% of Fund		% of Fund		% of Fund		% of Fund		% of Fund		% of Fund		% of Fund		% of Fund		% of Fund	
	FYTD	Total	FYTD	Total	FYTD	Total	FYTD	Total	FYTD	Total	FYTD	Total	FYTD	Total	FYTD	Total	FYTD	Total	FYTD	Total	FYTD	Total
Live	\$ 275,110	1.6%	\$ 16,039	0.9%			\$ 75,930	9.9%	\$ 37,965	8.7%	\$ 37,965	8.7%	\$ 183,406	100.0%					\$ 129,668	0.8%	\$ 756,083	2.0%
Bluegrass Downs			\$ 74	0.0%			\$ 12	0.0%	\$ 6	0.0%	\$ 6	0.0%							\$ 6	0.0%	\$ 104	0.0%
Churchill Downs	\$ 81,124	0.5%					\$ 21,633	2.8%	\$ 10,817	2.5%	\$ 10,817	2.5%	\$ 54,083	29.5%					\$ 37,858	0.2%	\$ 216,332	0.6%
Ellis Park	\$ 29,592	0.2%					\$ 7,891	1.0%	\$ 3,946	0.9%	\$ 3,946	0.9%	\$ 19,728	10.8%					\$ 13,810	0.1%	\$ 78,913	0.2%
Keeneland	\$ 129,906	0.7%					\$ 34,642	4.5%	\$ 17,321	4.0%	\$ 17,321	4.0%	\$ 86,604	47.2%					\$ 60,623	0.4%	\$ 346,417	0.9%
Kentucky Downs	\$ 12,256	0.1%					\$ 3,268	0.4%	\$ 1,634	0.4%	\$ 1,634	0.4%	\$ 8,170	4.5%					\$ 5,719	0.0%	\$ 32,681	0.1%
Oak Grove			\$ 530	0.0%			\$ 85	0.0%	\$ 42	0.0%	\$ 42	0.0%							\$ 42	0.0%	\$ 741	0.0%
The Red Mile			\$ 15,435	0.8%			\$ 2,470	0.3%	\$ 1,235	0.3%	\$ 1,235	0.3%							\$ 1,235	0.0%	\$ 21,610	0.1%
Turfway Park	\$ 22,232	0.1%					\$ 5,929	0.8%	\$ 2,964	0.7%	\$ 2,964	0.7%	\$ 14,821	8.1%					\$ 10,375	0.1%	\$ 59,285	0.2%
Simulcast	\$ 1,507,562	8.7%	\$ 38,233	2.1%	\$7,574	100%	\$ 38,833	5.1%	\$ 77,669	17.8%	\$ 77,669	17.8%							\$ 582,515	3.6%	\$ 2,330,055	6.1%
Bluegrass Downs																						
Churchill Downs	\$ 398,296	2.3%	\$ 2,400	0.1%	\$1,799	23.8%	\$ 10,062	1.3%	\$ 20,125	4.6%	\$ 20,125	4.6%							\$ 150,936	0.9%	\$ 603,743	1.6%
Ellis Park	\$ 212,813	1.2%	\$ 18,683	1.0%	\$ 76	1.0%	\$ 5,789	0.8%	\$ 11,579	2.7%	\$ 11,579	2.7%							\$ 86,839	0.5%	\$ 347,358	0.9%
Keeneland	\$ 511,693	2.9%			\$1,198	15.8%	\$ 12,822	1.7%	\$ 25,644	5.9%	\$ 25,644	5.9%							\$ 192,335	1.2%	\$ 769,336	2.0%
Kentucky Downs	\$ 172,726	1.0%	\$ 11,899	0.6%	\$3,680	48.6%	\$ 4,707	0.6%	\$ 9,416	2.2%	\$ 9,416	2.2%							\$ 70,615	0.4%	\$ 282,459	0.7%
Oak Grove																						
The Red Mile																						
Turfway Park	\$ 212,034	1.2%	\$ 5,251	0.3%	\$ 821	10.8%	\$ 5,453	0.7%	\$ 10,905	2.5%	\$ 10,905	2.5%							\$ 81,790	0.5%	\$ 327,159	0.9%
ADW															\$ 600,932	100.0%	\$ 600,932	100.0%	\$ 212,093	1.3%	\$ 1,413,957	3.7%
Amwest															\$ 1,674	0.3%	\$ 1,674	0.3%	\$ 591	0.0%	\$ 3,939	0.0%
eBet															\$ 1,754	0.3%	\$ 1,754	0.3%	\$ 618	0.0%	\$ 4,126	0.0%
Lien Games															\$ 490	0.1%	\$ 490	0.1%	\$ 173	0.0%	\$ 1,153	0.0%
NYRA															\$ 14,526	2.4%	\$ 14,526	2.4%	\$ 5,127	0.0%	\$ 34,179	0.1%
TVG															\$ 205,079	34.1%	\$ 205,079	34.1%	\$ 72,381	0.4%	\$ 482,539	1.3%
TwinSpires															\$ 310,435	51.7%	\$ 310,435	51.7%	\$ 109,565	0.7%	\$ 730,435	1.9%
Watch and Wager															\$ 840	0.1%	\$ 840	0.1%	\$ 297	0.0%	\$ 1,977	0.0%
XpressBet															\$ 66,134	11.0%	\$ 66,134	11.0%	\$ 23,341	0.1%	\$ 155,609	0.4%
HHR	\$ 15,577,750	89.7%	\$1,796,044	97.1%			\$ 650,000	85.0%	\$ 320,000	73.5%	\$ 320,000	73.5%							\$ 15,185,770	94.3%	\$ 33,849,564	88.3%
Derby City Gaming	\$ 7,155,661	41.2%					\$ 271,057	35.4%	\$ 133,443	30.6%	\$ 133,443	30.6%							\$ 6,617,717	41.1%	\$ 14,311,321	37.3%
Ellis Park	\$ 789,352	4.5%					\$ 28,250	3.7%	\$ 13,908	3.2%	\$ 13,908	3.2%							\$ 733,287	4.6%	\$ 1,578,705	4.1%
Keeneland/Red Mile	\$ 1,347,033	7.8%	\$1,796,044	97.1%			\$ 93,004	12.2%	\$ 45,787	10.5%	\$ 45,787	10.5%							\$ 2,060,476	12.8%	\$ 5,388,131	14.1%
Kentucky Downs	\$ 6,285,704	36.2%					\$ 257,689	33.7%	\$ 126,862	29.1%	\$ 126,862	29.1%							\$ 5,774,290	35.8%	\$ 12,571,407	32.8%
Grand Total	\$ 17,360,422	100.0%	\$1,850,316	100.0%	\$7,574	100%	\$ 764,763	100.0%	\$ 435,634	100.0%	\$ 435,634	100.0%	\$ 183,406	100.0%	\$ 600,932	100.0%	\$ 600,932	100.0%	\$ 16,110,046	100.0%	\$ 38,349,659	100.0%

DIVISION of ENFORCEMENT

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

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

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

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

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

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

DIVISION of INCENTIVES and DEVELOPMENT

Established in 2005, the Kentucky Breeders' Incentive Fund ensures the strength and growth of the horse industry in Kentucky. The fund is financed through a 6 percent sales tax paid for breeding a stallion to a mare in the state of Kentucky.

Kentucky Thoroughbred Breeders' Incentive Fund (KBIF)

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

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

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

KBIF Nomination Fees & Deadlines:

\$60	Nominate during the cover year	January 1st - August 15th
\$150	Nominate during the cover year	August 16th - December 31st
\$750	Nominate during the weanling year	January 1st - December 31st
\$1,500	Nominate during the yearling year	January 1st - December 31st

Nominations received January 1 - December 31, 2019		
Type of Registration	Number of Registrations	Total Fees
January 1 - August 15 of Cover Year (\$60)	9,325	\$559,500
August 15 - December 31 of Cover Year (\$150)	412	\$61,800
January 1 - December 31 of Weanling Year (\$750)	88	\$66,000
January 1 - December 31 of Yearling Year (\$1,500)	4	\$6,000
Special Filing (\$300)	0	\$ -
TOTAL	9,829	\$693,300

Nominations received January 1 - December 31, 2020		
Type of Registration	Number of Registrations	Total Fees
January 1 - August 15 of Cover Year (\$60)	9004	\$540,240
August 15 - December 31 of Cover Year (\$150)	244	\$36,600
January 1 - December 31 of Weanling Year (\$750)	29	\$21,750
January 1 - December 31 of Yearling Year (\$1,500)	10	\$15,000
Special Filing (\$300)	0	\$0
TOTAL	9,287	\$613,590

For races won in 2019, KBIF awarded \$14,347,457 and awarded \$14,398,683 for races won in 2020. For additional information regarding the Kentucky Thoroughbred Breeders' Incentive Fund, please visit khrc.ky.gov and click on the Funds link.

KBIF THOROUGHBRED STATISTICS		
	2019	2020
TOTAL MONEY AWARDED	\$14,347,457	\$14,398,683
Total awarded to races held inside KY	\$2,724,810	\$2,890,382
Total awarded to races held outside KY	\$11,622,646	\$11,508,301
<i>Total races awarded</i>	4,190	3,454
<i>Average award per race</i>	\$3,424	\$4,169

STATISTICS RELATED TO ELIGIBLE RACES IN KENTUCKY		
	2019	2020
Total number of races paid in KY	644	583
Average award for races won in KY	\$4,231	\$4,958
ALW, MSW Races inside KY		
<i>Average award per race</i>	\$3,624	\$4,332
<i>Total number of races</i>	532	477
KY Stakes Races (non-graded)		
<i>Average award per race</i>	\$4,697	\$5,450
<i>Total number of races</i>	44	40
KY Grade II & III Stakes Races		
<i>Award per race</i>	\$5,768	\$6,500
<i>Total number of races</i>	36	36
KY Grade I Stakes Races		
<i>Award per race</i>	\$8,268	\$9,000
<i>Total number of races</i>	12	10

Kentucky Derby	\$50,000	\$50,000
Kentucky Oaks	\$50,000	\$50,000
KY Claiming Component		
Total dollars awarded	\$200,000	\$200,000
Total number of awards	20	20

STATISTICS RELATED TO ELIGIBLE RACES HELD OUTSIDE KENTUCKY BUT IN THE US		
	2019	2020
Total number of races paid outside KY but in the US	3,427	2,791
Average award for races won outside KY but in the US	\$3,239	\$4,123
ALW, MSW Races outside KY but in the US		
<i>Average award per race</i>	\$2,826	\$3,597
<i>Total number of races</i>	2,827	2,363
Stakes Races (non-graded) outside KY but in the US		
<i>Average award per race</i>	\$4,404	\$5,202
<i>Total number of races</i>	356	227

STATISTICS RELATED TO ELIGIBLE RACES HELD OUTSIDE KENTUCKY BUT IN THE US		
	2019	2020
Gr. II, III Stakes outside KY but in the US		
<i>Award per race</i>	\$5,768	\$6,500
<i>Total number of races</i>	190	156
Gr. I Stakes outside KY but in the US		
<i>Award per race</i>	\$8,268	\$9,000
<i>Total number of races</i>	54	45

STATISTICS RELATED TO ELIGIBLE RACES IN CANADA, ENGLAND, FRANCE & IRELAND		
	2019	2020
International Gr. I: (Can, Eng, Fr, Ire) & (Dubai World Cup Day, Hong Kong Int'l Day, Japan Cup Day)		
<i>Award per race</i>	\$8,345	\$9,000
<i>Total number of races</i>	9	3
International Gr. II, III: (Can, Eng, Fr, Ire)		
<i>Award per race</i>	\$5,768	\$6,500
<i>Total number of races</i>	24	15
WOODBINE RACETRACK ONLY		
Average award for a ALW/MSW at WO	\$3,747	\$4,499
Total number of races	80	57
Wo Stakes races (non-graded)		
<i>Average award per race</i>	\$4,768	\$5,500
<i>Total number of races</i>	11	5

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

The Kentucky Standardbred Breeders' Incentive Fund (KSBIF) was implemented in 2005 to ensure the strength and growth of the horse industry in Kentucky. The fund receives 13 percent of the receipts collected from the sales and use tax on stud fees when breeding a stallion to a mare in the Commonwealth. The Kentucky Standardbred Development Fund (KSDF) is funded, in part, by a pari-mutuel tax paid by racetracks in Kentucky. The KSBIF and the KSDF, along with any other money contributed, appropriated or allocated from all other sources, fund the Kentucky Sire Stakes (KYSS). The Kentucky Sire Stakes is administered by the KHRC. The KYSS is a culmination of a month-long series of preliminary races, with the biggest money earners getting a chance to compete in one of the richest finals in North America. In 2020, the fund offered early closers, called The Commonwealth Series. Eligibility to The Commonwealth Series was the same as the KYSS.

Beginning with the 2014 breeding season, to be eligible to participate in the KYSS, the Kentucky-bred Standardbred horse could be by a nominated stallion or out of a resident mare nominated to the fund.

	2019		2020	
	Nominations:	Revenue Generated:	Nominations:	Revenue Generated:
Yearlings:	548	\$42,880	617	\$43,000
2 Year Olds:				
2YO 1st Payment Totals:	340	\$102,000	400	\$120,000
2YO 2nd Payment Totals:	293	\$87,900	346	\$104,100
2YO 3rd Payment Totals:	279	\$83,700	326	\$97,800
2YO Penalty (Not nominated as a Yearling):	4	\$2,400	13	\$7,500
Total 2YOs Eligible to Race/Total \$ Generated:	279	\$276,000	326	\$329,400
3 Year Olds:				
3YO 1st Payment:	204	\$60,900	185	\$55,500
3YO 2nd Payment:	194	\$58,200	178	\$53,400
3YO 3rd Payment:	186	\$55,800	175	\$52,500
Total 3YOs Eligible to Race/Total \$ Generated:	186	\$174,900	175	\$161,400
Mares Nominated:	881		731	
Stallions Nominated:	10		18	
Total \$ Generated:	\$493,780		\$533,800	

In 2019, two-year-old and three-year-old Standardbreds raced in three legs with a \$30,000 guarantee, five consolation races with a purse of \$50,000 each and eight Championships for \$250,000 each. Total purses offered was \$3,720,000.

Kentucky Sire Stakes Leading Money Winners 2019

2 Year Olds	
2 Year Old Colt Pacer	Total
<i>CATCH THE FIRE</i>	\$140,000
2 Year Old Colt Trotter	Total
<i>READY FOR MONI</i>	\$155,000
2 Year Old Filly Pacer	Total
<i>GAI WATERHOUSE</i>	\$155,000
2 Year Old Filly Trotter	Total
<i>MS SAVANNAH BELLE</i>	\$155,000
3 Year Olds	
3 Year Old Colt Pacer	Total
<i>BETTOR'S WISH</i>	\$140,000
3 Year Old Colt Trotter	Total
<i>GREENSHOE</i>	\$140,000
3 Year Old Filly Pacer	Total
<i>BEAUTYONTHEBEACH</i>	\$170,000
3 Year Old Filly Trotter	Total
<i>ASIAGO</i>	\$147,500

In 2020, the KHRC offered two series—The Kentucky Sire Stakes and The Commonwealth Series. Both series were for two-year-old and three-year-old Standardbreds meeting the eligibility requirements of 810 KAR 7:040. The KYSS offered three legs with a \$40,000 guarantee, and eight Championships for \$250,000 each. The Commonwealth Series offered two legs with a \$20,000 purse guarantee and eight Finals for \$50,000 each. Total purses offered was \$4,380,000.

Kentucky Sire Stakes Leading Money Winners 2020

2 Year Olds	
2 Year Old Colt Pacer	Total
<i>VENERATE</i>	\$145,000
2 Year Old Colt Trotter	Total
<i>PERFECT STING</i>	\$185,000
2 Year Old Filly Pacer	Total
<i>BLUE DIAMOND EYES</i>	\$155,000
2 Year Old Filly Trotter	Total
<i>LADY CHAOS</i>	\$148,200

3 Year Olds	
3 Year Old Colt Pacer	Total
<i>TALL DARK STRANGER</i>	\$145,000
3 Year Old Colt Trotter	Total
<i>BEADS</i>	\$185,000
3 Year Old Filly Pacer	Total
<i>BABY YOU'RE THE BEST</i>	\$149,800
3 Year Old Filly Trotter	Total
<i>HYPNOTIC AM</i>	\$135,000

Commonwealth Series Leading Money Winners 2020

2 Year Olds	
2 Year Old Colt Pacer	Total
<i>ALMANAC</i>	\$40,000
2 Year Old Colt Trotter	Total
<i>MEDIA MOGUL</i>	\$35,000
2 Year Old Filly Pacer	Total
<i>LADY MIDNIGHT</i>	\$35,000
2 Year Old Filly Trotter	Total
<i>MISS VET HANOVER</i>	\$35,000
3 Year Olds	
3 Year Old Colt Pacer	Total
<i>CAPTAIN VIDO</i>	\$37,400
3 Year Old Colt Trotter	Total
<i>SERMON</i>	\$45,000
3 Year Old Filly Pacer	Total
<i>MOLTO BENE</i>	\$45,000
3 Year Old Filly Trotter	Total
<i>SAIL BY</i>	\$45,000

In 2019, the KSBIF/KSDF fund, along with sponsors The Red Mile, Oak Grove Racing & Gaming, Lexington Selected Yearling Sale, Kentucky Eagle, Kentucky Proud, Greater Kentucky Credit Union, Kinetic by Windstream, Metronet, and PetValu, held the second annual Fayette Fest on Championship Day, Sunday, September 15, 2019. The 2020 Championship Day was held on Sunday, September 20, but Fayette Fest 2020 was canceled due to the Covid-19 public health threat and the guidelines from the Center for

Disease Control. For more information regarding the Kentucky Sire Stakes program, visit khrc.ky.gov click on the Funds link.

Kentucky Horse Breeders' Incentive Fund (KHBIF)

The Kentucky Horse Breeders' Incentive Fund, often referred to as the non-race program, is financed through 7 percent of the receipts collected from the sales and use tax on stud fees. The money deposited in the fund is used to administer the program and provide awards for breeders, owners and exhibitors of horses bred and foaled in Kentucky. The following distributions were allotted for points earned in 2019 and 2020:

KENTUCKY HORSE BREEDERS' INCENTIVE FUND: POINTS EARNED IN 2019			
NUMBER	Breed	%	\$\$
2,530	<i>Kentucky Appaloosa Owners Association, Inc.</i>	2.33%	\$ 26,853
3,870	<i>Kentucky Arabian & Half Arabian Breeders Alliance</i>	3.57%	\$ 41,075
5,249	<i>Kentucky Miniature Horse Breeders Club</i>	4.84%	\$ 55,711
6,354	<i>Kentucky Mountain Saddle Horse Association of KY</i>	5.86%	\$ 67,439
9,683	<i>Kentucky Paint Horse Club</i>	8.94%	\$ 102,772
30,684	<i>Kentucky Quarter Horse Association</i>	28.32%	\$ 325,669
8,970	<i>Kentucky Saddlebred Owners and Breeders Association</i>	8.28%	\$ 95,204
32,416	<i>Kentucky Walking Horse Breeders Incentive Fund</i>	29.92%	\$ 344,052
6,180	<i>Rocky Mountain Horse Association</i>	5.70%	\$ 65,592
1,564	<i>South Central Hackney Association</i>	1.44%	\$ 16,600
857	<i>Mountain Pleasure Horse Association</i>	0.79%	\$ 9,096
108,357		100.00%	\$ 1,150,062

KENTUCKY HORSE BREEDERS' INCENTIVE FUND: POINTS EARNED IN 2020			
Number	Breed	%	\$\$
2,530	<i>Kentucky Appaloosa Owners Association, Inc.</i>	2.33%	\$ 27,812
3,870	<i>Kentucky Arabian & Half Arabian Breeders Alliance</i>	3.57%	\$ 42,542
5,249	<i>Kentucky Miniature Horse Breeders Club</i>	4.84%	\$ 57,702
6,354	<i>Kentucky Mountain Saddle Horse Association of KY</i>	5.86%	\$ 69,849
9,683	<i>Kentucky Paint Horse Club</i>	8.94%	\$ 106,444
30,684	<i>Kentucky Quarter Horse Association</i>	28.32%	\$ 337,306
8,970	<i>Kentucky Saddlebred Owners and Breeders Association</i>	8.28%	\$ 98,606
32,416	<i>Kentucky Walking Horse Breeders Incentive Fund</i>	29.92%	\$ 356,345
6,180	<i>Rocky Mountain Horse Association</i>	5.70%	\$ 67,936
1,564	<i>South Central Hackney Association</i>	1.44%	\$ 17,193
857	<i>Mountain Pleasure Horse Association</i>	0.79%	\$ 9,421
108,357		100.00%	\$ 1,191,156

For additional information related to the Kentucky Horse Breeders' Incentive Fund, visit khrc.ky.gov and click on the Funds link.

DIVISION of LICENSING

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

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

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

The following charts reflect the total number of licenses issued and the corresponding dollar amount of fees collected for 2019 and 2020.

Standardbred Licenses Issued – 2019

License Type (Fee)	Number of Licenses Issued	Total Fees
Association Employee (\$25)	520	13,000
Authorized Agent (\$25)	1	25
Driver (\$125)	54	6,750
Driver/Trainer (\$125)	38	4,750
Farrier (\$100)	3	300
Mutuel Employee (\$50)	110	5,500
Owner (\$125)	673	84,125
Owner - Conversion (\$0)	65	0
Owner/Driver (\$125)	14	1,750
Owner/Trainer (\$125)	92	11,500
Owner/Trainer –Conversion	5	0
Owner/Trainer /Driver (\$125)	128	16,000
Owner/Trainer/Driver -Conversion (\$0)	0	0
Racing Official (\$100)	10	1,000
Stable Employee (\$5)	295	1,475
Temp Owner (\$125)	116	14,500
Trainer (\$125)	33	4,125
Vendor (\$50)	3	150
Vendor Employee (\$25)	54	1,350
Vet Assistant (\$50)	3	150
Vet Tech (\$50)	0	0
Veterinarian (\$125)	12	1,500
Total	2229	167,950

Thoroughbred Licenses Issued – 2019

License Type (Fee)	Number of Licenses Issued	Total Fees
Association Employee (\$25)	3904	97,600
Assistant Trainer (\$150)	306	45,900
Assistant Trainer/Owner (\$150)	18	2,700
Assistant Trainer/Owner- Conversion	4	0
Authorized Agent (\$25)	214	5,350
Claiming (\$150)	5	750
Dental Tech (\$100)	17	1,700
Equine Therapist (\$50)	33	1,650
Exercise Rider (\$10)	779	7,790
Farm Manager/Agent (\$50)	63	3,150
Farrier (\$100)	83	8,300
Farrier Apprentice (\$50)	1	50
Jockey (\$150)	180	27,000
Jockey Agent (\$150)	51	7,650
Jockey Apprentice (\$100)	22	2,200
Mutuel Employee (\$50)	739	36,950
Owner (\$150)	5585	837,750
Owner - Conversion (\$0)	97	0
Owner/Trainer (\$150)	789	118,350
Owner/Trainer Conversion (\$0)	16	0
Racing Official (\$100)	147	14,700
Special Event (\$10)	623	6,230
Special Mutuel (\$10)	74	740
Stable Employee (\$10)	3119	31,190
Temp Owner (\$150)	108	16,200
Trainer (\$150)	230	34,500
Vendor (\$50)	86	4,300
Vendor Employee (\$25)	1973	49,325
Vet Assistant (\$50)	30	1,500
Vet Tech (\$50)	5	250
Veterinarian (\$150)	125	18,750
Total	19426	1,382,525

Quarter Horse and Arabian Licenses Issued – 2019

License Type (Fee)	Number of Licenses Issued	Total Fees
Jockey (\$35)	2	70
Owner (\$35)	11	385
Owner/Trainer (\$70)	2	140
Stable Employee (\$5)	2	10
Trainer (\$35)	4	140
Total	21	745

Standardbred Licenses Issued – 2020

License Type (Fee)	Number of Licenses Issued	Total Fees
Association Employee (\$25)	1052	26,300
Authorized Agent (\$25)	0	0
Driver (\$125)	40	5,000
Driver/Trainer (\$125)	43	5,375
Farrier (\$100)	3	300
Mutuel Employee (\$50)	323	16,150
Owner (\$125)	756	94,500
Owner - Conversion (\$0)	59	0
Owner/Driver (\$125)	13	1,625
Owner/Trainer (\$125)	89	11,125
Owner/Trainer Conversion (\$0)	2	0
Owner/Trainer/Driver (\$125)	129	16,125
Owner/Trainer/Driver –Conversion (\$0)	3	0
Racing Official (\$100)	12	1,200
Stable Employee (\$5)	306	1,530
Temp Owner (\$125)	81	10,125
Trainer (\$125)	37	4,625
Vendor (\$50)	17	850
Vendor Employee (\$25)	332	8,300
Vet Assistant (\$50)	5	250
Vet Tech (\$50)	1	50
Veterinarian (\$125)	10	1,250
Total	3313	204,680

Thoroughbred Licenses Issued – 2020

License Type (Fee)	Number of Licenses Issued	Total Fees
Association Employee (\$25)	2354	58,850
Assistant Trainer (\$150)	290	43,500
Assistant Trainer/Owner (\$150)	34	5,100
Assistant Trainer/Owner- Conversion	16	0
Authorized Agent (\$25)	160	4,000
Claiming (\$150)	16	2,400
Dental Tech (\$100)	21	2,100
Equine Therapist (\$50)	35	1,750
Exercise Rider (\$10)	717	7,170
Farm Manager/Agent (\$50)	51	2,550
Farrier (\$100)	73	7,300
Farrier Apprentice (\$50)	8	400
Jockey (\$150)	169	25,350
Jockey Agent (\$150)	42	6,300
Jockey Apprentice (\$100)	22	2,200
Mutuel Employee (\$50)	709	35,450
Owner (\$150)	4637	695,550
Owner - Conversion (\$0)	87	0
Owner/Trainer (\$150)	672	100,800
Owner/Trainer Conversion (\$0)	32	0
Racing Official (\$100)	127	12,700
Special Event (\$10)	189	1,890
Special Mutuel (\$10)	2	20
Stable Employee (\$10)	2971	29,710
Temp Owner (\$150)	110	16,500
Trainer (\$150)	241	36,150
Vendor (\$50)	87	4,350
Vendor Employee (\$25)	1878	46,950
Vet Assistant (\$50)	40	2,000
Vet Tech (\$50)	7	350
Veterinarian (\$150)	125	18,750
Totals	15922	1,170,140

Quarter Horse and Arabian Licenses Issued – 2020

License Type (Fee)	Number of Licenses Issued	Total Fees
Jockey (\$35)	0	0
Owner (\$35)	0	0
Trainer (\$35)	0	0
Total	0	0

DIVISION of STEWARDS

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

As a matter of course Kentucky stewards review the replay of each race from four different camera angles before the results are posted as “official.” At the Thoroughbred racetracks, the chief state steward and state steward are employees of the KHRC, and the third steward is an employee of the racing association. Pursuant to 810 KAR 2:040, stewards are responsible only to the commission. At Standardbred racetracks, the chief judge and an associate judge are employees of the KHRC, and the third judge is an employee of the racing association. For additional information regarding Thoroughbred and Standardbred stewards’ and judges’ rulings, go to: khrc.ky.gov/pages/rulings.

DIVISION of VETERINARY SERVICES

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

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

Veterinary activities related to live racing include pre-race examinations; on-track monitoring of horse health and soundness; triage and emergency care of racing injuries; management of the veterinarians’ list of horses determined to be ineligible to race for veterinary medical reasons; evaluation of Vet Listed horses for re-establishing racing eligibility; race-day furosemide administrations; and, record keeping associated with these activities. Each year, KHRC veterinarians perform approximately 16,000 administrations of race day furosemide in accordance with 810 KAR 1:018 and 811 KAR 1:090.

KHRC official veterinarians examine all in-today horses for soundness and racing fitness to ensure the health and safety of all participants. On race day, each Thoroughbred is evaluated by KHRC veterinarians in the morning at the pre-race exam, while in the saddling paddock, and during the post-parade. The pre-race exam includes an in-install, hands-on evaluation followed by observation of the horse in motion outside of its stall. Standardbred

horses are evaluated during the warm-up trips. Records of Thoroughbred exams are permanently stored in a central server, managed by InCompass, which has shared access by racing regulatory veterinarians in multiple jurisdictions. This allows veterinarians to monitor a horse's condition over time despite its having raced at different tracks or in other states.

In 2020, The Breeders' Cup World Championships were held at Keeneland Race Course. KHRC veterinarians, assisted by the Breeders' Cup Veterinary Panel, monitored the health and soundness of the more than 256 entered horses in the weeks preceding the event to ensure the safety and welfare of all participants.

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

KHRC veterinarians or licensed veterinary technicians perform blood sampling associated with post-race testing or pre-race TCO₂ analysis. KHRC Test Barn technicians are responsible for the collection of post-race equine urine samples to be sent to the KHRC official laboratory for analysis. The ability to collect paired (blood and urine) samples from each horse subjected to post race testing insures that the full scope of instrumental analysis—testing for more than 1,500 substances—can be applied to every horse. The paired sample collection rate for Thoroughbred racing in 2019 and 2020 was 99%. For Standardbred racing the paired sample collection rate was 83% in 2019 and 88.5% in 2020. All post-race samples undergo testing that exceeds the requirements of the Thoroughbred Owners and Breeders Association (TOBA) Graded Stakes Committee. Horses working under the observation of a KHRC veterinarian for release from the veterinarian's list—having been previously declared to be unfit for competition due to injury or unsoundness—are subjected to post-work blood sampling to ensure that a horse's medication status does not obscure accurate assessment of its suitability for return to racing. The KHRC continues to implement out-of-competition testing for the detection of blood doping agents and other prohibited substances. This testing is applied to Graded Stakes. For specific, targeted events, such as the Kentucky Derby and Oaks and Breeders' Cup, out-of-competition

sampling is performed in other states and countries by other racing regulatory authorities on behalf of the KHRC. In Thoroughbred racing, the winning horse and a minimum of one other horse are selected by the stewards to be submitted to post-race sample collection. In Standardbred racing, all winners are tested. In both Thoroughbred and Standardbred racing, additional horses are tested at the discretion of the Stewards or Judges. For Graded Stakes and races with purses \geq \$100,000, four or more horses are sampled. TCO₂ testing is conducted on samples collected pre-race. Horses in overnight races are identified for sampling on a random basis. All horses entered in Graded Stakes are subjected to pre-race TCO₂ testing. This testing is intended to identify horses having been administered an alkalinizing substance that, by neutralizing the buildup of lactic acid in the athlete, delays the onset of fatigue and thus enhances performance.

The KHRC utilizes Industrial Laboratories (Wheat Ridge, CO) as its primary drug testing laboratory. Industrial Laboratories is fully accredited by the Racing Medication and Testing Consortium (RMTC). Industrial Laboratories participates in External Quality Assurance programs as required to retain RMTC accreditation. These programs assess the laboratories' analytical capabilities and ensure they meet industry standards. Further, the KHRC participates in the RMTC's double-blind proficiency program in which quality control samples are included with the standard post-race sample sets at random intermittent times. This program ensures the quality of analysis of samples on a daily basis.

TESTING SUMMARY - 2019

BREED	Number of Race Starts	Total Number of Horses Sampled/Tested Post-Race	Post-Race Testing		Pre-Race TCO ₂ Testing (blood)	Out-of-Competition Testing (blood)	Post-work Testing (blood)	Post-injury Testing (blood)
			Blood only samples	Paired (blood & urine) Samples				
TB	15,456	Sampled: 3,818 +Claimed: 460 Total: 4,278 1 per 3.6 starts Tested: 3,181 +Claimed: 460 Total: 3,641 1 per 4.2 starts	Collected: 47 +Claimed: 460 Total: 507 Tested: 43 +Claimed: 460 Total: 503 Retained: 4	Collected: 3,771 Tested: 3,138 Retained: 633 99% paired-sample collection rate	2,417	247	127	58
STD	3,863	Sampled: 591 1 per 6.5 starts Tested: 591 1 per 6.5 starts	Collected: 123 Tested: 123 Retained: 0	Collected: 468 Tested: 468 Retained: 0 83% paired-sample collection rate	600	13	1	0
TOTAL	19,319	Sampled: 4,869 1 per 4.0 starts Tested: 4,232 1 per 4.6 starts	Collected: 630 Tested: 626 Retained: 4	Collected: 4,239 Tested: 3,606 Retained: 633	3,017	260	128	58

TESTING SUMMARY – 2020

BREED	Number of Race Starts	Total Number of Horses Sampled/Tested Post-Race	Post-Race Testing		Pre-Race TCO ₂ Testing (blood)	Out-of-Competition Testing (blood)	Post-work Testing (blood)	Post-injury Testing (blood)
			Blood only samples	Paired (blood & urine) Samples				
TB	13,872	Sampled: 3,351 +Claimed: 362 Total: 3,713 1 per 3.7 starts Tested: 3,188 1 per 4.6 starts	Collected: 47 +Claimed: 362 Total: 409 Tested: 41 +Claimed: 362 Total: 403 Retained: 6	Collected: 3,304 Tested: 2,785 Retained: 519 99% paired-sample collection rate	2,326	320	184	53
STD	4,317	Sampled: 680 1 per 6.35 starts Tested: 680 1 per 6.35 starts	Collected: 130 (67 Fair samples) Tested: 130 Retained: 0	Collected: 550 Tested: 550 Retained: 0 88.5% paired-sample collection rate	450	1	0	0
TOTAL	18,189	Sampled: 4,393 1 per 4.1 starts Tested: 3,868 1 per 4.7 starts	Collected: 539 Tested: 533 Retained: 6	Collected: 3,854 Tested: 3,335 Retained: 519	2,776	321	184	53

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

Reports of Finding issued by the official laboratory of the KHRC, Industrial Laboratories: 2019 Drug Testing Results

STANDARDBRED

Substance	Penalty	Frequency
(none)	A	0
Carbazochrome	B	1
Cobalt > 50 ppb	B	2
Gabapentin	B	1
Aminocaproic Acid	C	1
Cobalt < 50 ppb	C	1
Dexamethasone	C	1
Methylprednisolone	C	2
Ranitidine	D	2
Flunixin	NSAID	3
PBZ	NSAID	1

STD total ROF	15
Total Race Starts	3,863
1 Violation per:	258 starts

THOROUGHBRED

Substance	Penalty	Frequency
(none)	A	0
Cannabidiol	B	1
Carbazochrome	B	3
Clenbuterol	B	1
Gabapentin	B	2
Levamisole	B	5
Aminocaproic Acid	C	1
Dexamethasone	C	3
Diclofenac	C	1
Naproxen	C	2
Omeprazole	D	4
Flunixin / PBZ*	NSAID	1
PBZ > 2 mcg/ml < 5 mcg/ml	NSAID	4

TB Total ROF	28
Total Race Starts	15,456
1 Violation per:	552 starts

*2 NSAIDS > 2° level

Reports of Finding issued by the official laboratory of the KHRC, Industrial Laboratories: 2020 Drug Testing Results

STANDARD BRED

Substance	Penalty	Frequency
(none)	A	0
(none)	B	0
Hydrocortisone succinate	C	1
Metocarbamol	C	1
Medroxyprogesterone	C	1
Naproxen	C	1
Dexamethasone	C	1
Flunixin	NSAID	5

STD total ROF	10
Total Race Starts	4,317
1 Violation per:	432 starts

THOROUGHBRED

Substance	Penalty	Frequency
(none)	A	0
Ethamsylate	B	1
Gabapentin	B	1
Clenbuterol	B	1
Methocarbamol	C	2
Betamethasone	C	3
Dexamethasone	C	2
Ranitidine	D	1
Omeprazole	D	1
Ketoprofen	NSAID	1
Phenylbutazone	NSAID	5

TB Total ROF	18
Total Race Starts	13,872
1 Violation per:	771 starts

Note: The previous tables identify Reports of Finding Issued by the official laboratory each year. For some cases, final adjudication has not yet occurred.

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

2019 (n=4,232)	2020 (n=3,868)
A: 0.00% (0)	A: 0.00% (0)
B: 0.38% (16)	B: 0.08% (3)
C: 0.28% (12)	C: 0.31% (12)
D: 0.14% (6)	D: 0.05% (2)
Other: 0.21% (9)	Other: 0.28% (11)
Total: 1.02% (43)	Total: 0.72% (28)

Numbers of tests performed as well as the number of starts decreased for 2020 vs. 2019. This was due to an approximately six week cessation of racing due to the COVID-19 pandemic.

KENTUCKY LICENSED ASSOCIATIONS

Kentucky Licensed Associations

Thoroughbred Racetracks

Churchill Downs
700 Central Ave.
Louisville, KY 40208
www.churchilldowns.com

Ellis Park
3300 US Hwy. 41 N.
Henderson, KY 42420
www.ellisparkracing.com

Keeneland
4201 Versailles Rd.
Lexington, KY 40510
www.keeneland.com

Kentucky Downs
5629 Nashville Rd.
Franklin, KY 42134
www.kentuckydowns.com

Turfway Park
7500 Turfway Rd.
Florence, KY 41042
www.turfway.com

Standardbred Racetracks

Oak Grove
777 Winners Way
Oak Grove, KY 42262
www.oakgrovegaming.com

Red Mile
1200 Red Mile Rd.
Lexington, KY 40504
www.redmileky.com

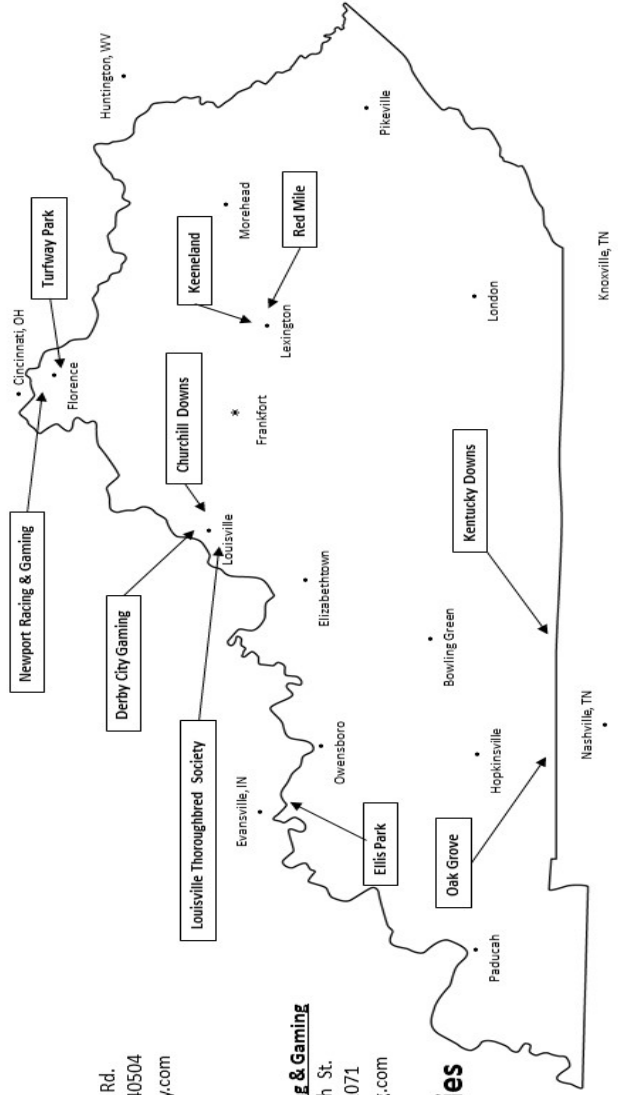
Racetrack Extensions

Derby City Gaming
4520 Poplar Level Rd.
Louisville, KY 40213
www.derbycitygaming.com

Newport Racing & Gaming
1723 Monmouth St.
Newport, KY 41071
www.newportrtrg.com

Stand Alone Simulcast Facilities

Louisville Thoroughbred Society
209 E. Main St. #200
Louisville, KY 40202
www.thelouisvillethoroughbredsociety.com



THOROUGHBRED TRACK/MEET	2019 AWARDED/RACED (Excludes Optional Dates)	2019 OPTIONAL AWARDED/RACED	2020 AWARDED/RACED (Excludes Optional Dates)	2020 OPTIONAL AWARDED/RACED
Churchill Downs Spring	38/38	4/0	38/27	8/0
Churchill Downs September	11/11	2/0	10/9	0/0
Churchill Downs Fall	26/25*	0/0	24/24	0/0
Ellis Park	29/26*	6/0	31/25	39/1
Keeneland Spring	16/16	0/0	16/0	0/0
Keeneland Summer	n/a	n/a	0/5	0/0
Keeneland Fall	17/17	0/0	17/17	0/0
Keeneland BC	n/a	n/a	2/2	0/0
Kentucky Downs	5/5	0/0	5/5	0/0
Turfway Park Winter/Spring	40/35	0/0	40/37	9/0
Turfway Park Holiday	13/13	3/3	13/13	0/0
TOTAL	195/186	15/3	196/164	56/1

2019 Cancellations:

January 12 – extreme weather and unsafe road conditions
January 25, 31, February 8 and November 13 – extreme low temperatures
February 7 – unsafe track conditions
March 30 – cancelled after race 4 due to heavy rain and unsafe track conditions
July 19 and July 20 – extreme heat
August 23 – heavy rain and flooding

2020 Cancellations and Changes:

March 26, 27 and 28 – Turfway dates cancelled due to Covid-19
April 2 through 24 – entire Keeneland Spring Meet cancelled due to Covid-19
April 25 through May 15 – Churchill Downs dates cancelled due to Covid-19
June 28 – previously allotted to Ellis Park – raced at Churchill Downs
July 8 through 12 – previously allotted to Ellis Park – raced at Keeneland
August 1 – cancelled after race 4 due to heavy rain and unsafe track conditions
September 1-5 – previously allotted to Kentucky Downs (9/2) and Ellis Park – raced at Churchill Downs
September 16 – previously allotted to Churchill Downs – raced at Kentucky Downs

KENTUCKY THOROUGHBRED PURSE INFORMATION

Calendar Year 2019				
Racing Association	Asso. Purses	KTDF Purses	Horsemen's Fees	Total Purses
Ellis Park	5,731,985	2,896,514	76,125	8,704,624
Churchill Downs	47,436,102	8,593,206	2,581,025	58,610,333
Keeneland	22,393,325	1,757,867	1,256,775	25,407,967
Kentucky Downs	6,082,737	4,951,380	486,263	11,520,380
Turfway Park	4,794,333	1,423,317	92,000	6,309,650
			Grand Total:	\$ 110,552,954

Calendar Year 2020				
Racing Association	Asso. Purses	KTDF Purses	Horsemen's Fees	Total Purses
Ellis Park	4,102,038	2,692,934	97,125	6,892,097
Churchill Downs	37,315,386	6,773,739	2,038,000	46,127,125
Keeneland*	14,284,150	1,327,390	732,400	16,343,940
Kentucky Downs	6,727,125	4,410,223	531,125	11,668,473
Turfway Park	6,266,875	2,306,176	91,625	8,664,676
			Grand Total:	\$ 89,696,311
*Keeneland hosted Breeders' Cup World Championships, which accounts for another \$26M in purses				

KENTUCKY STANDARDBRED PURSE INFORMATION

Racing Calendar Year 2019			
Racing Association	Asso. Purses	KSDF	Total Purses
Harness Racing at County Fairs	0	590,000	590,000
Oak Grove Racing & Gaming	527,800	0	527,800
Players Bluegrass Downs	168,050	0	168,050
The Red Mile	6,448,000	3,720,000	10,168,000
Grand Total			\$ 11,453,850

Racing Calendar Year 2020			
Racing Association	Asso. Purses	KSDF	Total Purses
Harness Racing at County Fairs		587,200	587,200
Oak Grove Racing & Gaming	929,500	30,000	959,500
The Red Mile	6,175,950	4,340,000	10,515,950
Grand Total			\$ 12,062,650