

Indiana Thoroughbred Breed Development Advisory Committee

July 21, 2021

1:00 p.m.

Meeting Agenda

- I. Call to Order & Opening Remarks
- II. Minutes – June 17, 2021
- III. Update on 2021 Program
 - a. Revenue to Date
 - b. Race Program to Date
- IV. Old Business
- V. New Business
- VI. Next Meeting Date
- VII. Adjournment

Indiana Thoroughbred Breed Development Advisory Committee
June 17, 2021
Meeting Minutes

Committee Members: Bruce Murphy, Blaine Davidson, Tianna Richardville; Commission Staff: Jessica Barnes, Tom Linkmeyer, Sara Distler; Indiana Grand – Eric Halstrom; Arv Holden, Jay Holden, Tom Mosely, Michelle Mosely, Mike Lauer, Terry Phillips, Ron McKay, Brian Elmore, Leigh Ann Hopper, and Katie Duran.

I Call to Order & Opening Remarks at 1:10 pm

II Minutes – May 14, 2021 - Blaine made a motion to approve, Tianna seconded, motion passed unanimously.

III Update on 2021 Program

- a) Revenue to Date: Jessica presented an update on 2021 program. Revenue to date is down a little from April but still up from February 2020. Eric said that business is good and that June numbers are comparable to May.

Tianna asked if there are any restrictions still in effect at the casino. Eric replied that the only restrictions are due to staff shortages.

- b) Race Program to Date: Brian says its working, Erik agreed.

IV Review of Draft Proposal for Increased Revenue

Jessica explained that there had been an increase in revenues and that she has been thinking about how to spend those increases. She is proposing the following increases to the breed development program:

- Restore stakes program back to pre-covid levels, 1 million dollars will be retroactive purses and breed development awards will be adjusted
- Purse supplements for additional races
- 2nd place breeder's awards

All 2nd place earnings will be added together and the payment will be a % of that pool paid after the meet ends.

Katie asked if the money would be retroactive. Jessica explained that the pool would cover awards from the beginning of the race meet.

Mike asked if that pot stop growing at the end of the meet. Jessica replied that the pot would stop growing on October 15.

Bruce joined meeting at 1:30

Tom asked if the program is on par to run more in races than originally planned? Jessica replied that we are. Originally it was below 3 per day. Now it is 3.45

Erik noted that this is a great marketing tool. Adds 75-90 more races than originally approved.

- V Old Business – Blaine asked if the dates for inclusion in the Broodmare Incentive program could be changed to accommodate the July Fasig-Tipton sale. Response was positive
- Bruce made a motion to approve changing the dates for the Mare Incentive program to July 1, 2021 through March 1, 2022. Blaine seconded. Motion passed unanimously.
- VI New Business- Michelle recommended that the commission send a representative to the Fasig-Tipton sale.
- VII Next Meeting Date - Thursday, July 22nd, 1:00 pm at Indiana Grand. There is a Commission meeting on 7-15-21 at Hoosier Park.
- VIII Adjournment – 2:12 Blaine made a motion to adjourn, Tianna seconded. Motion passed unanimously.

DRAFT

2021 Revenue Projections - Thoroughbred Breed Development Program

(Deposited In)	PROJECTED	ACTUAL	DIFFERENCE
January Slots (earned in Dec.)	\$806,055.00	\$785,729.95	-\$20,325.05
February Slots (earned in Jan.)	\$806,055.00	\$906,383.82	\$100,328.82
March Slots (earned in Feb.)	\$806,055.00	\$810,913.32	\$4,858.32
April Slots (earned in March)	\$806,055.00	\$1,315,682.85	\$509,627.85
May Slots (earned in April)	\$806,055.00	\$1,318,643.73	\$512,588.73
June Slots (earned in May)	\$806,055.00	\$1,237,551.96	\$431,496.96
July Slots (earned in June)	\$806,055.00	\$1,127,545.70	\$321,490.70
August Slots (earned in July)	\$806,055.00		
September Slots (earned in August)	\$806,055.00		
October Slots (earned in Sept.)	\$806,055.00		
November Slots (earned in Oct.)	\$806,055.00		
December Slots (earned in Nov.)	\$806,055.00		
Estimated Slots Revenue	\$9,672,660.00		\$1,860,066.33
 ORIGINAL BUDGET PROJECTIONS			
Slot Revenue	\$11,574,891.67		
Breakage & Outs	\$320,000.00		
Utilize from Reserves	\$1,300,000.00		
Table Games	\$1,200,000.00		
TOTAL PROJECTED REVENUE	\$14,394,891.67		
 ADMIN/PROMO	 \$466,328.10		
 AVAILABLE FOR RACING PROGRAM	 \$13,928,563.57		
REVENUE PROJECTIONS			
AGR	\$9,672,668.00		
BREAKAGE/OUTS	\$200,000.00		
UTILIZE FROM RESERVES	\$1,600,000.00		
	\$11,472,668.00		
 PROMO/ADMIN	 \$300,000.00		
 AVAILABLE FOR RACING PROGRAM	 \$11,172,668.00		
 Out of State Breeders Awards	 \$50,000.00		
Open Race Awards	\$300,000.00		
 REMAINING FOR RACING PROGRAM	 \$10,822,668.00		
 12/31/20 Ending Balance - Obligations	 \$3,349,428.00		
 Balance after 2021 Program	 \$1,749,428.00		

Thoroughbred Breed Development Program Excess Revenue Allocation

	IHRC Approved 3/2/21	Added through 6/15/2021	7/15 Deposit	8/15 Deposit	9/15 Deposit	10/15 Deposit	Total - 2021 Program
EXCESS ALLOCATION		\$1,538,575.63	\$1,127,545.70				
Awds Open Races	\$300,000						\$300,000
Out of State Breeder's Awards	\$50,000						\$50,000
BDF Purse Contribution Stakes	\$980,000	\$800,000.00					\$1,780,000
Breeder Awds Stakes	\$486,000	\$160,000.00					\$646,000
Stallion Owner Awds Stakes	\$152,750	\$40,000.00					\$192,750
BDF Purse Contribution	\$6,558,500	\$269,287.50	\$563,772.85				\$7,391,560
Breeder Awards Overnights	\$1,873,300	\$60,320.40	\$126,285.12				\$2,059,906
Stallion Owner Awds Overnights	\$608,823	\$15,080.10	\$31,571.28				\$655,474
2nd Place Breeder Award Pool		\$134,643.75	\$281,886.43				\$416,530
2nd Place Stallion Award Pool		\$59,243.25	\$124,030.03				\$183,273
TOTAL - FROM BDF	\$11,009,373	\$1,538,575.00	\$1,127,545.70				\$13,675,494

2021 Thoroughbred Breed Development Program -
Overnight races to date

RACE DAY	DATE	# OF IB	BDF \$ TO IB	# OF IS	BDF \$ TO IS	TOTAL BDF	TOTAL BDF \$	RUNNING TOTAL
		RACES	RACES	RACES	RACES	RACES		
1	4/13/2021			4	\$86,000	4	\$86,000	\$86,000
2	4/14/2021			3	\$60,000	3	\$60,000	\$146,000
3	4/19/2021	4	\$78,500			4	\$78,500	\$224,500
4	4/20/2021	3	\$79,500			3	\$79,500	\$304,000
5	4/21/2021	3	\$82,500			3	\$82,500	\$386,500
6	4/26/2021	1	\$29,500	1	\$26,000	2	\$55,500	\$442,000
7	4/27/2021			3	\$80,000	3	\$80,000	\$522,000
8	4/28/2021			4	\$65,000	4	\$65,000	\$587,000
9	5/3/2021	3	\$54,500			3	\$54,500	\$641,500
10	5/4/2021	3	\$35,000			3	\$35,000	\$676,500
11	5/5/2021	4	\$113,000			4	\$113,000	\$789,500
12	5/6/2021	3	\$65,000			3	\$65,000	\$854,500
13	5/10/2021	2	\$54,700	2	\$32,000	4	\$86,700	\$941,200
14	5/11/2021	2	\$19,500	2	\$25,000	4	\$44,500	\$985,700
15	5/12/2021	1	\$23,500	1	\$20,000	2	\$43,500	\$1,029,200
16	5/13/2021	2	\$19,500	2	\$20,000	4	\$39,500	\$1,068,700
17	5/17/2021	3	\$63,000	2	\$42,000	5	\$105,000	\$1,173,700
18	5/18/2021			3	\$41,000	3	\$41,000	\$1,214,700
19	5/19/2021			3	\$43,000	3	\$43,000	\$1,257,700
20	5/20/2021	4	\$84,500			4	\$84,500	\$1,342,200
21	5/24/2021	2	\$37,500	1	\$24,000	3	\$61,500	\$1,403,700
22	5/25/2021	3	\$36,000	1	\$0	4	\$36,000	\$1,439,700
23	5/26/2021	3	\$37,500	1	\$0	4	\$37,500	\$1,477,200
24	5/27/2021	3	\$59,000	1	\$19,500	4	\$78,500	\$1,555,700
25	6/1/2021	2	\$20,000	1	\$20,000	3	\$40,000	\$1,595,700
26	6/2/2021	3	\$45,000	1	\$22,000	4	\$67,000	\$1,662,700
27	6/3/2021	2	\$43,000	1	\$20,000	3	\$63,000	\$1,725,700
28	6/5/2021					0	\$0	\$1,725,700
29	6/7/2021	4	\$61,500	2	\$42,000	6	\$103,500	\$1,829,200
30	6/8/2021	2	\$27,500	1	\$20,000	3	\$47,500	\$1,876,700
31	6/9/2021			3	\$44,000	3	\$44,000	\$1,920,700

2021 Thoroughbred Breed Development Program -
Overnight races to date

32	6/10/2021	2	\$20,000	1	\$1,000	3	\$21,000	\$1,941,700
33	6/14/2021	3	\$40,500	2	\$44,000	5	\$84,500	\$2,026,200
34	6/15/2021	4	\$54,000			4	\$54,000	\$2,080,200
35	6/16/2021			2	\$48,000	2	\$48,000	\$2,128,200
36	6/17/2021	2	\$18,000	2	\$40,000	4	\$58,000	\$2,186,200
37	6/21/2021			2	\$1,000	2	\$1,000	\$2,187,200
38	6/22/2021	5	\$61,000	1	\$22,000	6	\$83,000	\$2,270,200
39	6/23/2021	3	\$57,000	1	\$20,000	4	\$77,000	\$2,347,200
40	6/24/2021	1	\$18,000	2	\$42,000	3	\$60,000	\$2,407,200
41	6/28/2021	3	\$47,000	2	\$42,000	5	\$89,000	\$2,496,200
42	6/29/2021			3	\$42,000	3	\$42,000	\$2,538,200
43	6/30/2021	2	\$1,000	1	\$20,000	3	\$21,000	\$2,559,200
44	7/1/2021	4	\$41,500			4	\$41,500	\$2,600,700
45	7/3/2021					0	\$0	\$2,600,700
46	7/6/2021	3	\$25,800			3	\$25,800	\$2,626,500
47	7/7/2021			2	\$54,000	2	\$54,000	\$2,680,500
48	7/8/2021	3	\$71,000	1	\$23,500	4	\$94,500	\$2,775,000
49	7/12/2021			3	\$55,500	3	\$55,500	\$2,830,500
50	7/13/2021	2	\$26,000	1	\$23,500	3	\$49,500	\$2,880,000
51	7/14/2021	1	\$25,000	1	\$25,000	2	\$50,000	\$2,930,000
52	7/15/2021	4	\$55,000	2	\$47,000	6	\$102,000	\$3,032,000
53	7/19/2021	3	\$54,500	1	\$26,000	4	\$80,500	\$3,112,500
54	7/20/2021	4	\$79,000	1	\$26,000	5	\$105,000	\$3,217,500
55	7/21/2021	3	\$67,000	1	\$23,500	4	\$90,500	\$3,308,000
56	7/22/2021	1	\$21,000	1	\$23,500	2	\$44,500	\$3,352,500
57	7/24/2021					0	\$0	\$3,352,500
58	7/26/2021	4	\$48,000	1	\$26,000	5	\$74,000	\$3,426,500
59	7/27/2021	1	\$21,000	2	\$54,000	3	\$75,000	\$3,501,500
								\$3,501,500
								\$3,501,500
								\$3,501,500
								\$3,501,500

2021 Thoroughbred Breed Development Program -
Overnight races to date

TOTAL IB RACES	120	\$2,020,500		
TOTAL IS RACES	79	\$1,481,000	AVERAGE # RACES PER DAY	3.55
TOTAL	199	\$3,501,500	AVERAGE BDF \$ PER RACE	\$17,595
AMOUNT AVAILABLE		\$7,391,560	Base purse was adjusted from \$9,000 to \$15,000 on 5/11/21	
AMOUNT REMAINING		\$3,890,060		



2021 Program – Request to Amend Approved Program

*Approved by the Thoroughbred Breed Development Advisory Committee on June 17, 2021.
Approved by the Indiana Horse Racing Commission on July 15, 2021.*

The Thoroughbred Breed Development Advisory Committee worked closely with all facets of the Industry (racetrack management, Indiana HBPA and ITOBA) in creating our 2021 program which was originally approved by the IHRC Executive Director and then the IHRC on March 2, 2021. In planning the program, all involved utilized very conservative projections for gaming adjusted gross receipts (AGR) for 2021. At this time casino operations for the past three months have been much higher than anticipated. Deposits made through June 15, 2021 have resulted in the Thoroughbred Breed Development Fund receiving over \$1.5 million dollars in excess of our projections. Casino revenue allocated to the Thoroughbred Breed Development Program is summarized below:

Projected Revenue vs. Actual:

(Deposited In)	PROJECTED	ACTUAL	DIFFERENCE
January Slots (earned in Dec.)	\$806,055.00	\$785,729.95	-\$20,325.05
February Slots (earned in Jan.)	\$806,055.00	\$906,383.82	\$100,328.82
March Slots (earned in Feb.)	\$806,055.00	\$810,913.32	\$4,858.32
April Slots (earned in March)	\$806,055.00	\$1,315,682.85	\$509,627.85
May Slots (earned in April)	\$806,055.00	\$1,318,643.73	\$512,588.73
June Slots (earned in May)	\$806,055.00	\$1,237,551.96	\$431,496.96
July Slots (earned in June)	\$806,055.00		
August Slots (earned in July)	\$806,055.00		
September Slots (earned in August)	\$806,055.00		
October Slots (earned in Sept.)	\$806,055.00		
November Slots (earned in Oct.)	\$806,055.00		
December Slots (earned in Nov.)	\$806,055.00		
Estimated Slots Revenue	\$9,672,660.00		\$1,538,575.63

While we don't know what the exact revenue numbers will be for remainder of 2021, we are confident that the revenue for these months will meet our projections and most likely be higher than expected.

Since the beginning of the 2021 race meet, we have been working closely with racetrack management, HBPA representatives and ITOBA representatives to carefully monitor these funds and race needs. On 5/3/21 a request was submitted to the Executive Director to adjust the base purse (contribution from track purse account to Breed Development overnight races) from \$9,000 to \$15,000 for a period of six weeks. An additional request was submitted to the Executive Director on 6/10/21 to continue this adjustment indefinitely. The approval of this request allowed the track to meet the short-term needs of the racing program by adding additional Indiana Bred/Sired races while staying within the approved Thoroughbred Breed Development budget until modifications could be made to our previously approved program.

Taking into consideration the base purse adjustments that have already been implemented since the original plan was approved in March, the Thoroughbred Breed Development Committee would like to request approval to distribute additional funds that have exceeded earlier projections for the remainder of the meet in the manner described below. The distribution would include the following:

- Restore all Indiana Bred/Indiana Sired Stakes to pre Covid-19 levels. This would move stakes which are currently being contested at \$75,000 to \$100,000, and our signature stakes from \$100,000 to \$150,000. This could cost the program a total of \$1,000,000 to cover purses and awards for these races. Please note that there are some stakes which have been contested already, and in order to be fair to all participants, we would work with the racetrack to adjust purses stakes already associated with them.
- Allocate remaining excess revenue (after stakes are increased) deposited through October as follows:

Purse Supplements for Overnight Races	50%
Breeders/Stallion Awards for Added Races	14%
2nd Place Breeders Awards	25%
2nd Place Stallion Awards	11%

For example:

		through 6/15/2021*	
Amount Available		\$	538,575.00
Purse Supplements for Overnight Races	50%	\$	269,287.50
Breeders/Stallion Awards for Added Races	14%	\$	75,400.50
2nd Place Breeders Awards	25%	\$	134,643.75
2nd Place Stallion Awards	11%	\$	59,243.25

**available money through 6/15/2021 is excess revenues to date minus \$1,000,000 needed to return Stakes to previous levels*

Each month through October, excess revenue will be calculated and added to the existing approved program to be spent. This will enable the program to spend the excess earned revenues without going over budget for 2021 and accumulating a large amount of reserves. This also will allow us to impact all areas of our program and provide benefits to everyone participating – *owners, breeders and stallion owners*. The following is an example of how an accounting of the allocation would work:

	IHRC Approved 3/2/21	Added through 6/15/2021	7/15 Deposit	8/15 Deposit	9/15 Deposit	10/15 Deposit	Total - 2021 Program
Awds Open Races	\$300,000						\$300,000
Out of State Breeder's Awards	\$50,000						\$50,000
BDF Purse Contribution Stakes	\$980,000	\$800,000.00					\$1,780,000
Breeder Awds Stakes	\$486,000	\$160,000.00					\$646,000
Stallion Owner Awds Stakes	\$152,750	\$40,000.00					\$192,750
BDF Purse Contribution Overnights	\$6,558,500	\$269,287.50					\$6,827,788
Breeder Awards Overnights	\$1,873,300	\$60,320.40					\$1,933,620
Stallion Owner Awds Overnights	\$608,823	\$15,080.10					\$623,903
2nd Place Breeder Award Pool		\$134,643.75					\$134,644
2nd Place Stallion Award Pool		\$59,243.25					\$59,243
TOTAL - FROM BDF	\$11,009,373	\$1,538,575.00					\$12,547,948

Please note the above allocation includes the addition of a 2nd place breeders and stallion award. These awards will be paid out after the completion of the race meet based on the following formula:

2nd Place Breeder's Award Amount = % of 2nd place earnings in eligible races * Amount of available \$

2nd Place Stallion Award Amount = % of 2nd place earnings in eligible races * Amount of available \$

The following chart shows an example using the formula and the potential payout depending on the horse's earnings at the end of the race meet. Payments would be made to horsemen by sometime in December of 2021 or January 2022.

For example, if \$300,000 was available for 2nd place breeders awards, then:

	Total 2nd Place Earnings	% of 2nd Place Earnings	2nd Place Breeder's Award Amount (%*\$300,000)
HORSE A	\$72,000	17.89%	\$53,665
HORSE B	\$125,000	31.06%	\$93,168
HORSE C	\$22,500	5.59%	\$16,770
HORSE D	\$40,000	9.94%	\$29,814
HORSE E	\$15,000	3.73%	\$11,180
HORSE F	\$96,000	23.85%	\$71,553
HORSE G	\$32,000	7.95%	\$23,851
TOTAL	\$402,500	100.00%	\$300,000



Request to Renew Incentive Program to Attract New Mares to Indiana – 2022 Foaling/Breeding Season

Approved by Indiana Horse Racing Commission on 7/15/2021.

In December of 2019, the Thoroughbred Breed Development Advisory Committee implemented an incentive program to attract new mares to the state of Indiana for foaling purposes. This program provided a cash incentive to any owner who purchased a mare in foal at a public auction, and who then proceeded to register the mare and subsequent foal in the Thoroughbred Breed Development Program. An additional incentive may have been earned if that mare was bred back to a registered Indiana stallion after foaling and went on to produce an IHRC registered foal the following year.

Since the implementation of the program, 33 mares and 26 foals have been registered with \$26,000 in incentives paid.

We are requesting approval to continue this program for the 2022 foaling season. The cost to the Thoroughbred Breed Development Program will vary based on the number of participants, but we estimate that it will not exceed \$50,000. The proposed program guidelines are as follows:

Mare Incentive Program Guidelines for 2022 Foaling Season

The Indiana Thoroughbred Breed Development Program is offering up to \$2,000 in incentives for new mares foaling in the state during 2022.

For Mares In Foal Purchased at Public Auction

To be eligible for the \$1,000 incentive, the buyer must:

- Purchase a mare in foal at a public auction between the dates of July 2021, and March 1, 2022, at a minimum purchase price of \$2,500.
- Submit documentation of purchase with Indiana registration.
- Verify that the mare has not been previously registered in the Indiana Thoroughbred Breed Development Program as a foaling mare.

- Submit a 2022 mare registration with the Indiana Horse Racing Commission prior to foaling.
- The mare must foal in Indiana, and reside in the state for thirty days after foaling, if applicable.
- Fulfill breed back requirements, if applicable.
- Register foal with the Indiana Horse Racing Commission.

Incentive payment will be issued once the 2022 foal has been registered with the program and eligibility is verified.

For an additional \$1,000 incentive, the owner must:

- Breed the purchased mare back to an Indiana Sire registered with the IHRC for the 2022 breeding season.
- Submit a 2023 mare application with the Indiana Horse Racing Commission prior to foaling.
- Return the mare to Indiana to foal in 2023.
- Comply with all requirements of registration.
- Register foal with the Indiana Horse Racing Commission.

Incentive payments will be issued once the 2023 foal is registered with the program and eligibility is verified.

For Open Mares Purchased at Public Auction

To be eligible for the \$1,000 incentive, the buyer must:

- Purchase an open mare at a public auction between the dates of July 1, 2021 and March 1, 2022 at a minimum purchase price of \$2,500.
- Submit documentation of purchase with Indiana registration.
- Verify that the mare has not been previously registered in the Indiana Thoroughbred Breed Development Program as a foaling mare.
- Breed the purchased mare to an Indiana Sire registered with the IHRC for the 2022 breeding season.
- Submit a 2023 mare application with the Indiana Horse Racing Commission prior to foaling.
- Return the mare to Indiana to foal in 2023.
- Comply with all requirements of registration.
- Register foal with the Indiana Horse Racing Commission.

Incentive payment will be issued once the 2023 foal has been registered with the program and eligibility is verified.

For an additional \$1,000 incentive, the owner must:

- Breed the purchased mare back to an Indiana Sire registered with the IHRC for the 2023 breeding season.
- Submit a 2024 mare application with the Indiana Horse Racing Commission prior to foaling.
- Return the mare to Indiana to foal in 2024.
- Comply with all requirements of registration.
- Register foal with the Indiana Horse Racing Commission.

Incentive payments will be issued once the 2024 foal is registered with the program and eligibility is verified.