



TEXAS RACING COMMISSION

FORM HIEA-1

APPLICATION FOR BREED REGISTRY FUNDING FROM THE HORSE INDUSTRY ESCROW ACCOUNT

GENERAL INFORMATION

(Must be accompanied by at least one completed Form HIEA-2, Project Narrative)

Section A. Organization Information

Breed Registry Name: Texas Thoroughbred Association

Mailing Address: 192 Cimarron Park Loop Suite A Street Address

Buda TX 78610 Hays City State Zip Code County

Physical Address: 192 Cimarron Park Loop Suite A Street Address

Buda TX 78610 Hays City State Zip Code County

Section B. Contact Personnel

(1) Name of Primary Program Contact (This person can answer day-to-day questions about the organization and the project.)

Full Name: Mary Ruyb Mr. Ms. Dr. Other

Position Title: Executive Director

Email Address:

Phone: (512) 458 - 6133 Ext. Alt #: (512) 695 - 4542

(2) Secondary Program Contact (This person can answer day-to-day questions about the organization and the project.)

Full Name: Cheri Grant Mr. Ms. Dr. Other

Position Title: Accountant

Email Address:

Phone: (512) 458 - 6133 Ext. Alt #: (512) 695 - 4538

(3) Name of Authorized Official *(This person is authorized to enter into legal agreements on behalf of the organization. This person's name will appear on the funding agreement for signature.)*

Full Name: Mary Ruyle Mr. Dr.
First Last Ms. Other _____

Position Title: Executive Director

Email Address: _____

Phone: (512) 458 - 6133 Ext. _____ Alt #: (512) 695 - 4542

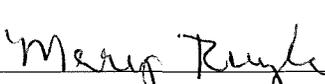
Section C. Certifications

By signing below, applicant and its authorized official (the person listed in Section B.3):

- (1) certify that all information provided in connection with this application is true and correct;
- (2) acknowledge that any misrepresentation or false statement made by applicant or an authorized agent of applicant in connection with this application, whether intentional or not, will constitute grounds for denial of this application and may be the subject of substantial civil and/or criminal liability and sanctions;
- (3) acknowledge that acceptance of funds in connection with this application acts as acceptance of the authority of the Texas Racing Commission (TxRC) or any successor agency and the State Auditor's Office (SAO) or any successor agency to conduct an investigation in connection with those funds, and applicant further agrees to cooperate fully with TxRC or its successors and SAO or its successor in the conduct of the audit or investigation, including allowing TxRC and/or SAO to inspect applicant's premises and providing all records requested during the funding period and for at least five years after the funding is expended; and
- (4) certify that the authorized official is authorized to submit this application and to make the preceding certifications and acknowledgements on behalf of applicant.

Notice of Penalties: The penalty for knowingly making false statements or false entries, or attempts to secure money through fraudulent means, may include fines, incarceration, and/or forfeiture of funds.

Authorized Official: *(Person listed in Section B.3)*

x		5-8-2020
	Signature	Date

This application becomes public record and is subject to disclosure. With few exceptions, you have the right to request and be informed about the information that the State of Texas collects about you. You are entitled to receive and review the information upon request. You also have the right to ask the state agency to correct any information that is determined to be incorrect. (Reference: Texas Government Code, Sections 552.021, 552.023, and 559.004.)



TEXAS RACING COMMISSION

APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form HIEA-1, General Information)

APPLICANT NAME: Texas Thoroughbred Association

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): Modification to Previously Approved 2020 Thoroughbred Meet at Lone Star Park

Event Date(s) or Approximate Date(s): May - July 2020

Total Amount Requested For this Event: Additional \$225,000

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
May 10, 2020

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

The 2020 Thoroughbred meet at Lone Star Park is an opportunity to build upon the early success of the Thoroughbred meet at Sam Houston Race Park before they were forced to close. With their early closing, there is \$225,000 in unused purse funds targeted for stakes. Officials at Lone Star plan to offer the 7 stakes that had to be cancelled at Houston on March 21. Signature event days include Lone Star Showcase Day, Stars of Texas Day, and Texas Champions Day. The Texas Derby has been cancelled for 2020.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

This request is a modification to an approved event using \$225,000 in funds remaining from the Sam Houston Race Park event.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

Texas horsemen will be supported by the track offering the 7 stakes that had to be cancelled at Houston on March 21, providing additional earning opportunities, horsemen. These races carry a purse of \$75,000 each. Additionally, this meet will provide opportunities to attract more horsemen and horses to the state who have little to no racing opportunities across the US. Increased purses with focus on the stakes program and an emphasis on Texas-bred horses will benefit Texas horsemen.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

TTA Executive Director Mary Ruyle will work directly with Lone Star Park President Scott Wells, the Racing Secretary and Promotions Manager to oversee all activities. Lone Star staff will provide reports to Ruyle as funds are expended and interim reports on the number of races conducted, field sizes and handle.

Reports will be provided to the TTA Board of Directors. The firm of Alexander and Lievens, PC will include this initiative in their annual financial audit of TTA. Documentation will also be included as part of the TTA's quarterly and annual Performance Measures Report to the Texas Racing Commission. Reports will be provided to the TTA Board of Directors. The firm of Alexander and Lievens, PC will include this initiative in their annual financial audit of TTA. Documentation will also be included as part of the TTA's quarterly and annual Performance Measures Report to the Texas Racing Commission.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*

- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$225,000.00
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$
Total	\$225,000.00

Event Production Costs (\$ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$225000 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

This \$225,000 will be used to help fund the purses for the Bara Lass S., Groovy S., and Richard King S..

Advertising (\$ total) Provide an explanation of advertising costs.

Donations (\$ _____ total) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

Other direct expenses – first category _____ (\$ _____ total) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – second category _____ (\$ _____ total) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – third category _____ (\$ _____ total) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$ _____ total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



TEXAS RACING COMMISSION

FORM HIEA-2
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APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form HIEA-2, Project Narrative)

APPLICANT NAME: TEXAS THOROUGHBRED ASSOCIATION

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): 2020 Mixed Meet at Retama Park

Event Date(s) or Approximate Date(s): July - September 2020

Total Amount Requested For this Event: \$200,000

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
\$150,000 needed by July 31, 2020; \$50,000 needed by August 31, 2020

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

We propose to increase the purses of the Texas Horseracing Hall of Fame S. and the Fiesta Mile by \$25,000 each to bring the total for each to \$75,000 each. We also propose increasing the purses of both divisions of the Texas Stallion Stakes from \$65,000 to \$75,000. Retama will add two new \$50,000 stakes for Accredited Texas-bred 3-year-olds, with divisions for fillies and colts/geldings.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

1. The 2020 mixed meet at Retama Park will provide much needed opportunities for racing for Texas horses as well as out-of-state horses. The Texas Horseracing Hall of Fame Stakes and the Fiesta Mile have a long history at Retama and are the highlight of the Thoroughbred meet. Offering additional race days with increased purses and focus on the stakes program with an

emphasis on Texas-bred horses will attract participants and patrons, as well as increasing interest in the Accredited Texas-bred Program.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

1. Six Thoroughbred stakes races planned for August 8th will attract the attention of the San Antonio area community as well as horseracing fans nationwide that will likely lead to increased attendance and handle. Fiscal measurements for all proposed elements will be demonstrated in the racing product via entries and handle increases compared to 2019.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

TTA Executive Director Mary Ruyle will work directly with Retama Park General Manager Angela Cooper, Director of Racing Steve Ross and Racing Secretary James Leatherman to oversee all activities. Cooper, Ross and Leatherman will provide reports to Ruyle as funds are expended and interim reports on the number of races conducted, field sizes and handle.

Reports will be provided to the TTA Board of Directors. The firm of Alexander and Lievens, PC will include this initiative in their annual financial audit of TTA. Documentation will also be included as part of the TTA's quarterly and annual Performance Measures Report to the Texas Racing Commission.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*

- (6) expenses related to litigation;
- (7) professional association fees or dues for the breed registry or an individual;
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$200,000.00
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$200,000.00
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$
Total	\$200,000.00

Event Production Costs (\$ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$200000 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

\$25,000 each for the Texas Horse Racing Hall of Fame S., the Fiesta Mile S. , the filly division of the Texas Stallion S., and the colt/gelding division of the Texas Stallion S.; and \$50,000 each for a 3-year-old Sprint S. for fillies and a 3-year-old Sprint S. for colts and geldings.

Advertising (\$ total) Provide an explanation of advertising costs.

Donations (\$ _____ **total**) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

Other direct expenses – first category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – second category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – third category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$ _____ **total; may not exceed 5% of total**) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



TEXAS RACING COMMISSION

FORM HIEA-2

Priority #3
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APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form HIEA-2, Project Narrative)

APPLICANT NAME: TEXAS THOROUGHBRED ASSOCIATION

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): 2020 Mixed Meet at Gillespie County Fair Grounds

Event Date(s) or Approximate Date(s): July - August

Total Amount Requested For this Event: \$7,000

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
\$7,000 needed by July 1, 2020

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

In previous years, the Texas Thoroughbred Association was able to add purse money to support two ATB-restricted stakes at Gillespie County Fair, using funding available from cross-species simulcasting at Texas Greyhound tracks. Due to the Covid-19 pandemic, there are no funds available from this source. We propose using a total of \$7,000 (\$3,500 each) to support the Texas Thoroughbred Breeders Stakes on July 18th and the GCFA ATB Stakes on August 23, 2020.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

1. Racing at Gillespie is conducted by the Gillespie Fair and Festival Association as a Class 3 non-profit county fair organization located in Fredericksburg. It is the longest running Fair in Texas and provides important racing opportunities for Thoroughbreds and Quarter Horses.

By supporting Thoroughbred racing, and especially ATB-restricted stakes, will attract participants and patrons, as well as increasing interest in the Accredited Texas-bred Program.

Due to the pandemic, racing in Texas was curtailed, and racing at GCFG will provide much needed racing opportunities for those horses that fit their particular racing conditions.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

Two Thoroughbred stakes races planned for July and August will attract the attention of the surrounding Hill Country area community and lead to increased attendance and handle. Fiscal measurements for all proposed elements will be demonstrated in the racing product via entries and handle increases compared to 2019.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

TTA Executive Director Mary Ruyle will work directly with GCFG Park General Manager Scott Staudt and Racing Secretary Shyrl Hopkins to oversee all activities. Reports will be provided to Ruyle as funds are expended and interim reports on the number of races conducted, field sizes and handle.

Reports will be provided to the TTA Board of Directors. The firm of Alexander and Lievens, PC will include this initiative in their annual financial audit of TTA. Documentation will also be included as part of the TTA's quarterly and annual Performance Measures Report to the Texas Racing Commission.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*

- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;
- (6) expenses related to litigation;
- (7) professional association fees or dues for the breed registry or an individual;
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$7,000.00
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$7,000.00
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$
Total	\$7,000.00

Event Production Costs (\$ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$7000 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.
 \$3,500 each for the Texas Thoroughbred Breeder S. and the GCFA Thoroughbred S.

Advertising (\$ **total**) *Provide an explanation of advertising costs.*

Donations (\$ **total**) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

Other direct expenses – first category _____ (\$ **total**) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – second category _____ (\$ **total**) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – third category _____ (\$ **total**) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$ **total; may not exceed 5% of total**) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

Priority #4



TEXAS RACING COMMISSION

FORM HIEA-2
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APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form HIEA-2, Project Narrative)

APPLICANT NAME: TEXAS THOROUGHBRED ASSOCIATION

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Project Title (Event Name): ATB Breeder Bonus for Success in Open Company Races in Texas in 2020

Event Date(s) or Approximate Date(s): January - September 2020

Total Amount Requested For this Event: \$303,185

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*

\$120,000 needed in April 2020 in connection with the Thoroughbred meet at Sam Houston Race Park; \$120,000 needed in August 2020 in connection with the Thoroughbred meet at Lone Star Park; \$2,000 needed in September 2020 in connection with Thoroughbred racing at Gillespie County Fair; and \$58,000 needed in October 2020 in connection with Thoroughbred racing at Retama Park.

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

Pursuant to Texas Racing Act Sec. 2030.004, Purse Supplements for Texas-Bred Races (2001), "An accredited Texas-bred Thoroughbred horse that finishes first, second, or third in a race other than a Texas-bred race is entitled to receive an owner's bonus award as a purse supplement."

This bonus is in addition to the regular ATB owner's award. Bonus awards for success in open company races were implemented in 2002 to encourage ATB horses to compete in open company, which is generally regarded as being more competitive.

The TTA proposes implementing an ATB breeder's bonus for eligible breeders of Accredited Texas-bred racehorses placing first, second or third in any open company race in Texas, beginning with the 2020 Thoroughbred meet at Sam Houston Race Park.

Breeders expend significant funds in purchasing and caring for broodmares, purchasing stallion breedings, and caring for resulting foals. They see no return on investment until a foal is sold or achieves success at the racetrack. Implementing a breeder's bonus encourages mare owners to breed with the goal of producing more competitive racehorses in order to reap the rewards of additional ATB awards. These additional funds will enable the breeder to sustain and grow his breeding business.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

Implementing an ATB breeder's bonus beginning with the 2020 Thoroughbred meet at Sam Houston Race Park will provide breeders with additional funds to put into their breeding programs for 2020 and beyond.

As with all ATB awards, breeder bonus awards will be calculated as a percentage of purse money earned by eligible horses placing first, second or third in open company races, and paid out during the month following the month in which live racing concludes at each Texas racetrack.

TTA will promote through online and print magazine ads as well as direct mail pieces and email blasts, and notices provided to Texas racetracks.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

This initiative will provide \$300,000 in 2020 to be put back into the Texas economy through purchases of fuel, feed, bedding, equipment, grooming products, insurance, facility expenses, veterinary services, farrier services, and labor.

The Texas Comptroller's office will be able to provide comparative statistics for these expenditures and associated taxes.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

TTA Executive Director Mary Ruyle and Accountant Cheri Grant will work with the custom software programmer for the Association to develop all necessary database records and functions. Reports will be provided to the TTA Board of Directors. The firm of Alexander and

Lievens, PC will include this initiative in their annual financial audit of TTA. Documentation will also be included as part of the TTA's quarterly and annual Performance Measures Report to the Texas Racing Commission.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$
Advertising	\$3,000

Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$300,000.00
	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$303,000.00
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$185.00
Total	\$303,185.00

Event Production Costs (\$ _____ total) *For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.*

Purse Supplements/Prizes (\$ _____ total) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

Advertising (\$3000 total) *Provide an explanation of advertising costs.*

Online and print ads in American Racehorse, Blood-Horse, Paulick Report, Thoroughbred Daily News, Daily Racing Form, as well as at all Texas racetracks.

Donations (\$ _____ total) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

Other direct expenses – first category _____ (\$300,000 total) *Provide a detailed description of any other category of direct expenses.*

\$300,000 is the total amount to be paid in ATB Breeder Bonuses for racing in calendar year 2020.

Other direct expenses – second category _____ (\$ _____ total) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – third category _____ (\$ _____ total) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$185 total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

\$185.00 in total, to cover TTA staff time (Accountant, 5 hours at \$25 per hour; Digital Records Clerk, 5 hours at \$12 per hour).

Priority #5

Form HIEA-2



TEXAS RACING COMMISSION

FOR MULTIPLE PROPOSALS, PLEASE NUMBER THEM SEQUENTIALLY HERE (i.e. 1 of 2, 2 of 2, etc.)

SAR 15

APPLICATION FOR BREED REGISTRY FUNDING FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)

(Must be accompanied by Form HIEA-1, General Information)

APPLICANT NAME: Texas Thoroughbred Association

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): Consignor Incentive for Texas Yearling and Horses of Racing Age Sale

Event Date(s) or Approximate Date(s): 8/22/2020 - 8/25/2020

Total Amount Requested For this Event: \$25,685

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
August 1, 2020

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

The Texas Yearling and Mixed Sale is traditionally conducted in late August each year in the Texas Thoroughbred Sales Pavilion at Lone Star Park with consignors and buyers from Texas and surrounding states. With the cancellation of the Texas 2-Year-Olds In Training Sale scheduled for April 3, 2020, it was decided to include a Horses of Racing Age session to the Texas Yearling Sale. This will provide a much needed Texas marketplace for horses of racing age. A rebate of a portion of the consignment fee encourages participation while providing a price break for consignors. Rebates put money back into the hands of consignors who may wish to purchase other horses.

The consignor incentive for the cancelled 2YO sale was previously applied for. This application is a request to apply funds (of a lesser amount) to the Texas Yearling and Horses of Racing Age Sale in August 2020.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

A rebate of 1/2 of the \$400 consignment fee will be provided for each horse that actually goes through the sales ring at this sale, whether sold to a new owner or returning to the consigning owner.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

Increased participation will increase associated business in the state such as transportation, accommodations and restaurants, fuel, feed, bedding, equipment, grooming products, labor, etc.

Many yearlings will return to the marketplace as 2-year-olds in 2021, many of the horses of racing age will initially race in Texas, further contributing to the state's economy.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

TTA Executive Director Mary Ruyle, Accountant Cheri Grant and Director of Sales Tim Boyce will oversee all activities. TTA staff records all information and handles all financial transactions for the Sale. Both Ruyle and Boyce along with other TTA staff actually work at the Sale. Upon the conclusion of the Sale, TTA staff will verify which horses passed through the sales ring and whose consignors are eligible for a rebate of 1/2 of the consignment fee. The proper consignment fee amount will be used when processing sales proceeds to be issued to consignors. For those consignors whose horse(s) did not sell and will not have net proceeds, the proper consignment fee will be entered into their itemized statement of amounts due to the sale company.

Reports will be provided to the TTA Board of Directors. The firm of Alexander and Lievens, PC will include this initiative in their annual financial audit of TTA. Documentation will also be included as part of the TTA's quarterly and annual Performance Measures Report to the Texas Racing Commission.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*

- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;
- (6) expenses related to litigation;
- (7) professional association fees or dues for the breed registry or an individual;
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$
Advertising	\$1,000.00
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
Consignor Rebates	\$24,000.00
	\$
	\$
	\$
Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$685.00
Total	\$25,685.00

Event Production Costs (\$ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$ total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

Advertising (\$1000 total) *Provide an explanation of advertising costs.*

Online and print ads in American Racehorse, Blood-Horse, Paulick Report, Thoroughbred Daily News, and Daily Racing Form.

Donations (\$ total) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

Other direct expenses – first category _Consignor Rebates_____ (**\$24000 total**) *Provide a detailed description of any other category of direct expenses.*

Historically, not every horse consigned to the sale actually goes through the sales ring, due to being scratched from the sale by a veterinarian, etc. The amount of \$24,000 was based on an estimate of 120 horses actually going through the ring at this sale and receiving a rebate of \$200 each.

Other direct expenses – second category _ _____ (\$ total)
Provide a detailed description of any other category of direct expenses.

Other direct expenses – third category _ _____ (\$ total) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$685 total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

\$685 in total, to cover TTA staff time (Accountant, 25 hours at \$25 per hour, Digital Records Clerk, 5 hours at \$12 per hour).



Priority #6

Form H1EA-2

4 of 15

FOR MULTIPLE PROPOSALS, PLEASE NUMBER THEM SEQUENTIALLY HERE (i.e. 1 of 2, 2 of 2, etc.)

TEXAS RACING COMMISSION

APPLICATION FOR BREED REGISTRY FUNDING FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)

(Must be accompanied by Form H1EA-1, General Information)

APPLICANT NAME: Texas Thoroughbred Association

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): 2020 Retired Racehorse Project Thoroughbred Makeover

Event Date(s) or Approximate Date(s): October 7 - 10, 2020

Total Amount Requested For this Event: \$3,000

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*

September 15, 2020

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

The Thoroughbred Makeover was created by the Retired Racehorse Project, a 501C3 charitable organization, to showcase the trainability and talent of off-track Thoroughbreds. Now entering its sixth year, it is the largest Thoroughbred retraining competition in the world for recently retired ex-racehorses. It is intended to inspire good trainers to become involved in transitioning these horses to second careers. A national symposium serves to educate the people involved in the care, training and sale of these horses to responsible owners.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

We propose awarding a total of \$3,000 to the three top-placed Texas-bred horses in the competition. Highlighting the versatility of off-track Thoroughbreds will encourage people to consider them for participation in disciplines that have not traditionally had significant Thoroughbred participation.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

Horses participating in the Makeover go through a training period of 10 months or less before competing in the 4-day event scheduled for October 7-10, 2020. Horses must be recently-retired Jockey Club-registered Thoroughbreds, who marked a workout or race after July 1, 2018 and have not had more than 15 retraining rides prior to December 1, 2019. Participation in the Makeover is designed to evaluate a horse's training progress for new disciplines. Growth comparisons will be made between the number of entrants in 2019 and 2020.

2. Awareness of the versatility of off-track Thoroughbreds will increase the number of adoptions of horses to be retrained for new careers, with positive impact on sales of equine goods and services, tack and equipment, feed, hay, veterinary and farrier care, transportation, etc. The state comptroller can provide comparative statistics for these items.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

TTA Executive Director Mary Ruyle will work Thoroughbred Makeover management to track Texas-bred participants and accumulated points. Thoroughbred Makeover management will provide updates and results of the competition, as well as reports of funds expended.

Reports will be provided to the TTA Board of Directors. The firm of Alexander and Lievens, PC will include this initiative in their annual financial audit of TTA. Documentation will also be included as part of the TTA's quarterly and annual Performance Measures Report to the Texas Racing Commission.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*

- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$3,000.00
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$
Total	\$3,000.00

Event Production Costs (\$ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$3000 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

A total of \$3,000 shall be awarded to the three top-placed Texas-bred horses in the competition.

Advertising (\$ total) Provide an explanation of advertising costs.

Donations (\$ _____ total) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

Other direct expenses – first category _ _____ (\$ _____ total) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – second category _ _____ (\$ _____ total) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – third category _ _____ (\$ _____ total) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$ _____ total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

Priority # 7



TEXAS RACING COMMISSION

FORM HIEA-2

7 Feb 15

APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)

(Must be accompanied by Form HIEA-2, Project Narrative)

APPLICANT NAME: TEXAS THOROUGHBRED ASSOCIATION

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): Texas 4-H Equine Ambassador Program

Event Date(s) or Approximate Date(s): Ongoing Programs Beginning August 2020

Total Amount Requested For this Event: \$11,800

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
Needed by August 15, 2020

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

The existing program strives to educate urban and uninformed audiences on the importance and economic benefits of the equine industry as well as importance of youth programs. This new phase will provide ten Ambassadors the opportunity to engage in the Domestic Equine Experience. A six-day trip to another state will expand their knowledge of different aspects of the equine industry across the nation. Ambassadors will be competitively selected to acquire in depth knowledge of the equine industry on a national scale while expanding on their personal growth and professional development.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

Through visits to progressive and established farms, ranches and equine-related facilities, Ambassadors will gain a greater understanding of varying equine practices in the nation. They will interact with equine industry leaders, elected officials and representatives that will provide meaningful insight so they will be better equipped to advocate for the equine industry and

educate others. Ambassadors will engage in daily assessment activities to challenge them to investigate deeper into industry differences via journaling, written reports and designing presentations. Funding will be used to cover travel for the six-day trip as well as educational purposes as youth engage in cultural experiences as they travel around the country.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

Over the course of the initial Equine Ambassador project, 21 Ambassadors contributed 864.5 volunteer hours, reaching 88,000 individuals. Program participation should result in increased interest and direct participation in the horse industry, with related increases in sales of equine goods and products, tack and equipment, veterinary and farrier services, feed, hay, bedding, transportation, etc. The Texas Comptroller's office will be able to provide comparative statistics for these expenditures and taxes.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

TTA Executive Director Mary Ruyle will work directly with Texas 4-H Youth Development Foundation Executive Director David White, Dr. Chelsie Huseman and Student Technicians Courtlyn Ranly and Kelley Ranley who will provide regular updates on expenditure of funds.

Reports will be provided to the TTA Board of Directors. The firm of Alexander and Lievens, PC will include this initiative in their annual financial audit of TTA. Documentation will also be included as part of the TTA's quarterly and annual Performance Measures Report to the Texas Racing Commission.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*

- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;
- (6) expenses related to litigation;
- (7) professional association fees or dues for the breed registry or an individual;
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$11,800.00
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$
Total	\$11,800.00

Event Production Costs (\$ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$ total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.
\$

Advertising (\$ total) Provide an explanation of advertising costs.

Donations (\$11800 total) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

Funding in the amount of \$11,800 will provide additional new equine-related learning opportunities for youth. All funds will go to the Texas-4H Youth Development Fund and a copy of their most recent form 990 is being sent via mail.

Other direct expenses – first category _____ (\$ _____ **total**) Provide a detailed description of any other category of direct expenses.

Other direct expenses – second category _____ (\$ _____ **total**) Provide a detailed description of any other category of direct expenses.

Other direct expenses – third category _____ (\$ _____ **total**) Provide a detailed description of any other category of direct expenses.

Administrative Expenses/Capital Assets (\$ _____ **total; may not exceed 5% of total**) Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.



TEXAS RACING COMMISSION

FORM HIEA-2

Priority # 7
8 of 15

APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form HIEA-2, Project Narrative)

APPLICANT NAME: TEXAS THOROUGHBRED ASSOCIATION

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): Texas 4-H Horse Project: County Grant Program (a 10-year project)

Event Date(s) or Approximate Date(s): Expansion of Ongoing Programs Beginning August 2020

Total Amount Requested For this Event: \$110,000

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
Needed by August 15, 2020

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

The Texas 4-H Horse Project encompasses over 3,600 youth who participate in educational events and competitions at the county, district and state levels. Competition events include horse shows, educational presentations, horse judging, hippology, quiz bowl and record book.

County Extension Agents plan and implement equine educational opportunities for youth through local schools, county fairs and other venues to help promote involvement in equine activities. These "grass-roots" programs are the foundation of AgriLife Extension and have the greatest potential for creating a lasting and personal impact on youth and the Texas horse industry as a whole. With monetary support, counties can either begin a county 4-H Horse program where none has existed before or provide support for existing programs.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

With monetary support, counties can either begin a county 4-H Horse program where none has existed before or provide support for existing programs. In order to distribute proposed funding to county programs, an application process would be implemented whereby applications would be reviewed by a committee of Extension Horse Specialists and 4-H personnel, with funds awarded according to merit of requests. Preference to be given to support of innovative programs and those with potential for greatest impact. Multi-county programs are encouraged to facilitate collaboration among groups and increase the reach of programs.

Grant Application Questions include:

Which area of focus does this request support? Engaging Volunteers, Marketing & Technology, Projects & Operations, Expanding Outreach, Program Development, Strengthening Clubs.

Please describe the need for which you are requesting funding.

Please provide the anticipated costs for which you are requesting funds.

Please provide back up on how you came up with the figure you are providing.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

Participants will include new and existing youth and their families through generation of new horse programs and expansion of current programs. Conservative estimates would be an impacted 150 participants each year and 55 - 60 counties each year.

Ongoing program participation will result in increased interest and direct participation in the horse industry, with related increases in sales of equine goods and products, tack and equipment, veterinary and farrier services, feed, hay, bedding, transportation, etc. The state comptroller can provide comparative statistics for these items.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

TTA Executive Director Mary Ruyle will work directly with Texas 4-H Youth Development Foundation Executive Director David White who will collaborate with the grant committee and County Extension Agents to provide regular, detailed reports as funds are expended.

Reports will be provided to the TTA Board of Directors. The firm of Alexander and Lievens, PC will include this initiative in their annual financial audit of TTA. Documentation will also be included as part of the TTA's quarterly and annual Performance Measures Report to the Texas Racing Commission.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required

to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;
- (6) expenses related to litigation;
- (7) professional association fees or dues for the breed registry or an individual;
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$110,000.00
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$

	Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)		\$
	Total	\$110,000.00

Event Production Costs (\$ _____ total) *For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.*

Purse Supplements/Prizes (\$ _____ total) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*
\$ _____

Advertising (\$ _____ total) *Provide an explanation of advertising costs.*

Donations (\$110000 total) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

Continuance and sustainability are vital to the program's long-term impact. Funding in the amount of \$110,000 will enable the existing Texas 4-H County Grant Program to provide this important new phase to fully establish an innovative and effective program over the next 11 years. All funds will go to the Texas 4-H Youth Development Program and a copy of their most recent form 990 will be sent via mail.

Other direct expenses – first category _____ (\$ _____ total) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – second category _____ (\$ _____ total) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – third category _____ (\$ _____ total) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$ _____ total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



TEXAS RACING COMMISSION

APPLICATION FOR BREED REGISTRY FUNDING FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form HIEA-1, General Information)

APPLICANT NAME: Texas Thoroughbred Association

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): Texas 4-H Home for Horses Program

Event Date(s) or Approximate Date(s): Ongoing Program Culminating in State 4-H Horse Show (typically held in July)

Total Amount Requested For this Event: \$112,800

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
Needed by June 15, 2020

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

4-H is the largest youth development program in Texas, reaching more than 550,000 youth each year and offering research-based, life changing programs. 4-H involvement continues the legacy of the state's involvement with horses. Texas has the highest number of horses (approximately 767,100) in the US according to the AHC 2017 Economic impact study. This coupled with the ever-growing population of at-risk or "unwanted" horses, puts Texas in a unique position to develop more opportunities and programs to mitigate that problem. The Homes for Horses program serves to connect 4-H youth with the opportunity to be boots on the ground in solving the at-risk horse population through education, outreach and adoption.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

In Texas, and all over the U.S., there is a growing population of youth and families who desire to engage in the horse industry through horse ownership and education, but are unable to purchase a horse or care for a horse long term. This program seeks to increase opportunities for youth to get

PRIORITY # 7

Form HIEA-2

FOR MULTIPLE PROPOSALS, PLEASE NUMBER
THEM SEQUENTIALLY HERE (i.e. 1 of 2, 2 of 2, etc.)

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involved by providing a low-cost option to temporarily own a horse and gain valuable equine knowledge under the close guidance of industry professionals.

Texas 4-H would work with a select group of industry partners from equine adoption agencies and advocacy groups to identify suitable equine partners for the youth. Youth would participate in an application process and those selected would participate in a Day 1 workshop to meet their horse and become acquainted with its circumstances and needs. Day 1 activities would also include educational programs that prepare participants for managing horse behavior, nutrition, and overall health. At home, youth would be charged with the task of advancing the training of their horse and improving its overall health and well being . Educational checkpoints will be set up throughout the 4-H year where youth will have the opportunity to learn more about managing and training their horse with equine professionals and be able to troubleshoot any roadblocks they may be experiencing. Topics of discussion could include behavior modification, body condition scoring, seasonal management strategies (i.e. locating hay, fly control etc.), and nutrition guidelines.

The final pinnacle of this program will take place at the Texas State 4-H Horse Show, which is the last full week of July every year.. Specialized classes of competition for in-hand horse projects and riding horse projects will be developed and implemented into the state show to showcase the transformation and progress youth have achieved with their horse over the course of the 4-H year. After completion of the program, youth can either choose to permanently adopt their equine partner or return it to the adoption agency for adoption. In both scenarios, both the youth and the horse has gained valuable, life-changing skills that will improve their success in life.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

The influence of this program is anticipated to be profound. A two-fold impact is realized by giving youth the opportunity to get involved with horses to the benefit of an at-risk population of horses. Additionally the horse industry stands to benefit by introducing new youth and families to the value and enjoyment of horse ownership and industry involvement, thus preserving the heritage of horses and Texans. Further, by presenting their adopted horse projects in a public setting, these 4-H'ers will be increasing awareness of the benefits of horse adoption throughout their counties and across the state of Texas. Investment in youth horse activities is vital to the stability and growth of the horse industry. Assessments implemented in the program will focus on capturing the following impacts:

Enjoyment factor perceived by youth and families; knowledge procurement of youth; economic impact of increasing horse adoptions, and the economic impact of new people engaging in the horse industry.

The program anticipates facilitating this experience for 20 youth and 20 at-risk horses each year. Program results will be measured by the number of youth and horses participating, as well as the different types of retraining each horse receives. Increased participation in the horse industry will provide a positive economic benefit to the state of Texas through sales of equine goods and

services such as tack and equipment, veterinary and farrier services, feed, hay, bedding, transportation, hotels, restaurants, etc. The Texas Comptroller's office will be able to provide comparative statistics for these expenditures and taxes.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

TTA Executive Director Mary Ruyle will work directly with Assistant Professors and Horse Specialists Chelsie Huseman, PhD, Jennifer Zollar, PhD and Texas 4-H Youth Development Foundation Executive Director David White who will oversee all activities and provide regular, detailed reports as funds are expended.

Reports will be provided to the TTA Board of Directors. The firm of Alexander and Lievens, PC will include this initiative in their annual financial audit of TTA. Documentation will also be included as part of the TTA's quarterly and annual Performance Measures Report to the Texas Racing Commission.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the

breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$112,800.00
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$
Total	\$112,800.00

Event Production Costs (\$ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$ total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

Advertising (\$ total) Provide an explanation of advertising costs.

Donations (\$112800 total) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

Continuance and sustainability are vital to the program's long-term impact. A commitment of \$112,800 to cover a two-year period to fully establish an innovative and effective program will facilitate securing additional financial support through industry sponsors, grant programs and other 4-H resources once the program's initiatives have proven valuable to youth and the horse industry in Texas. Funds will go to the Texas 4-H Youth Development Foundation and a copy of their most recent form 990 will be sent by mail.

Other direct expenses – first category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – second category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – third category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$ _____ **total; may not exceed 5% of total**) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



TEXAS RACING COMMISSION

FORM HIEA-2

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APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)

(Must be accompanied by Form HIEA-2, Project Narrative)

APPLICANT NAME: TEXAS THOROUGHBRED ASSOCIATION

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): The Right Horse Initiative

Event Date(s) or Approximate Date(s): Beginning June 2020

Total Amount Requested For this Event: \$100,000

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
Needed by June 1, 2020

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

The Right Horse Initiative is a collective of equine industry and horse welfare professionals and advocates working together to improve the lives of horses in transition. A program of the ASPCA, their goal is to massively increase horse adoption. Through their network of partners, The Right Horse has the reach to support horse owners across the entire state of Texas. In addition to adoption partners, The Right Horse partners with over 40 equine industry companies and organization nationwide, including several media and publication groups, Tarleton State University, the National Cowgirl Hall of Fame and Fullbucket Animal Health. Funds will go toward rehoming and retraining, Texas Vet Direct support and disaster preparedness.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

A lack of access to affordable veterinary care is often cited as the cause of poor equine welfare and owner relinquishment. To help address that need, in 2018 the ASPCA's Equine Welfare department began piloting Vet Direct, a program that empowers equine veterinarians to locate and provide care to at-risk equines in their communities with a goal of keeping horses in their homes when their owners can afford to long-term, but are in need of short-term assistance. Vets are supported for providing services for practical issues such as lameness, dental care, lacerations, non-surgical colic, euthanasia, and farrier care. There is a total per-horse cap of \$600. Reporting and documentation to be done through Right Horse partners. \$30,000 is earmarked for Vet Direct.

By working with Right Horse partners to establish training and transportation grants, the number of horse adoptions of all breeds substantially increase. \$40,000 is to be allocated to re-homing and transitioning.

Natural disasters are not uncommon in Texas, leaving large numbers of horses at-risk. Working with Right Horse partners in Texas, we propose establishing a fund specifically dedicated to disaster response. Funds will be held and accessed when the need arises and in a manner that responds directly to the need. The funds would be administered by Humane Society of North Texas, working with Right Horse to reach out to partners to execute programs, achieve goals and report impact back to Texas Thoroughbred Association and the Texas Racing Commission. \$30,000 is earmarked for Disaster Preparedness.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

Through the first year of the Vet Direct Program, more than 75 horses were impacted. Initiatives for rehoming and transition/retraining and disaster preparedness have the potential to impact several hundred, if not thousands, of horses per year.

Ongoing program participation will result in increased interest and direct participation in the horse industry, with related increases in sales of equine goods and products, tack and equipment, veterinary and farrier services, feed, hay, bedding, transportation, etc. The state comptroller can provide comparative statistics for these items.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

TTA Executive Director Mary Ruyle will work directly with Christie Shulte-Kappert of The Right Horse and its partners, to include the Humane Society of North Texas, Bluebonnet Equine Humane Society and the SPCA of Texas who will provide regular, detailed reports as funds are expended.

Reports will be provided to the TTA Board of Directors. The firm of Alexander and Lievens, PC will include this initiative in their annual financial audit of TTA. Documentation will also be included as part of the TTA's quarterly and annual Performance Measures Report to the Texas Racing Commission.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$100,000.00
Other Direct Expenses (itemize below):	\$
	\$
	\$

	\$
	\$
Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$
Total	\$100,000.00

Event Production Costs (\$ _____ total) *For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.*

Purse Supplements/Prizes (\$ _____ total) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

\$ _____

Advertising (\$ _____ total) *Provide an explanation of advertising costs.*

Donations (\$100000 total) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

By funding this request, beneficial healthcare, emergency services and valuable retraining for adoption will be provided to hundreds of horses. The Humane Society of North Texas will be responsible for receiving and expending funds. A copy of their Form 990 is being remitted by mail to TRC.

Other direct expenses – first category _____ (\$ _____ total) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – second category _____ (\$ _____ total) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – third category _____ (\$ _____ total) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$ _____ total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

Priority #9

Form H1EA-2



TEXAS RACING COMMISSION

FOR MULTIPLE PROPOSALS, PLEASE NUMBER THEM SEQUENTIALLY HERE (i.e. 1 of 2, 2 of 2, etc.)

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APPLICATION FOR BREED REGISTRY FUNDING FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)

(Must be accompanied by Form HIEA-1, General Information)

APPLICANT NAME: Texas Thoroughbred Association

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): Equine Therapy Programs

Event Date(s) or Approximate Date(s): May - December 2020

Total Amount Requested For this Event: \$75,000

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*

June 1, 2020

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

We propose providing \$75,000 in total to be allocated among 7 facilities geographically located across Texas, offering equine therapy to veterans and their families as well as at-risk youth, and individuals with physical, cognitive or emotional challenges. These facilities provide services to thousands of individuals over the State.

The pandemic has had a negative financial impact on these facilities and funds are needed to ramp up quickly to provide full services once restrictions are lifted.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

Participation in equine therapy has documented benefits of getting outdoors and into nature, engaging in physical and recreational activities as well as the many physical, mental, emotional and social benefits of interacting with horses.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

This funding initiative will provide much needed therapy to hundreds of individuals and enable facilities to properly care for equines used in therapy, maintain facilities and retain staff in order to provide a complete range of services.

Results will be measured by a year-to-year comparison of the number of individual participants and horses supported through these measures.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

TTA Executive Director Mary Ruyle will work directly with Jim Brennan, Legislative Director of the Texas Coalition of Veterans Organizations, who will perform site visits and provide feedback.

Facility managers will provide detailed reports to Ruyle as funds are expended.

Reports will be provided to the TTA Board of Directors. The firm of Alexander and Lievens, PC will include this initiative in their annual financial audit of TTA. Documentation will also be included as part of the TTA's quarterly and annual Performance Measures Report to the Texas Racing Commission.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$75,000.00
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$
Total	\$75,000.00

Event Production Costs (\$ **total**) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$ **total**) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

Advertising (\$ **total**) Provide an explanation of advertising costs.

Donations (\$75000 **total**) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

\$20,000 to Ruby's Home For Good; \$25,000 to Healing with Horses; \$7,000 to Henry's Home; \$7,000 to Courage Ranch; \$4,500 to Victory Therapy Center; \$7,000 to Ranch Hands Rescue; and \$4,500 to Compadres Therapy. These funds will help provide much needed therapy sessions to veterans and others with special needs. Funds will be remitted directly to each of these 501C3 entities and a copy of their most recent Form 990 will be remitted by mail.

Other direct expenses – first category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – second category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – third category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$ _____ **total; may not exceed 5% of total**) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



TEXAS RACING COMMISSION

Priority # 10

12 06 19
FORM HIEA-2

APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form HIEA-2, Project Narrative)

APPLICANT NAME: TEXAS THOROUGHBRED ASSOCIATION

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): Texas Equine Industry Online Directory

Event Date(s) or Approximate Date(s): April 2020

Total Amount Requested For this Event: \$18,000

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
April 2020

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

The Texas Thoroughbred Association is developing an online all-equine-related service directory to be launched in April 2020. It will be similar in format to the old printed "Yellow Pages" but will be in an easy to use, searchable digital format. The online directory will include numerous categories (breeding and boarding farms, trainers, veterinarians, feed, tack and equipment suppliers, equine transport, farriers, competition facilities, equine organizations, etc.) for all breeds and disciplines. Listings will be limited to equine businesses, groups and individuals that operate in or are based in the state of Texas. The goal is to highlight those Texas-based businesses and encourage participants in the Texas equine industry (as well as those from out of state) to patronize the listed businesses and keep their equine spending within the state of Texas.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

The Texas Thoroughbred Association is developing an online all-equine-related service directory in an easy to use, searchable digital format to be launched in April 2020. The directory will be open to all breeds and equine disciplines (racing and non-racing), and will be the first of its kind in Texas.

The online directory will include numerous categories (breeding and boarding farms, trainers, veterinarians, feed, tack and equipment suppliers, equine transport, farriers, riding and competition facilities, equine organizations, etc.) for all breeds and disciplines. Listings will be limited to equine businesses, groups and individuals that operate in or are based in the state of Texas in order to encourage people to keep their equine spending with the state.

It will be free to submit a listing, with paid options available for those desiring enhanced listings with additional information such as photos or videos. Enhanced listings will be made available at no cost to non-profit organizations involved in racehorse aftercare or other similar programs such as equine therapy.

TTA will promote the directory through social media, online and print magazine ads and at various equine events.

The directory will provide Texas equine businesses another way to promote their services at low cost or no cost and will serve as a showcase for the wide variety of businesses in the state.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

The directory is expected to increase exposure for Texas businesses and thereby increase sales and tax revenue over a period of time. Currently, we are unable to anticipate the percentage of increase. The Texas Comptroller's office should be able to accurately measure these increases from April 2020 - March 2021.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

TTA Executive Director Mary Ruyle is working with American Racehorse editor and publisher Denis Blake on this initiative. Mr. Blake has researched and procured the best interactive online template to contain all listings, and will work with anyone desiring enhanced listings. Once the online directory is debuted, listings will be added continually.

Reports will be provided to the TTA Board of Directors. The firm of Alexander and Lievens, PC will include this initiative in their annual financial audit of TTA. Documentation will also be included as part of the TTA's quarterly and annual Performance Measures Report to the Texas Racing Commission.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$7,600.00
Purse Supplements/Prizes	\$
Advertising	\$10,000.00
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$275.00
	\$

	\$
	\$
	\$
Total Direct Costs	\$17875.00
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$125.00
Total	\$18,000.00

Event Production Costs (\$7600 total) *For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.*

\$7,600 per year for labor: \$4,000 for initial setup and design of the Directory website, which includes customization of Directory software, creation of custom graphics and logos, and all programming related to launching the Directory. Thereafter, \$300 per month for updates, site maintenance, and user interaction.

Purse Supplements/Prizes (\$ total) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

Advertising (\$10000 total) *Provide an explanation of advertising costs.*

Advertising and promotion of the Directory will be split into three segments with approximately equal spending for each.

Social media advertising, primarily on FaceBook and Twitter, to promote the Directory as a primary source of information about the Texas equine industry and to also encourage Texas-based businesses and services to submit a listing.

Digital advertising (websites, email blasts, email newsletters, etc.) with Texas-based organizations that have a significant number of members/contacts in the equine world, such as Texas 4-H, breed associations, Texas Farm Bureau, etc. As with social media advertising, this effort will encourage people to use the Directory and to add a listing for their own Texas equine businesses and services.

Print advertising, to included printed magazines and newsletters of Texas-based equine-related organizations and printed materials such as brochures or flyers that can be used to promote the Directory at horse shows, sales, competitions, racetracks, tack stores and other equine-related businesses or events.

Donations (\$ total) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

Other direct expenses – first category _____ (**\$275 total**) *Provide a detailed description of any other category of direct expenses.*
\$275 per year for domain name registration, hosting and online software.

Other direct expenses – second category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – third category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$125 total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*
\$125 in total, to cover TTA staff time (Accountant, 5 hours at \$25 per hour).

Priority #11



TEXAS RACING COMMISSION

13 06 15
FORM HIEA-2

APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form HIEA-2, Project Narrative)

APPLICANT NAME: TEXAS THOROUGHBRED ASSOCIATION

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): American Racehorse Stallion Register, Texas Advertiser Incentives

Event Date(s) or Approximate Date(s): December 2019

Total Amount Requested For this Event: \$12,250

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
January 31, 2020

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

To grow the Texas breeding industry, it is vital to promote Texas stallions, encourage current Texas mare owners to breed to Texas stallions rather than to a stallion in another state, and to attract more mares (open or in-foal) to the state to participate in the Accredited Texas-bred Program.

As many Texas stallions are owned by those without a large advertising budget, discounts offered to advertise Texas farms and stallions in the 2020 American Racehorse Stallion Register resulted in a 23% increase in the number of Texas advertisements over the previous year. Also, as a direct result of these discounts, the Stallion Register contained multiple advertisements for stallions who had been standing in Texas for several years but had never advertised before, as well as expanded advertising for many Texas stallions.

The Stallion Register contains ads for stallions from around the region, and in years past Oklahoma had the highest number of advertised stallions. In 2020, Texas had the highest number of advertised stallions by far with 31.

Advertisers benefit from exposure to over 4,600 direct recipients of the publication as well as online readers. It is mailed to approximately 1,000 Texas residents with the remainder being residents of other states in the region.

The Stallion Register also contains advertisements detailing the benefits of new funding to the Texas Horse Industry.

It is important to note that Thoroughbred stallions may be bred to Quarter Horse mares and other breeds to produce show or sports horses.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

In an effort to grow the Texas breeding industry, the Texas Thoroughbred Association worked with the editor and publisher of the 2020 American Racehorse Stallion Register to provide discounts for advertising Texas farms and stallions, prior to the 2020 breeding season.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

This initiative resulted in a 23% increase in the number of Texas advertisements over the previous year.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

TTA Executive Director Mary Ruyle worked with American Racehorse editor and publisher Denis Blake on this initiative. Mr. Blake provided information detailing available advertising discounts to potential Texas advertisers, produced the magazine and provided TTA a detailed list of advertisements and discounts, as well as comparative statistics with the prior year. TTA has a copy of the actual 2019 and 2020 magazines on file.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*

- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;
- (6) expenses related to litigation;
- (7) professional association fees or dues for the breed registry or an individual;
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$12,250.00
	\$
	\$
	\$
	\$
Total Direct Costs	\$12,250.00
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$
Total	\$12,250.00

Event Production Costs (\$ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$ _____ **total**) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

Advertising (\$ _____ **total**) *Provide an explanation of advertising costs.*

Donations (\$ _____ **total**) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

Other direct expenses – first category _____ (\$12250 **total**) *Provide a detailed description of any other category of direct expenses.*

One advertisement qualified for a \$1,000 discount, one qualified for a \$250 discount, and 22 qualified for a discount of \$500 each, totaling \$12,250.

Other direct expenses – second category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – third category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$ _____ **total; may not exceed 5% of total**) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



TEXAS RACING COMMISSION

FORM HIEA-2

priority #12

14 or 15

APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form HIEA-2, Project Narrative)

APPLICANT NAME: TEXAS THOROUGHBRED ASSOCIATION

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): ATB Breeder Awards for ATB Horses Racing Out of State in 2020

Event Date(s) or Approximate Date(s): January - December 2020

Total Amount Requested For this Event: \$105,810

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
\$100,000 needed in January 2021 in connection with racing from January 1 - December 31, 2020.

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

The TTA proposes implementing an ATB breeder's award for eligible breeders of Accredited Texas-bred racehorses placing first, second or third in any race in the United States, other than Texas. Awards are to be payable only on races run out of state when there is no live Thoroughbred racing in Texas, unless the out of state race is a Stakes race with a minimum purse of \$50,000.

Texas breeders expend significant funds in purchasing and caring for broodmares, purchasing stallion breedings, and caring for resulting foals. Currently, they see no return on investment until a foal is sold or achieves success at a Texas racetrack. In calendar year 2020 there are only 97 days allocated to Thoroughbred racing.

Owners of Accredited Texas-bred horses may run their horses out of state and enjoy the benefits of purse money earned, adding to their ability to reinvest funds into their horse business, while breeders get nothing for out of state races.

Payment of ATB breeders awards on out of state racing will encourage mare owners to breed with the goal of producing more competitive racehorses in order to reap the benefits of ATB awards and increase the sale value of Texas-breds . These additional funds will enable the breeder to sustain and grow his breeding business.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

Implementing ATB breeders awards for success in out of state racing for the period of January 1 - December 31, 2020 will be another step in encouraging mare owners to breed more competitive Texas-bred racehorses and will provide breeders with additional funds to put into their breeding programs.

As with all ATB awards, breeder awards on out-of-state races will be calculated as a percentage of purse money earned by eligible horses placing first, second, or third, and paid out in January of 2021.

TTA will promote this initiative through online and print magazine ads as well as direct mail pieces and email blasts, and notices provided to racetracks in Texas and across the US.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

This initiative will provide \$100,000 in 2021 to be put back into the Texas economy through purchases of fuel, feed, bedding, equipment, grooming products, insurance, facility expenses, veterinary services, farrier services, and labor.

The Texas Comptroller's office will be able to provide comparative statistics for these expenditures and associated taxes.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

TTA Executive Director Mary Ruyle and Accountant Cheri Grant will work with the custom software programmer for the Association to develop all necessary database records and functions. The Jockey Club will provide data on Accredited Texas-bred horses running in out of state races. Reports will be provided to the TTA Board of Directors. The firm of Alexander and Lievens, PC will include this initiative in their annual financial audit of TTA. Documentation will also be included as part of the TTA's quarterly and annual Performance Measures Report to the Texas Racing Commission.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;
- (6) expenses related to litigation;
- (7) professional association fees or dues for the breed registry or an individual;
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$
Advertising	\$5,000.00
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$100,000.00
	\$
	\$

	\$
	\$
Total Direct Costs	\$105,000.00
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$810.00
Total	\$105,810.00

Event Production Costs (\$ _____ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$ _____ total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

Advertising (\$5000 total) Provide an explanation of advertising costs.

Online and print ads in American Racehorse, Blood-Horse, Paulick Report, Thoroughbred Daily News, Daily Racing Form, as well as at all Texas racetracks.

Donations (\$ _____ total) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

Other direct expenses – first category _____ (\$100000 total) Provide a detailed description of any other category of direct expenses.

\$100,000 is the total amount to be paid in ATB Breeder Awards for out of state racing during calendar year 2020.

Other direct expenses – second category _____ (\$ _____ total) Provide a detailed description of any other category of direct expenses.

Other direct expenses – third category _____ (\$ _____ total) Provide a detailed description of any other category of direct expenses.

Administrative Expenses/Capital Assets (\$810 total; may not exceed 5% of total) Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.

\$810 in total, to cover TTA staff time (Accountant, 10 hours at \$25 per hour, Digital Records Clerk, 5 hours at \$12 per hour), \$500 for specialized report from The Jockey Club.



TEXAS RACING COMMISSION

Priority # 13

Form H1EA-2

FOR MULTIPLE PROPOSALS, PLEASE NUMBER THEM SEQUENTIALLY HERE (i.e. 1 of 2, 2 of 2, etc.)

15 of 15

APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form H1EA-1, General Information)

APPLICANT NAME: Texas Thoroughbred Association

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): NEW BROODMARE RECRUITMENT EVENT

Event Date(s) or Approximate Date(s): August 2020 - August 2022

Total Amount Requested For this Event: \$383,070

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*

\$75,000 needed in September 2021 for previously open mares bred to a Texas stallion in 2021 and appearing on the stallion's Report of Mares Bred filed with The Jockey Club; \$100,000 needed in September 2021 for mares with a 2021 foal that are bred to a Texas stallion in 2021 and appearing on the stallion's Report of Mares Bred filed with The Jockey Club; \$100,000 needed in August 2021 for mares having a 2021 foal in Texas as evidenced by the 2021 Live Foal/No Foal Report filed with The Jockey Club; \$100,000 needed in August 2022 for mares having a 2022 foal in Texas as evidenced by the 2022 Live Foal/No Foal Report filed with The Jockey Club.

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

Moving a mare to Texas and maintaining her care can be costly, with only long-term return on investment. At the earliest, it is a 3-year prospect - if the mare gets in foal, sustains the pregnancy, delivers a healthy foal and that foal begins racing successfully as a 2-year-old, or is sold.

According to The Jockey Club, Texas currently ranks 11th in the nation for the number of registered foals and the number of mares bred annually. From 2010 to 2017, there was a 54% decline in the number of stallions breeding in Texas, a 58% decline in the number of mares bred,

and a 53% decline in the number of registered foals. This incentive should increase those numbers and move Texas up in the ranking.

The TTA proposes a new broodmare recruitment event as an incentive to attract new mares to reside, breed and foal out in Texas with funds to enable the breeder to sustain and grow his breeding business. Broodmares eligible for incentives are those newly Texas accredited for the 2021 breeding season. Incentives are paid upon completion of certain qualifying events, having to do with breeding and foaling in 2021 and 2022 (see Eligibility Requirements, below).

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

There are two levels of potential incentives – a \$1,000 incentive for open mares and a \$3,000 incentive for in-foal mares.

ELIGIBILITY REQUIREMENTS FOR OPEN MARES:

- The mare has not been previously accredited with the TTA as ATB Breeding Stock.
- The mare must become accredited as Breeding Stock between September 1, 2020, and May 15, 2021 to be effective for the 2021 breeding season.
- If the mare is not currently in foal, she must be bred to an Accredited Texas Thoroughbred Stallion in 2021, as verified on the ATB stallion's 2021 Report of Mares Bred filed with The Jockey Club.
- The mare must be continuously domiciled in Texas from time of breeding until after the 2022 foal is born.
 - o If good faith efforts are made by the mare owner and the mare does not get in foal or otherwise does not produce a live foal, the mare owner will still be eligible for the incentive provided that TTA receives a veterinarian's notarized statement affirming the mare's breeding status.

PAYMENT OF INCENTIVE:

- The \$1,000 incentive payment will be issued to the mare owner upon verification that the mare is listed on the ATB stallion's 2021 Report of Mares Bred filed with The Jockey Club.

ELIGIBILITY REQUIREMENTS FOR IN-FOAL MARES:

- The mare has not been previously accredited with the TTA as ATB Breeding Stock.
- The mare must become accredited as Breeding Stock between September 1, 2020, and May 15, 2021 to be effective for the 2021 breeding season.
- If the mare is currently in foal, she must foal out in Texas in 2021 and be bred back to an Accredited Texas Thoroughbred Stallion in 2021.
 - o If good faith efforts are made by the mare owner and the mare does not produce a live foal for 2021 or get in foal in 2021, the mare owner will still be eligible for the incentive provided that TTA receives a veterinarian's notarized statement affirming that no live foal was produced.
- The mare must be continuously domiciled in Texas from time of 2021 breeding until after the 2022 foal is born.
- If a live Texas foal is produced in 2021, said foal must be Accredited with the TTA by May 31, 2022.

o If good faith efforts are made by the mare and foal owner, and said foal dies before May 31, 2022, the mare owner will still be eligible for the incentive provided that TTA receives a veterinarian's notarized statement affirming the foal's death.

•If a live Texas foal is produced in 2022, said foal must be Accredited with the TTA by May 31, 2023.

o If good faith efforts are made by the mare and foal owner, and said foal dies before May 31, 2023, the mare owner will still be eligible for the incentive provided that TTA receives a veterinarian's notarized statement affirming the foal's death.

PAYMENT OF INCENTIVE:

•\$1,000 of the incentive payment will be issued to the mare owner only after the birth of a 2021 live foal as evidenced by the 2021 Live Foal Report filed with The Jockey Club.

•\$1,000 of the incentive payment will be issued to the mare owner upon verification that the mare is listed on the ATB stallion's 2021 Report of Mares Bred filed with The Jockey Club.

•An additional \$1,000 incentive payment will be issued to the mare owner only after the birth of a 2022 live foal as evidenced by the 2022 Live Foal Report filed with The Jockey Club.

Implementing this initiative will be another step in encouraging mare owners to breed in Texas and participate in the Accredited Texas-bred Program, while providing funds to put back into their breeding programs.

TTA will promote this initiative through online and print magazine ads as well as direct mail pieces and email blasts, and notices provided to racetracks in Texas and across the US.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

This program will be another step in encouraging mare owners to breed in Texas and participate in the Accredited Texas-bred Program, while providing funds to put back into their breeding programs. Funds will be put back into the Texas economy through such purchases as fuel, feed, bedding, equipment, grooming products, insurance, facility expenses, veterinary services, farrier services, and labor.

The Texas Comptroller's office will be able to provide comparative statistics for these expenditures and associated taxes.

According to The Jockey Club, Texas currently ranks 11th in the nation for the number of registered foals and the number of mares bred annually. From 2010 to 2017, there was a 54% decline in the number of stallions breeding in Texas, a 58% decline in the number of mares bred, and a 53% decline in the number of registered foals. This incentive should increase those numbers and move Texas up in the ranking. Measurable statistics will be available through The Jockey Club.

As the time period from time of initial foaling, to breeding, to foaling again is at least 2 years, achieving the desired results of increasing the number of Texas stallions, mares and foals will not happen quickly.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

TTA Executive Director Mary Ruyle and Accountant Cheri Grant will work with the custom software programmer for the Association to develop all necessary database records and functions. Pertinent data will be obtained via The Jockey Club.

TTA will promote this initiative through online and print magazine ads as well as direct mail pieces and email blasts.

Reports will be provided to the TTA Board of Directors. The firm of Alexander and Lievens, PC will include this initiative in their annual financial audit of TTA. Documentation will also be included as part of the TTA's quarterly and annual Performance Measures Report to the Texas Racing Commission.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the

breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$
Advertising	\$5,000.00
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
Broodmare Incentives	\$375,000.00
	\$
	\$
	\$
Total Direct Costs	\$380,000.00
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$3,070.00
Total	\$383,070.00

Event Production Costs (\$ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$ total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

Advertising (\$5000 total) Provide an explanation of advertising costs.

In order to achieve maximum exposure and opportunity for best results, TTA will immediately promote this initiative through online and print ads in American Racehorse, Blood-Horse, Paulick Report, Thoroughbred Daily News, Daily Racing Form, at all Texas racetracks and through direct mail pieces and email blasts

Donations (\$ total) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

Other direct expenses – first category Broodmare Incentives
(\$375000 total) *Provide a detailed description of any other category of direct expenses.*
\$375,000 is the anticipated total amount to be paid in Broodmare Incentives, based on 75 open mares qualifying for a \$1,000 incentive and 100 in-foal mares qualifying for a \$3,000 incentive.

Other direct expenses – second category _____ (\$8000 total) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – third category _____ (\$ _____ total) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$3070 total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*
\$3,070 in total, to cover TTA staff time (Accountant, 10 hours at \$25 per hour, Accreditation Manager, 120 hours at \$23 per hour, Digital Records Clerk, 5 hours at \$12 per hour).



TEXAS RACING COMMISSION

FORM HIEA-1

APPLICATION FOR BREED REGISTRY FUNDING FROM THE HORSE INDUSTRY ESCROW ACCOUNT

GENERAL INFORMATION

(Must be accompanied by at least one completed Form HIEA-2, Project Narrative)

Section A. Organization Information

Breed Registry Name: Texas Quarter Horse Association (TQHA)

Mailing Address: 14 N Main St - suite B Street Address

Elgin Texas 78261 Bastrop City State Zip Code County

Physical Address: 14 N Main St suite - B Street Address

Elgin Texas 78261 Bastrop City State Zip Code County

Section B. Contact Personnel

(1) Name of Primary Program Contact (This person can answer day-to-day questions about the organization and the project.)

Full Name: Val Clark Mr. Dr. Ms. Other

Position Title: Executive Director

Email Address:

Phone: (512) 458 - 5202 Ext. Alt #: (512) 731 - 4637

(2) Secondary Program Contact (This person can answer day-to-day questions about the organization and the project.)

Full Name: Rob Werstler Mr. Dr. Ms. Other

Position Title: Director of Race

Email Address:

Phone: (512) 458 - 5202 Ext. Alt #: () -

(3) Name of Authorized Official *(This person is authorized to enter into legal agreements on behalf of the organization. This person's name will appear on the funding agreement for signature.)*

Full Name: Val Clark Mr. Dr.
First Last Ms. Other _____

Position Title: Executive Director

Email Address: _____

Phone: (512) 458 - 5202 Ext. _____ Alt #: (512) 731 - 4637

Section C. Certifications

By signing below, applicant and its authorized official (the person listed in Section B.3):

- (1) certify that all information provided in connection with this application is true and correct;
- (2) acknowledge that any misrepresentation or false statement made by applicant or an authorized agent of applicant in connection with this application, whether intentional or not, will constitute grounds for denial of this application and may be the subject of substantial civil and/or criminal liability and sanctions;
- (3) acknowledge that acceptance of funds in connection with this application acts as acceptance of the authority of the Texas Racing Commission (TxRC) or any successor agency and the State Auditor's Office (SAO) or any successor agency to conduct an investigation in connection with those funds, and applicant further agrees to cooperate fully with TxRC or its successors and SAO or its successor in the conduct of the audit or investigation, including allowing TxRC and/or SAO to inspect applicant's premises and providing all records requested during the funding period and for at least five years after the funding is expended; and
- (4) certify that the authorized official is authorized to submit this application and to make the preceding certifications and acknowledgements on behalf of applicant.

Notice of Penalties: The penalty for knowingly making false statements or false entries, or attempts to secure money through fraudulent means, may include fines, incarceration, and/or forfeiture of funds.

Authorized Official: *(Person listed in Section B.3)*

x Val Clark 4 / 1 20 2020
Signature Date

This application becomes public record and is subject to disclosure. With few exceptions, you have the right to request and be informed about the information that the State of Texas collects about you. You are entitled to receive and review the information upon request. You also have the right to ask the state agency to correct any information that is determined to be incorrect. (Reference: Texas Government Code, Sections 552.021, 552.023, and 559.004.)



TEXAS RACING COMMISSION

APPLICATION FOR BREED REGISTRY FUNDING FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT) (Must be accompanied by Form H1EA-1, General Information)

APPLICANT NAME: Texas Quarter Horse Association (TQHA)

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): National Cutting Horse Association (NCHA) Summer Cutting Spectacular

Event Date(s) or Approximate Date(s): July 7 - August 2, 2020

Total Amount Requested For this Event: \$100,000

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
Approval and funds are needed no later than June 1, 2020

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

The National Cutting Horse Association (NCHA) is one of the largest single-discipline equine organizations in the world. Boasting over 13,000 members, the NCHA has been proudly promoting the sport of cutting since its inception in 1946.

In addition to serving as the governing body and official record keeper of all member and horse earnings, the NCHA itself produces three shows annually that together comprise the Triple Crown of Cutting. Each leg of the Triple Crown is approximately 25 days long and is hosted at the prestigious Will Rogers Memorial Center. All three shows within the Triple Crown are designed to promote the breeding, owning, and showing of some of the best young equine athletes in the world.

The third leg of the Triple Crown is the Summer Cutting Spectacular. In 2020, the Summer Spectacular will be held in Fort Worth, Texas from July 7 - August 2, 2020 and will promote and celebrate the sport of cutting. Visitors to the Summer Spectacular will come from all over the

country and generate approximately \$5 million dollars in direct economic impact to the State of Texas.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

Through discussions with TQHA, the NCHA requests \$100,000 in added money to highlight and promote Texas-bred cutting horses competing in the 2020 Summer Spectacular. All administrative work necessary for enrollments as well as payouts will be managed in-house by NCHA staff, resulting in maximum promotion of additional funds. Additionally, all marketing and promotion of program will be funded by NCHA.

Highest placing Texas-bred horses in the 5/6 year-old Open, Non-Pro, and Amateur divisions will be eligible to receive an additional purse.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

As this project was approved in concept during the January 21, 2020 Texas Racing Commission meeting, the National Cutting Horse Association (in conjunction with the Texas Quarter Horse Association) have been advertising the added prize money for inclusion in the 2020 Triple Crown.

At the time of approval, these funds were originally slated for inclusion in the 2020 Super Stakes & Super Stakes Classic. Due to the COVID-19 outbreak, the 2020 Super Stakes was forced to cancel.

Prior to the cancellation of the Super Stakes, overall entries for the 2020 event were up 30%. In addition, the number of Texas-bred horses entered in the Super Stakes Classic were up 6.5% over 2019, and the number of Texas breeders represented were up 4.6% over 2019.

Assuming no travel restrictions are in place at the time of the 2020 Summer Spectacular, the National Cutting Horse Association feels confident the show will be a success.

The anticipated goal of this project on the horse industry is twofold: (1) increase the number of cutting horses bred within the State of Texas; and (2) increase the interest of cutting horse owners to continue to show their horses as they advance in years. With a conservative average of \$6,500 - \$20,000 to breed a cutting horse, incentive programs like this one are vital to encouraging Quarter Horse owners to continue to breed and show cutting horses.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Project activities will be overseen by the National Cutting Horse Association. At the conclusion of the event, proof of payment and a project summary will be provided to the Texas Quarter Horse Association to validate that the project was delivered as outlined above.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$100,000.00
Advertising	\$

Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$100,000.00
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$
Total	\$100,000.00

Event Production Costs (\$ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$100000 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

The incentive will be for the highest placing horses in the Summer Spectacular Classic (five and six-year-olds) in the Open, Non-Pro and Amateur divisions. To be eligible, horses must be registered with the American Quarter Horse Association (AQHA) and foaled in the State of Texas.

\$100,000 Incentive Breakdown:

Open Division – \$50,000 Total Prize Money

- Highest Placing – \$25,000
- Second Highest Placing – \$15,000
- Third Highest Placing – \$10,000

Non-Pro Division – \$25,000 Total Prize Money

- Highest Placing – \$12,500
- Second Highest Placing – \$7,500
- Third Highest Placing – \$5,000

Amateur Division – \$25,000 Total Prize Money

- Highest Placing – \$12,500
- Second Highest Placing – \$7,500
- Third Highest Placing – \$5,000

Advertising (\$ total) Provide an explanation of advertising costs.

Donations (\$ total) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

Other direct expenses – first category _ _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – second category _ _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – third category _ _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$ _____ **total; may not exceed 5% of total**) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*



APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form HIEA-2, Project Narrative)

APPLICANT NAME: TEXAS QUARTER HORSE ASSOCIATION (TQHA)

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): Accredited Texas Bred (ATB) Enrollment Incentive

Event Date(s) or Approximate Date(s): January 1- November 1, 2020

Total Amount Requested For this Event: \$908,250

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*

Due to the need to create and implement new software, build the financial structure and advertise the program effectively and fairly, TQHA respectfully requests immediate approval and funding.

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

A principal objective of the Texas Racing Act is to encourage agriculture and the horse breeding industry in the state. To achieve this objective, the Texas Racing Act provides various incentives for Texas horse breeders and owners - the Accredited Texas Bred program being one of them. This bonus incentive will encourage owners and breeders to accredit their horse, which in turn will increase the number of accredited Texas bred in Texas - keeping owners and breeders in Texas rather than breeding out of state.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

The Accredited Texas-bred Enrollment Incentive is a program that will reward horse breeders for producing Accredited Texas-bred horses. It will also reward stallion owners that have stayed in Texas as well as stallion owners who return their stallions to Texas and attract new stallions.

For many years it has not been economically feasible to produce horses in Texas. Louisiana and Oklahoma have breeding programs that offer much more lucrative incentives. Texas has lost stallions and broodmares to these states resulting in a reduction in the number of foals produced. Referencing the Texas Racing Commission Performance Measures, there has been a 49% decline of ATB enrollments over the past 10 years (2008 -1,584 ATB; 2018 -802 ATB). This has had a negative impact on field size in races at Texas racetracks. It also had a negative effect on many agricultural businesses such as grain and hay producers, etc.

As part of the enrollment process, a horse is “accredited,” or deemed eligible, for the ATB enrollment Incentive program. Depending on the age of the horse when it receives its accreditation, prices can range between \$50 - \$500. The incentive will award up to \$500 for a foal or yearling, and up to \$250 for a mare or stallion, if accreditation requirements are met.

The incentive payment will be pro-rated based on the number of ATB registrations received between January 1 – November 1, 2020 (weanlings of 2020, yearlings of 2019):

50% for foal/yearling

25% ATB mare of the foal/yearling accredited

25% ATB stallion of the foal/yearling accredited

ATB Race Age of 2+ years are not eligible for an incentive

For example, the owner of an Accredited Texas Bred racing Quarter Horse would be eligible to apply to TQHA for funding for any 2020 weanlings and 2019 yearlings. The incentive for the owner would be up to \$500. Once accredited, the mare owner and stallion owner would also be able to apply for funding be eligible to receive up to \$250 each.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

If implemented, TQHA estimates that this program will increase Accredited Texas Bred enrollments by at least 50% over current enrollments. In 2018, TQHA enrolled approx. 650 foals. A 50% increase would raise that number by 325 to 975 foals. This does not include the enrollment of mares and stallions that will also need to be accredited for the eligibility of the foal.

This incentive will attract new stallions as well as stallions that left Texas for more lucrative programs and give Texas breeders more options which will result in more Accredited Texas Bred foals produced in Texas. This will have a positive economic impact on Texas agriculture and will also increase the number of horses available for Texas-bred races. This will also have a

direct impact on the number of horses eligible for the TQHA Yearling Sale which is currently limited to Texas-bred horses.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Project oversight will be provided by Val Clark, Executive Director of the Texas Quarter Horse Association and Rob Werstler, Director of Racing. TQHA will create and install new software enhancements for thorough reporting of the ATB incentive project that will be readily available for review.

Reports will be provided to the TQHA Board of Directors, TQHA's independent auditing firm and TRC's Quarterly & Annual Performance Measures.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$850,000.00
Advertising	\$10,000.00
Donations (include most recent IRS Form 990 for any non-profit)	\$0.00
Other Direct Expenses (itemize below):	\$5,000.00
	\$
	\$
	\$
	\$
Total Direct Costs	\$865,000.00
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$43,250
Total	<u>\$908,250</u>

Event Production Costs (\$ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$850000 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

The incentive payment will be pro-rated based on the number of ATB registrations received between January 1 – November 1, 2020 (weanlings of 2020, yearlings of 2019):

From total:

50% for foal/yearling - up to \$425,000 ATB registered

25% ATB mare of the foal/yearling accredited - up to \$212,500 ATB registered

25% ATB stallion of the foal/yearling accredited - up to \$212,500 ATB registered

Advertising (\$10000 total) Provide an explanation of advertising costs.

In order to achieve maximum exposure and opportunity for best results, TQHA will promote this initiative through advertising in race related magazines; TRACK, SPEEDHORSE, STALLIONESEARCH.COM

TQHA will also enhance current advertising venues such as - Constant Contact and paid ads on FaceBook for a broader exposure as well as a website upgrade for owner and breeder to check to see if horse is ATB eligible which improves customer service

Donations (\$0 total) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

Other direct expenses – first category _____ (\$5000 total) Provide a detailed description of any other category of direct expenses.

DATA ANALYSIS: Collect and store data; process, present, design of findings; Report data, quality accuracy & monitor performance

Other direct expenses – second category _____ (\$0 total) Provide a detailed description of any other category of direct expenses.

Other direct expenses – third category _____ (\$0 total) Provide a detailed description of any other category of direct expenses.

Administrative Expenses/Capital Assets (\$43250 total; may not exceed 5% of total) Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.

Office Supplies - \$5000- IRC Reporting Software, checks, envelopes, copier paper, printer ink

Personnel - \$17,250

TQHA understands that it is valid that money is not diverted to increase salaries but in order for the funds to be properly administered it will require existing staff additional hours to effectively initiate and complete this event successfully. This is a reasonable and effective guarantee that the funds will be administered and are directed appropriate to the legislature's intent.

Option 1 as currently understood by Rule 303.322 c (1):

- The direct costs of each employee -Director of Racing; Race Programs Coordinator; Membership & Controller in addition to a shared new staff position are as following:

- Public relations -Educating customer in regards to the program and eligibility including answering questions, mailing forms, eligibility and registration

Director of Race – 130 HRS X 38.33 = 4983

Race Programs Coordinator– 110 HRS X 17.55 = 1931.00

Data entry - ATB registrations according to Texas Racing Act, ATB eligibility, and membership

50% INCREASE = 325 FOALS (MARE/STALLION REGISTERTATION INCREASE 1ST TWO MONTHS 2020)
Membership - VERIFYING ATB VENDOR, BALANCING –100 HOURS X 14.00 = 1400.00

- Verification of payment for each vendor; review ownership of horse with AQHA
Race Programs Coordinator – Calculating and processing incentive payments – 162.5 HOURS X 17.55 = 2852.00

- Producing Pay-out - Financial – data entry, issuing checks, balancing -Printing, mailing, signing checks
Reporting - TRC, Board of Directors, Internal Revenue Service, auditors
Controller 162.5 HOURS X 37.45 = 6084

Option 2: Hire new employee to process increased # of ATB's and memberships expected and help with pay-out procedures. This position will do a broad range of the stated positions above but will rely on the infrastructure of seasoned staff for financial and necessary reporting.

Software - \$21,000

- Create and implement new technology to enhance current Accredited Texas Bred software to in order to calculate, produce, manage and report Enrollment Incentive Funds correctly and effectively to the Texas Racing Commission, TQHA membership and auditors in addition to analysis.
TQHA will hire AIS (Applied Information Sciences)



APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form HIEA-2, Project Narrative)

APPLICANT NAME: TEXAS QUARTER HORSE ASSOCIATION (TQHA)

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): 2020 QH Meet @ RETAMA - Accredited Texas Bred (ATB) Owners, Breeders & Stallion Owner Awards

Event Date(s) or Approximate Date(s): 2020 Texas pari-mutual races

Total Amount Requested For this Event: \$358, 297

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*

Due to the need to create new software and enfold into existing program, build the financial structure and advertise the program, TQHA respectfully requests \$60,000 upon approval and the remainder of funds in August.

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

TQHA proposes increasing incentive money to the owners, breeders and stallion owners of accredited Texas-bred horses that finish first, second or third in a Texas pari-mutuel race during the 2020 Retama Park QH meet (July 3- September 5). These funds will supplement the current accredited Texas-bred incentive award payouts, mandated by the Texas Racing Act Sec. 2030.004.

In an effort to increase national exposure and increase simulcast handle to these races, TQHA will partner with Retama Park with promotions geared toward American Quarter Horse racing for increased media exposure and marketing during the meet to attract patrons.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

Texas- bred horses finishing within the top 3 places in a Texas pari-mutual race at Retama Park will be eligible for the following enrollment incentive breakdown:

\$300,900 ATB Awards:

40% Owner Award

40% Breeder Award

20% Stallion Owner Award

\$32,000 Daily Racing Form promotion (DRF) (based on # of days racing):

TVG and other opportunities for increased exposure for live and simulcast wagering (150 racetracks worldwide); Added coverage for big race day events

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

By increasing Accredited Texas Bred awards to owners, breeders, and stallions of Accredited Texas Bred horses, Texas will be in a much better position to be able to compete with surrounding states where state bred awards are supplemented by Slot machine revenue.

The addition of the Accredited Texas Bred Owner, Breeder and Stallion Owner Awards will incentivize the increase of ATB horses over the next breeding cycle and beyond. The increased ATB awards will attract new breeders to Texas as well as see the return of many breeders who left the state for larger purses. TQHA estimates an increase of 50% of horses accredited as Texas breds. Texas will benefit from the direct and indirect costs related to participate in the Agriculture and Equine industry, in particular rural Texans. Funds will be put back into the Texas economy through such purchases as horse feed, bedding, equipment, grooming products, insurance, facility expenses, veterinary services, farrier services, and labor, fuel etc.

With increased national exposure to these races through TVG, fiscal measurements will be demonstrated in entries and handle increases in comparison to the 2019 meet. TVG has over 201,000 active customers in top 20 U.S. markets

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Project oversight will be provided by Val Clark, Executive Director of the Texas Quarter Horse Association along with Rob Werstler, Director of Racing. TQHA will create and install new software enhancements for thorough reporting of the ATB award project that will be readily available for review.

Reports will be provided to the TQHA Board of Directors, TQHA's independent auditing firm and TRC's Quarterly & Annual Performance Measures.

TQHA's Rob Werstler will work directly with Retama Park to oversee all promotional activities. Retama Park will provide reports to TQHA as funds are expended and interim reports on the said affect of.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$300,900.00

Advertising	\$37,000.00
Donations (include most recent IRS Form 990 for any non-profit)	\$0.00
Other Direct Expenses (itemize below):	\$3,335.00
	\$
	\$
	\$
	\$
Total Direct Costs	\$341,235.00
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$17,062.00
Total	<u>\$358,297</u>

Event Production Costs (\$ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$300900 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

40% Owner Award - \$120,360

40% Breeder Award - \$120,360

20% Stallion Owner Award - \$60,180

Advertising (\$37000 total) Provide an explanation of advertising costs.

\$5,000 TQHA Direct costs:

Advertisements - magazines - TRACK, Speedhorse, Stallionsearch.com

Online - Constant Contact, use of advertising platforms on FaceBook

Update the Website to be a more effective communication tool to inform members and improve their user experience

Update will include gathering analytics and intelligence of the users and optimize performance and integrate with other channels

\$32,000 - Retama Daily Racing Form promotion (DRF) (based on # of days racing):

TVG and other opportunities for increased exposure for live and simulcast wagering (150 racetracks worldwide); Added coverage for big race day events

Donations (\$0 total) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

Other direct expenses – first category _____ (\$3335 total) Provide a detailed description of any other category of direct expenses.

Data Analysis

Collect and store data on past and new numbers

Process, present, design reporting to ensure quality and accuracy

Monitor performance to identify improvements

Other direct expenses – second category _____ (\$0 total) Provide a detailed description of any other category of direct expenses.

Other direct expenses – third category _____ (\$0 total) Provide a detailed description of any other category of direct expenses.

Administrative Expenses/Capital Assets (\$17062 total; may not exceed 5% of total) Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.

\$2000 - Checks, envelopes, IRS Reporting, copier paper, postage for checks; postage for letters to ATB recipients who need additional paperwork to complete transaction such as SS#, etc

Personnel - \$5,062

TQHA understands that it is valid that money is not diverted to increase salaries but in order for the funds to be properly administered it will require existing staff extra time to effectively initiate and complete this event successfully. This is a reasonable and effective guarantee that the funds will be administered and are directed appropriate to the legislature's intent.

Option 1 as currently understood by Rule 303.322 c (1):

The direct costs of each employee -Director of Racing; Race Programs Coordinator; Membership, Controller and shared potential new job position are as following:

- Director of Racing:

Public Relations with racetrack

Data entry -ATB registrations, ATB eligibility

Enter results from each race,

$$50 \text{ HOURS} \times 38.33 = \$1,916.50$$

- Race Programs Coordinator

Data entry – calculation of percentages of dark day and live meets; review ownership of horse with AQHA, verification of payment for each vendor, etc

Calculating & Producing Pay-out - Printing, mailing, signing checks

(73 HOURS) X 17.55=1,280

•Membership

(50 HOURS) x15 = \$750

•Controller

Reporting - TRC, Board of Directors, Internal Revenue Service, auditors

(30 HOURS) X 37.33=1,120

Option 2: Hire additional employee to process increased # of ATB's and memberships expected with this pay-out. This position will do a broad range of the stated positions above but will rely on the infrastructure of seasoned staff for financial and necessary reporting. Training for this employee will need to be included.

Software Upgrade - \$10,000

- Create software to accommodate calculating new funds separate from current simulcast funds
- Create software for the TRC reporting that reflects this money as separate from current pay-out.
- Improve performance to adapt the current product to a modified environment
- Upgrade software of hardware capabilities beyond original specification. The enhancements will allow software and hardware product performance scalability.



APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form HIEA-2, Project Narrative)

APPLICANT NAME: TEXAS QUARTER HORSE ASSOCIATION (TQHA)

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): 2020 QH Meet @ LONE STAR PARK - Accredited Texas Bred (ATB) Owners, Breeders & Stallion Owner Awards

Event Date(s) or Approximate Date(s): 2020 Texas pari-mutual races

Total Amount Requested For this Event: \$918,262

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
Due to the need to create new and incorporate into existing software, build the financial structure and advertise the program, TQHA respectfully requests \$100,000 upon approval and the remainder of the funds in November.

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

TQHA proposes increasing incentive money to the owners, breeders and stallion owners of accredited Texas-bred horses that finish first, second or third in a Texas pari-mutuel race during the 2020 Lone Star Park QH meet (September 11-November 28). These funds will supplement the current accredited Texas-bred incentive award payouts, mandated by the Texas Racing Act Sec. 2030.004.

In an effort to increase national exposure and increase simulcast handle to these races, TQHA will partner with Lone Star Park with promotions geared toward American Quarter Horse racing for increased media exposure and marketing during the meet to attract patrons.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

Texas- bred horses finishing within the top 3 places in a Texas pari-mutual race at Lone Star Park will be eligible for the following enrollment incentive breakdown:

\$814,200 ATB Awards:

40% Owner Award - \$325,680

40% Breeder Award - \$325,680

20% Stallion Owner Award - \$162,840

\$52,000 Daily Racing Form promotion (DRF) (based on # of days racing):

TVG and other opportunities for increased exposure for live and simulcast wagering (150 racetracks worldwide); Added coverage for big race day events

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

By increasing Accredited Texas Bred awards to owners, breeders, and stallions of Accredited Texas Bred horses, Texas will be in a much better position to be able to compete with surrounding states where state bred awards are supplemented by Slot machine revenue.

The addition of the Accredited Texas Bred Owner, Breeder and Stallion Owner Awards will incentivize the increase of ATB horses over the next breeding cycle and beyond. The increased ATB awards will attract new breeders to Texas as well as see the return of many breeders who left the state for larger purses. TQHA estimates an increase of 50% of horses accredited as Texas breds. Texas will benefit from the direct and indirect costs related to participate in the Agriculture and Equine industry, in particular rural Texans. Funds will be put back into the Texas economy through such purchases as horse feed, bedding, equipment, grooming products, insurance, facility expenses, veterinary services, farrier services, and labor, fuel etc.

With increased national exposure to these races through TVG, fiscal measurements will be demonstrated in entries and handle increases in comparison to the 2019 meet. TVG has over 201,000 active customers in top 20 U.S. markets

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Project oversight will be provided by Val Clark, Executive Director of the Texas Quarter Horse Association along with Rob Werstler, Director of Racing. TQHA will create and install new software enhancements for thorough reporting of the ATB award project that will be readily available for review.

Reports will be provided to the TQHA Board of Directors, TQHA's independent auditing firm and TRC's Quarterly & Annual Performance Measures.

TQHA's Rob Werstler will work directly with Lone Star Park management to oversee all promotional activities. Lone Star Park will provide reports to TQHA as funds are expended and interim reports on the said affect of.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$814,200.00

Advertising	\$57,000.00
Donations (include most recent IRS Form 990 for any non-profit)	\$0.00
Other Direct Expenses (itemize below):	\$3,335.00
	\$
	\$
	\$
	\$
Total Direct Costs	\$874,535.00
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$43,727.00
Total	\$918,262.00

Event Production Costs (\$ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$814200 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

- 40% Owner Award - \$325,680
- 40% Breeder Award - \$325,680
- 20% Stallion Owner Award - \$162,840

Advertising (\$57000 total) Provide an explanation of advertising costs.

\$5,000 TQHA Direct costs:

Advertisements - magazines - TRACK, Speedhorse, Stallionsearch.com

Online - Constant Contact, use of advertising platforms on FaceBook

Update the Website to be a more effective communication tool to inform members and improve their user experience

Update will include gathering analytics and intelligence of the users and optimize performance and integrate with other channels

\$52,000 - LSP Daily Racing Form promotion (DRF) (based on # of days racing):

TVG and other opportunities for increased exposure for live and simulcast wagering (150 racetracks worldwide); Added coverage for big race day events

Donations (\$0 total) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

Other direct expenses – first category _____ (\$3335 total) Provide a detailed description of any other category of direct expenses.

Data Analysis

Collect and store data on past and new numbers

Process, present, design reporting to ensure quality and accuracy

Monitor performance to identify improvements

Other direct expenses – second category _____ (\$0 total) Provide a detailed description of any other category of direct expenses.

Other direct expenses – third category _____ (\$0 total) Provide a detailed description of any other category of direct expenses.

Administrative Expenses/Capital Assets (\$43727 total; may not exceed 5% of total) Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.

\$2000 - Checks, envelopes, IRS Reporting, copier paper, postage for checks; postage for letters to ATB recipients who need additional paperwork to complete transaction such as SS#, etc

Personnel - \$16,727

TQHA understands that it is valid that money is not diverted to increase salaries but in order for the funds to be properly administered it will require existing staff extra hours to effectively initiate and complete this event successfully. This is a reasonable and effective guarantee that the funds will be administered and are directed appropriate to the legislature's intent.

Option 1 as currently understood by Rule 303.322 c (1):

The direct costs of each employee -Director of Racing; Race Programs Coordinator; Membership, Controller and shared potential new job position are as following:

- Director of Racing:

Public Relations with racetrack

Data entry -ATB registrations, ATB eligibility

Enter results from each race,

180 HOURS X 38.33 = \$6900

- Race Programs Coordinator

Data entry – calculation of percentages of dark day and live meets; review ownership of horse with AQHA, verification of payment for each vendor, etc

Calculating & Producing incentive pay-out - Printing, mailing, signing checks

(180 HOURS) X 17.55=3,160

- Membership

(180 HOURS) x15 = \$2,700

- Controller

Reporting - TRC, Board of Directors, Internal Revenue Service, auditors

(108 HOURS) X 37.33=4,050

Option 2: Hire additional employee to process increased # of ATB's and memberships expected with this pay-out. This position will do a broad range of the stated positions above but will rely on the infrastructure of seasoned staff for financial and necessary reporting. This position will include training.

Software Upgrade - \$25,000

- Create software to accommodate calculating new funds separate from current simulcast funds
- Create software for the TRC reporting that reflects this money as separate from current pay-out.
- Improve performance to adapt the current product to a modified environment
- Upgrade software of hardware capabilities beyond original specification. The enhancements will allow software and hardware product performance scalability.



APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form HIEA-2, Project Narrative)

APPLICANT NAME: TEXAS QUARTER HORSE ASSOCIATION (TQHA)

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): Stock Horse Association of Texas - Triple Threat Incentive

Event Date(s) or Approximate Date(s): October 27-31, 2020

Total Amount Requested For this Event: \$6,300

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
Approval is needed immediately for advertising and planning purposes. Funds are needed October 1, 2020

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

The Texas Triple Threat Incentive is a "class within a class" at the Stock Horse World Championship Show. Exhibitors must meet the following criteria to enter: Rider must be a Texas resident; Owner must be a Texas resident; horse must be Texas-bred. The top overall score earners from both go-rounds of competition will win Cash and/or Prizes through the Texas Triple Threat Incentive.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

The Texas Triple Threat Incentive will be part of the larger event, the Stock Horse World Championship Show held in Abilene, Texas. The Stock Horse World Show spans 5 days of competition. In 2019, it included 1,958 entries and saw an economic impact of \$954,000 to the city of Abilene. Through show fees alone, more than \$100,000 were pumped into Stock Horse of Texas to support this show and other equine events within the state. HIEA funds would be

used entirely as a purse/prize incentive for additional Texas horse owners to join the competition.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

The Texas Triple Threat Incentive will act as an incentive for other Texas horse owners to compete at the Stock Horse World Show and be recognized directly with other Texas owners/exhibitors with Texas-bred horses. The Stock Horse World Show offers 9 levels of competition, including entry level riders. The Stock Horse World Show also offers a trade show that sells tack and other items that contribute directly to the Horse Industry Escrow Account. It is expected that the Texas Triple Threat Incentive will lead to growth in entry numbers, specifically with Texas horse owners. Entry numbers can be compared year-to-year for exact growth. Advertising sponsored by Stock Horse of Texas will grow interest in the Texas Triple Threat. Those looking to purchase horses and join the organization will be encouraged to look for Texas-bred horses in order to be eligible for the event. New memberships in TQHA will also support the Texas horse industry, and will give these new members more insight into the work TQHA does for the horse industry in Texas.

All exhibitors will be required to have a Stock Horse of Texas membership (1,800 members in 2019) Growth in membership in both SHTX and TQHA is predicted and can be measured comparing 2019 and 2020 numbers. SHTX predicts a 50% increase in TQHA memberships sold through Stock Horse of Texas.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Val Clark, TQHA Executive Director will provide oversight for the event.

Jill Dunkel, Executive Director of Stock Horse of Texas will manage the event. Jill is a Certified Show Manager through the American Quarter Horse Association. All entries must select the Texas Triple Threat Incentive on the entry form and provide proof of Texas owner/rider and Texas breeder per the breed association registration certificate. All tabulation will be conducted by Kelsey Coon, a Certified Show Secretary through the American Quarter Horse Association.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*

- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;
- (6) expenses related to litigation;
- (7) professional association fees or dues for the breed registry or an individual;
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$0.00
Purse Supplements/Prizes	\$6,000.00
Advertising	\$0.00
Donations (include most recent IRS Form 990 for any non-profit)	\$0.00
Other Direct Expenses (itemize below):	\$0.00
	\$
	\$
	\$
	\$
Total Direct Costs	\$6,000.00
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$300.00
Total	\$6,300.00

Event Production Costs (\$ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

All additional event production costs will be paid by Stock Horse of Texas.

Purse Supplements/Prizes (\$6000 total) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

Money/Prizes awarded directly to the Top 3 winners of the Texas Triple Threat

Advertising (\$ _____ total) *Provide an explanation of advertising costs.*

All additional advertising costs will be paid by Stock Horse of Texas.

Donations (\$ _____ total) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

Other direct expenses – first category _____ (\$ _____ total) *Provide a detailed description of any other category of direct expenses.*

All additional event production costs will be paid by Stock Horse of Texas.

Other direct expenses – second category _____ (\$ _____ total) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – third category _____ (\$ _____ total) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$300 total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

Membership: \$15/hour

Processing TQHA memberships and eligible participants for prize \$

Planning event with SHTX;

Processing payments to SHTX



APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form HIEA-2, Project Narrative)

APPLICANT NAME: TEXAS QUARTER HORSE ASSOCIATION (TQHA)

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): Stock Horse Association of Texas - Ride for the Cash

Event Date(s) or Approximate Date(s): February - October, 2020

Total Amount Requested For this Event: \$9,450

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
Requesting approval immediately for adequate marketing time to advertise the event since Series events started in February. Funding is not needed until November 2020 at the final event when presented.

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

The "SHTX Ride for the Cash" is an incentive program to reward exhibitors in Stock Horse of Texas (SHTX) who compete at a large number of horse events throughout 2020. The SHTX Ride for the Cash incentive will be awarded to 9 Stock Horse of Texas members who participate in a certain number of Stock Horse of Texas events in 2020.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

The SHTX Ride for the Cash Program will award nine \$1,000 prizes to Stock Horse of Texas members who attend a specified number of SHTX events throughout 2020. Eleven events hosted by SHTX begin in February and will continue through October. All Stock Horse of Texas events last 2-4 days and include educational clinics and horse shows. Events are geared to all levels of riders, offering an entry-level avenue for horse owners who might not be prepared, or

feel intimidated to join other equine events. The basis for all Stock Horse of Texas events are educational, focusing on how riders can improve with their horses. All judging opens the door for an educational discussion on credit or penalty earning areas of competition. Participants are supported with additional educational opportunities and contacts for further education on a private basis. Due to this educational focus, new participants have a higher level of retention and attend additional equine events.

Stock Horse of Texas is an equine non-profit with an annual budget of \$700,000, and approximately 1,800 members from 25 different states who travel to Texas to compete, or have horses in training in Texas and compete at SHTX events.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

The Ride for the Cash will incentivize Texas horse owners to go to Stock Horse of Texas events in order to be eligible for the Ride for the Cash incentive. SHTX events are spread far and wide across the state, with many exhibitors traveling hundreds of miles to attend. The Ride for the Cash will incentivize Texas horse owners to attend as many shows as possible in 2020. In 2019, SHTX hosted 11 competitions and 17 educational clinics. Economic impact for the communities that hosted SHTX events in 2019 totaled \$5.6. Million (calculated from the AQHA and Fort Worth, Texas, Chamber of Commerce calculator utilizing a multiplier effect). In 2019, a total of 1,947 horses competed at SHTX events, contributing to a total of 11,038 entries. The Ride for the Cash incentive is expected to create a 5% growth to these participation numbers.

All exhibitors will also be required to have a Stock Horse of Texas membership (1,800 members in 2019). Growth in membership in both SHTX and TQHA is predicted and can be measured comparing 2019 and 2020 numbers. SHTX predicts a 50% increase in TQHA memberships sold through Stock Horse of Texas.

Stock Horse of Texas has a reputation for creating a demand for horses with skills in cutting, reining, ranching and working cow horse. Where other associations focus on "aged events" that horses compete in through their 6-year-old year, Stock Horse of Texas creates a market for these horses who are too old for these "aged events" in other associations. Horses are widely sought after with these skills. Cow horse , reining and cutting trainers alike all say the "ranch and stock horse revolution" has given their older horses a home at a legitimate value. Thus, Stock Horse of Texas events creates a market for horses in Texas. The value of these horses ranges from \$7,500-100,000. It is estimated 100-200 horses in this price range trade hands through Stock Horse of Texas members each year.

The popularity of Stock Horse of Texas events has also created a demand for vendors . Vendors sell thousands of dollars in horse-related products at SHTX events to support the growing base of Stock Horse of Texas members. On average, a single tack vendor sells between \$7,500 to \$20,000 of horse-related products at each of the 11 Stock Horse of Texas events.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Val Clark, Executive Director of Texas Quarter Horse Association will oversee the project. Jill Dunkel, Executive Director of Stock Horse of Texas will manage all of the events. Jill is a Certified Show Manager through the American Quarter Horse Association. All tabulation will be conducted by Kelsey Coon, a Certified Show Secretary through the American Quarter Horse Association. Verification of Texas Quarter Horse Association membership will be conducted with Val Clark at TQHA. The Stock Horse of Texas Board of Directors will also offer oversight of the Ride for the Cash incentive.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to*

borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
 (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$0.00
Purse Supplements/Prizes	\$9,000.00
Advertising	\$0.00
Donations (include most recent IRS Form 990 for any non-profit)	\$0.00
Other Direct Expenses (itemize below):	\$0.00
	\$
	\$
	\$
	\$
Total Direct Costs	\$9,000.00
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$450.00
Total	\$9,450.00

Event Production Costs (\$ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

All additional event production costs will be paid by Stock Horse of Texas.

Purse Supplements/Prizes (\$6000 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

Money/Prizes awarded directly to the 9 Ride for the Cash winners.

Advertising (\$ total) Provide an explanation of advertising costs.

All additional advertising costs will be paid by Stock Horse of Texas.

Donations (\$ total) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

Other direct expenses – first category _____ (\$ total) Provide a detailed description of any other category of direct expenses.

All additional event production costs will be paid by Stock Horse of Texas.

Other direct expenses – second category _____ (\$ total) Provide a detailed description of any other category of direct expenses.

Other direct expenses – third category _____ (\$ _____ total) Provide a detailed description of any other category of direct expenses.

Administrative Expenses/Capital Assets (\$450 total; may not exceed 5% of total) Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.

TQHA Membership: \$15/hour -30 hours

Receiving, Entering and Processing new TQHA memberships and eligible participants for prize \$

Executive Director: No admin

Planning event with SHTX

Processing payments to SHTX



APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form HIEA-2, Project Narrative)

APPLICANT NAME: TEXAS QUARTER HORSE ASSOCIATION (TQHA)

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): 4-H Judging Team

Event Date(s) or Approximate Date(s): Texas State 4-H Horse Show (July 2020); AQHA Youth World Show (August 2020), and AQHA Quarter Horse Congress (October 2020)

Total Amount Requested For this Event: \$9,450

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*
Funding can not be provided in multiple phases due to the up-front cost of ordering the prizes.

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

4-H is a vital youth program and partnering with 4-H would encourage ongoing participation and exposure to quarter horse related activities. In addition, this partnership would potentially increase TQHA memberships and future participants in TQHA shows and activities.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

Funding under this request would incorporate three (3) events:

1. AQHA Youth World Show in Oklahoma City, Oklahoma – August 2020
2. AQHA Congress in Columbus, Ohio – October 2020
3. Texas State 4-H Horse Show in Bryan/College Station, Texas – July 2020

A 4-H judging team judges specific horse classes to learn confirmation and form to function in an ideal horse. They compete on a local level in their county, then move on to larger events such as the Fort Worth Stock Show against other counties in the state of Texas with the big goal of competing against other 4-H teams in the nation at the AQHA World Show and AQHA Congress. Each state can only send two 4-H teams (one team being a state 4-H team i.e. TQHA) out of state. The 4-H members that participate under TQHA Team Texas banner are TQHA youth members.

For the judging contests at the AQHA World Show and AQHA Congress, scholarship money would be awarded to each team member as well as an award jacket. Scholarships & jackets are sent to the county 4-H club before the event to help cover costs.

For the State 4-H Horse Show, scholarships would be awarded to the highest placing TQHA member riding a registered AQHA horse in each of the six major divisions (judged western, speed, roping, hunter flat, hunter over fences and stock horse). Scholarship money will be sent to the State 4-H/ Extension Horse Program to distribute.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

The value of the 4-H youth program is often focused on the leadership, citizenship, and life skills that members receive as they participate in the program. Many 4-H members contribute to the well-being of their communities through individual efforts and as a member of a local club, but those with animal-related projects also contribute to the economic health of their rural communities and agriculture.

Few other youth development programs can make the direct economic contribution to their local communities that 4-H members make each and every year in addition to leadership skills that will benefit the horse industry in future years.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Project oversight will be provided by Val Clark, Executive Director of the TQHA.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;
- (6) expenses related to litigation;
- (7) professional association fees or dues for the breed registry or an individual;
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$0.00
Purse Supplements/Prizes	\$0.00
Advertising	\$0.00
Donations (include most recent IRS Form 990 for any non-profit)	\$9,000.00
Other Direct Expenses (itemize below):	\$0.00
	\$
	\$
	\$
	\$
Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$450.00
Total	\$9,450.00

Event Production Costs (\$0 total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$ total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

Advertising (\$0 total) Provide an explanation of advertising costs.

Donations (\$9000 total) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

Judging Team:

TQHA Scholarship for each team member - \$500 x 4 members = \$2,000

Award TQHA logoed jackets for the team attending AQHA World Show and Congress = \$1,000 to market the Texas Quarter Horse Association

State 4-H Horse Show:

\$1,000 scholarship to the winner of each division = \$6,000

Other direct expenses – first category _____ (\$0 total) Provide a detailed description of any other category of direct expenses.

Other direct expenses – second category _____ (\$0 total) Provide a detailed description of any other category of direct expenses.

Other direct expenses – third category _____ (\$0 total) Provide a detailed description of any other category of direct expenses.

Administrative Expenses/Capital Assets (\$450 total; may not exceed 5% of total) Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.

Personnel: \$20 hour/ 22.5 hours approximate

Administrative costs would include processing and communicating with the 4-H Club & winning team members after initial results from the Agrilife Extension office;

Identifying and paying scholarship recipients;

Ordering custom jackets per Congress team member, shipping jackets.



TEXAS RACING COMMISSION

APPLICATION FOR BREED REGISTRY FUNDING FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form HIEA-1, General Information)

APPLICANT NAME: Texas Quarter Horse Association (TQHA)

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): Southwest Reined Cow Horse Association Pre-Futurity Horse Show Texas Bred Incentive

Event Date(s) or Approximate Date(s): August 10-16, 2020

Total Amount Requested For this Event: \$52,500

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*

Approval is needed no later than May 22, 2020 to allow time for planning and advertising the event.

Funding is needed by August 1st.

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

The SRCHA Pre-Futurity & Horse Show Texas Bred Incentive will be paid to those horses that are Texas-bred and will be paid according to the highest placing Texas bred horses in the futurity.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

It is envisioned that the added money associated with this incentive would be paid out through multiple divisions within show encouraging increased entries across the open, non-pro and amateur levels. To be eligible, horses must be Texas bred i.e. foaled in Texas.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

On average, 62% of the exhibitors and owners that participate in the show are from Texas. Through increasing added prize money in multiple divisions, it is anticipated the show will realize a 6% increase in entries.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Valerie Clark, Executive Director of TQHA will oversee the project.

Gay Lenz, Executive Director for Southwest Reined Cow Horse (SRCHA) will manage the event. The SRCHA office will gather and maintain the records of horses to determine eligibility along with collecting and verifying current TQHA memberships of the owner and riders at the event. All of the entries go through the SRCHA office with Mrs. Lenz being the recipient of those entries.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the

breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$50,000.00
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$50,000.00
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$2,500.00
Total	\$52,500.00

Event Production Costs (\$ _____ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$50000 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.
 \$40,000 to the Open Divisions and \$10,000 to the Non Pro Divisions

Advertising (\$ _____ total) Provide an explanation of advertising costs.

Donations (\$ _____ total) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization’s most recent IRS Form 990.

Other direct expenses – first category _____ (\$ _____ total) Provide a detailed description of any other category of direct expenses.

Other direct expenses – second category _ _____ (\$ **total**)

Provide a detailed description of any other category of direct expenses.

Other direct expenses – third category _ _____ (\$ **total**) *Provide*

a detailed description of any other category of direct expenses.

Administrative Expenses/Capital Assets (\$2,500 total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

Executive Director:

Estimated time 30-40 hours

Review event strategy and structure for the most significant economic impact in the horse industry

Assist in planning.

Process TQHA memberships for eligibility and pay-out

TQHA Affililate Show application and approval.

All marketing relating to Texas Quarter Horse Association and event including but not limited to Enews blasts, FB, affiliate status



APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form HIEA-2, Project Narrative)

APPLICANT NAME: TEXAS QUARTER HORSE ASSOCIATION (TQHA)

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): TQHA State Championship Year-End Awards

Event Date(s) or Approximate Date(s): 2020 Point-Year (December 1 - November 30)

Total Amount Requested For this Event: \$52,500

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*

Approval is needed immediately to announce and market the program to exhibitors to increase the amount of shows they attend in anticipation of Year End Award program. To adequately plan award items according to budget with the up-front cost of ordering the prizes and awards, Funding is needed by July 2020

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

The Texas Quarter Horse Association currently has a limited budget and program to recognize year-end high point winners that show at the TQHA Horse Show Series Approved Shows.

In order to be eligible, owners and riders must be TQHA members to accumulate points. Points are accumulated when exhibitors show and place in their respective classes and divisions throughout the showing calendar year (December 1 – November 30) at approved shows in Texas. A list of eligible shows can be found at www.tqha.com. On average, over 400 TQHA members actively participate in this program with division awards being given to 1st and 2nd place. Due to the existing budget constraints, the value of the awards has been limited to a dollar value of \$40 - \$60.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

The leadership of TQHA recognizes the substantial financial commitment of owners and riders who wish to show Quarter Horses. It can be estimated that an average participant spends approximately \$141 per day of their horse show between food, lodging, and other taxable purchases (Highland Market Research, LLC 2019). To that end, TQHA wishes to expand its existing program to recognize and encourage the members that are committed to showing their Quarter Horses on the TQHA circuit. It is anticipated that the expansion of the program would increase the number of participants and TQHA members and incentivize people to keep their dollars recirculating in the Texas economy, as opposed to driving to other States for their horse show experience.

It is envisioned that these funds would allow the association to spread awards down through five (5) placings with more valuable and coveted items like monogrammed championship jackets. Winners of the youth divisions would be eligible to receive scholarships valued at \$500.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

To be eligible for TQHA year end awards, exhibitors must be current in their TQHA membership. Based on initial feedback, it is anticipated that TQHA memberships may increase 20 – 30%. In addition, TQHA will benefit from increased entries within all divisions at the statewide approved shows. The ripple effect of this increase will flow into the local shows and thus local economies through increased purchases on items eligible for sales, hotel/motel and mixed beverage taxes.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Project oversight will be provided by Val Clark, Executive Director of the TQHA. It is anticipated that a year-end review regarding the overall entry numbers will be conducted by TQHA.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;
- (6) expenses related to litigation;
- (7) professional association fees or dues for the breed registry or an individual;
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or
- (9) fundraising.

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$1,300.00
Purse Supplements/Prizes	\$45,000.00
Advertising	\$1000.00
Donations (include most recent IRS Form 990 for any non-profit)	\$0.00
Other Direct Expenses (itemize below):	\$1200.00
	\$1,500.00
	\$
	\$
	\$
Total Direct Costs	\$50,000.00
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$2,500.00

Total	\$52,500.00
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Event Production Costs (\$1300 total) *For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.*

Year End Award Banquet - invitation & information mail-out for banquet, awards magazine for recipients at dinner (250 - 300 count), name badges for attendees

Purse Supplements/Prizes (\$45000 total) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

May include, but not limited to, monogrammed championship jackets, trophies, buckles, other championship memorabilia to be determined by the Texas Quarter Horse Association in the event of funding approval. Cash prizes are also being considered depending on points awarded.

Advertising (\$1000 total) *Provide an explanation of advertising costs.*

Paid FB ads

Constant Contact Enews Blasts

Magazine advertising - Equine Chronicle

Donations (\$0 total) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

Other direct expenses – first category _____ (\$1200 total) *Provide a detailed description of any other category of direct expenses.*

Equitek point program software - \$100/ month

Greg Bahry

Other direct expenses – second category _____ (\$1500 total) *Provide a detailed description of any other category of direct expenses.*

AQHA show points - \$15/ show #. 100 show #s (1-6 show #s per show)

AQHA charges \$15 per show # to download results from their website. The overall figure of \$1500 is based on how many show #s there are to download. This used to be a free service of AQHA to Affiliates. It currently is not.

Other direct expenses – third category _____ (\$0 total) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$2500 total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted*

costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.

Executive Director:

Create advertising Program and buzz at all statewide shows

Calculating points per exhibitor and publishing

Getting bids on product per each category;

Choosing most suitable awards for budget & discipline;

Purchasing process until delivery;

Notifying award winners

Organizing awards for recipients for Award Banquet

Organizing Banquet.



APPLICATION FOR BREED REGISTRY FUNDING
FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)
(Must be accompanied by Form HIEA-2, Project Narrative)

APPLICANT NAME: TEXAS QUARTER HORSE ASSOCIATION (TQHA)

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): TQHA Barrel Stallion Incentive

Event Date(s) or Approximate Date(s): November 12-15, 2020

Total Amount Requested For this Event: \$42,000

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*

Due to the need to market and plan the event, TQHA respectfully requests \$6,000 in immediate funding for maximum event promotion with the remaining funds being made available no later than October 1, 2020.

Approval needed immediately for adequate advertising and planning

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

It is widely known that Texas is far from the number one state when referring to barrel racing incentives and breeding programs. The TQHA Barrel Stallion auction currently auctions under thirty (30) stallions a year due to the low financial incentives for Texas stallion owners and offspring. The development of a stand-alone race highlighting Texas bred horses and offspring by TQHA Barrel Stallions would have a major impact on interest and participation.

TQHA proposes two things during this one event. One - a TQHA Texas foaled event creating an incentive for competing on horses of any age that have been foaled in Texas.

Two: a bonus incentive for the offspring of barrel stallions that have gone through the annual TQHA Stallion Auction.

As the excitement and growth of the barrel racing industry continues to climb, TQHA feels it is vital to promote Texas breeding programs to encourage these substantial dollars to stay within the Texas economy. Other states are currently offering similar incentives that play into the decisions people make when deciding which stallion they would like to breed their mares to each year and which horse they would like to purchase to compete on.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

November 12 -15 Elite Barrel Race Fall Event / Waco

TQHA Barrel Texas Bred Race: \$35,000 total prize money

\$25,000 added 4D Barrel Race

- Horses must be foaled in Texas.
- Horse must have AQHA papers

Bonus Sidepot - 10K added Stallion incentive for offspring of TQHA Barrel Stallions. Pay-out to offspring owners and stallion owners.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

This event does not currently exist in Texas, but barrel event producers anticipate at least 300 entries in this initial event.

The anticipated goal of this event on the Texas horse industry has several aspects: (1) Increase the desire to own a barrel horse that is born in Texas which in turn increases the value of such horses; (2) Increase the interest of barrel horse owners to continue to compete on their Texas foaled horses as they advance in years since this is event open to all ages (i.e. not Futurity limited). (3) Encourage barrel owners to compete in Texas rather than out of state with an increased awareness of other barrel race formats available to participants. (AQHA classes)

Adding an incentive to competing offspring will increase the desire to breed to TQHA Barrel stallions over the next breeding cycle and beyond. Increased prize monies will attract new breeders to the program and Texas barrel horses as well as competitors buying and racing older eligible offspring to compete on which will increase entries at the event resulting in increased economic components tied to it.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Project oversight will be provided by Val Clark, Executive Director of the TQHA. It is anticipated that a year-end review regarding the overall entry numbers will be conducted by TQHA.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$1,000.00
Purse Supplements/Prizes	\$35,000.00
Advertising	\$4,000.00
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$

	\$
	\$
	\$
Total Direct Costs	\$
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$2,000.00
Total	<u>\$42,000.00</u>

Event Production Costs (\$1000 total) *For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.*

Producing and planning event with Elite Productions. Elite Barrel Racing Productions takes a percentage (%) per entry for Secretary and their production costs to run the event.

Purse Supplements/Prizes (\$35000 total) *Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.*

TQHA Barrel Texas Bred Race: \$35,000 Prize \$
 \$25,000 added 4D Barrel Race
 10K added Stallion incentive.

- Horses must be foaled in Texas.
- Horse must have AQHA papers

Advertising (\$4000 total) *Provide an explanation of advertising costs.*

Barrel related magazine ads
 Elite Advertising
 Wildwest Productions; advertise Stallions; pop-up banner for event;
 Barrel Horse News - advertisements
 Facebook paid ads and Constant Contact Enews

Donations (\$0 total) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

Other direct expenses – first category _____ (\$ _____ **total)** *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – second category _____ (\$0 **total)** *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – third category _____ (\$0 **total)** *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$2000 total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

Executive Director:

Plan, Organize and coordinate with Elite Event Producers in running the event

Arrange and market all advertising for event

Manage the barrel stallion program prior and during the event to verify eligible offspring and stallions.

Attend the event

Calculate and process pay-out to stallion owners and offspring.



TEXAS RACING COMMISSION

APPLICATION FOR BREED REGISTRY FUNDING FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT) (Must be accompanied by Form HIEA-1, General Information)

APPLICANT NAME: Texas Quarter Horse Association (TQHA)

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): Southwest Reined Cow Horse Association - Texas Roping Classic

Event Date(s) or Approximate Date(s): August 10-16, 2020 during the SRCHA Pre-Futurity

Total Amount Requested For this Event: \$21,000

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*

Approval is needed no later than May 22, 2020 to allow time for advertising.

Funding is needed August 1st.

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

The Texas Roping Classic will be held during the SRCHA Pre-Futurity & Horse Show and will offer a unique combination of added money and AQHA Show points for numerous roping classes.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

The event will be a one day roping consisting of calf roping, team roping and breakaway divisions. Classes will be AQHA judged.

To be eligible for monies:

Must be top 6 in Judges placings and top 6 in times

12 horses from heading and heeling -Total of 24 horses in short round

Bonus money if horse is Texas bred.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

This roping will be a premier event due to the pay-out and AQHA judging offered. It is anticipated to have no fewer than 200 exhibitors in the roping. Since some of these exhibitors may also show in the SRCHA cowhorse event, they will increase participants in both events with with a minimum stay of 3 days.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Valerie Clark, Executive Director of TQHA will oversee the project.

Gay Lenz, Executive Director for Southwest Reined Cow Horse (SRCHA) will manage the event. The SRCHA office will gather and maintain the records of horses to determine eligibility along with collecting and verifying current AQHA and TQHA memberships of the owner and riders at the event. All of the entries go through the SRCHA office with Mrs. Lenz being the recipient of those entries.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and
- (2) the purchase of capital assets.

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Purse Supplements/Prizes	\$20,000.00
Advertising	\$
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
Total Direct Costs	\$20,000.00
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$1,000.00
Total	<u>\$21,000.00</u>

Event Production Costs (\$ total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

Purse Supplements/Prizes (\$20000 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

Open Heading and Heeling

\$5,000 split 70/30 for 1st and 2nd overall

\$5,000 split 70/30 for 1st and 2nd for Texas owned and bred horses

Amateur Heading and Heeling

\$2,000 split 70/30 for 1st and 2nd overall

\$2,000 split 70/30 for 1st and 2nd for Texas owned and bred horses

All Age Calf Roping

\$500 for 1st place overall

\$500 for 1st place Texas owned and bred horse

Amateur Calf Roping

\$500 for 1st place overall
\$500 for 1st place Texas owned and bred horse

All Age Breakawa
\$1,500 for 1st place overall
\$1,500 for 1st place Texas owned and bred horse

Advertising (\$ _____ **total**) *Provide an explanation of advertising costs.*

Donations (\$ _____ **total**) *For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.*

Other direct expenses – first category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – second category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Other direct expenses – third category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$1000 **total**; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

Since this is a new event in regards to TQHA, new Memberships and pay-out will need to be processed prior to and during event for eligible exhibitor award pay-out

Memberships - \$15/hour - 20 hours = \$300

Contract labor for operation of handling cattle, roping pens, etc. before, during and after event will exceed the remaining \$700



TEXAS RACING COMMISSION

APPLICATION FOR BREED REGISTRY FUNDING FROM THE HORSE INDUSTRY ESCROW ACCOUNT

PROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT) (Must be accompanied by Form H1EA-1, General Information)

APPLICANT NAME: TEXAS QUARTER HORSE ASSOCIATION

This form was developed to be completed electronically. Handwritten applications and/or narratives will not be accepted. Click the grey text boxes to type responses. A maximum of 6 pages may be used to fully respond.

Project Title (Event Name): TQHA Yearling Sale

Event Date(s) or Approximate Date(s): July 25, 2020

Total Amount Requested For this Event: 190,680

When Are Funds Needed? *If funding can be provided in multiple phases, please explain.*

****Immediate approval is needed to appropriately and successfully plan event.**

Funds are needed in July.

Project Background

Project Summary

Please provide a summary of the event for which funding is sought and the project(s) that will be achieved as a result of this funding.

The TQHA Yearling Sale is a flagship event for the Texas Quarter Horse Association. It is a horse sale restricted to racing Accredited Texas bred Quarter Horse yearlings which results in the very purpose and foundation of supporting breeding, selling and training of horses bred in Texas. Horses that go through the sale ring are eligible to enter an ATB Futurity race the following year. So this sale not only encourages breeding and selling in Texas, but racing those horses in Texas rather than out of state.

Due to COVID-19, the Quarter Horse industry and horsemen are financially hurting. This application helps horsemen in giving them a rebate to relieve some of the financial hardship that many are going through - similar to the Federal relief programs. Horsemen have been reluctant to consign their horses this year in the TQHA sale because of Covid -19. TQHA hopes that this rebate will incentivize consignors to keep their horses in the TQHA sale rather than choose sales that are later in the year when the economy and assurance of buyers has settled. (TQHA is the first QH race horse sale of the calendar year in the nation). This application also allows for TQHA to adapt and adjust to new Corona Virus restrictions for the safety of sellers and buyers. The costs are extra and above what TQHA normally incurs.

Consignors are very tentative about selling their horses in the TQHA sale because of economic instability. Selling prices will be down. TQHA would like to offer a pro-rated rebate (consignor rate is \$650/horse) to each horse consigned that goes through the sale ring based on the amount of horses consigned.

Project Description

Provide a detailed description of the project including activities to be supported with funds from the Account, timelines of each activity, and key milestones.

As mentioned above, this race horse sale is restricted to Texas accredited horses only. It supports breeders in Texas as it gives value to their horses within the state; and allows buyers to purchase and own a Texas bred with the intent to run in Texas. Horses that go through this sale are eligible to run the following year in the prestigious Sale Futurity so there is incentive to not only sell in this sale, but to own a horse to run in this race! The sale is scheduled for July 24&25 in San Antonio with buyers from in & out of state. This year the sale will be different than previous years, to adapt to the restrictions and safety measures necessary for Covid 19. Horses will be featured live online so that bidders will be able to make bids from a remote location on the horses due to Covid 19 distancing. A sale software program specific to horse sales will be leased to document sellers and buyers for a timely & correct financial response. TQHA is proposing a BBQ welcome dinner for both consignors and buyers to showcase the horses the evening before the sale begins. Sale expert contract labor is needed in order to run this sale. Due to Covid-19, this sale has many challenges this year. An incentive to keep consignors from choosing sales later in the year in other states and increased technology to adjust to new restrictions are desperately needed. This is out of the realm of TQHA's typical annual sale. This is the only QH race horse sale in the state of Texas. If Texas does not have the commerce of horses, our industry is not furthered and rather than being stagnant during difficult times, declines. TQHA began advertising this sale with updates in March. We feel an aggressive advertising campaign will be necessary for the confidence of sellers and buyers.

Anticipated Project Results/Economic Impact on the Horse Industry

Provide a detailed explanation of the anticipated economic impact on the horse industry and any other expected results and how they will be measured.

This sale will keep the Accredited Texas Program viable for breeders and owners in Texas. Not only will it continue to hold the value of Texas bred and give them an avenue to race in 2021, but it is also a very needed commerce outlet for ranches and horse owners as they struggle financially with the Covid-19 crisis. In a normal year, the consignment fee is acceptable, but this year owners cannot afford to consign their stock so a rebate is especially needed. The economic impact of keeping horses breeding and racing in Texas has a direct impact on the many aspects of agriculture, racing, and all the individuals employed by this industry which includes and is not limited to ranches and their employees, vets, farrier, feed/tack stores, trainers, track employees, etc.

Project Oversight

Who will oversee the project activities? Include name and title of the person. How will oversight be performed? What steps will take place to ensure the project is achieved as outlined?

Project oversight will be provided by Val Clark, Executive Director of the Texas Quarter Horse Association and Rob Werstler, Director of Racing.

The TQHA Finance Committee currently holds weekly meetings to assess and adjust as needed due to Covid-19. They will continue meetings until the completion of the sale.

Reports will be provided to the TQHA Board of Directors, TQHA's independent auditing firm and TRC's Quarterly & Annual Performance Measures.

Project Budget

This section should reflect the total budget. Provide a general description of all costs along with a justification for each item. The explanations should focus on how each budget item is required to achieve the project. Be sure to itemize the request with quantities and individual estimated costs.

Pursuant to 16 T.A.C. Section 303.322(b), the following types of costs may not be paid with funds allocated from the account:

- (1) capital improvements;*
- (2) donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation;*
- (3) costs of entertainment, amusements, social activities, and incidental costs relating thereto, including tickets to shows or sports events, meals, alcoholic beverages, lodging, rentals, transportation, tips, and gratuities;*
- (4) fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;*
- (5) liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account;*
- (6) expenses related to litigation;*
- (7) professional association fees or dues for the breed registry or an individual;*
- (8) legislative expenses such as salaries and other expenses associated with lobbying the state or federal legislature or similar local governmental bodies, whether incurred for purposes of legislation or executive direction; or*
- (9) fundraising.*

Pursuant to 16 T.A.C. Section 303.322(c), the following types of costs may only be paid with funds allocated from the account, in an amount not to exceed five percent of the total allocated to the breed registry or of the approved allocation for any event, if specifically approved by the Commission:

- (1) operating expenses, including the salaries of breed registry staff, interest and other financial costs related to borrowing and the cost of financing, contributions to a contingency reserve or any similar provision for unforeseen events, and audits or other accounting services; and*
- (2) the purchase of capital assets.*

EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$49,600.00

Purse Supplements/Prizes	\$100,000.00
Advertising	\$20,000.00
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$12,000.00
Consignor/Buyer Showcase welcome evening	\$8,000.00
Golf Carts	\$1,000.00
Security Cash Pick Up	\$1,200.00
Covid-19 Protections put in place	\$2,000.00
Total Direct Costs	\$181,600.00
Administrative Expenses/Capital Assets (may not exceed 5% of project total)	\$9080.00
Total	\$190,680.00

Event Production Costs (\$49600 total) For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

- *Sale catalog with online phone app - \$15,500,
- *Superior Sales online bidding platform - video and live bids - \$2000/ hour x 9 hours = \$20,000
- *Sale software program lease- \$4000
- *Vet & night check-\$2100
- *Auction screens, mics, sound system -\$8000

Purse Supplements/Prizes (\$100,000 total) Provide a breakdown of purses/purse supplements, prizes, and Texas-bred supplements from HIEA funding.

Rebate to consignors if horse goes through sale ring:

Prorate based on # of horses: approximately \$400 rebate based on 250 head or \$500 rebate if 200 head

Advertising (\$20000 total) Provide an explanation of advertising costs.

TRACK - estimated - \$15,000
Stallionsearch.com - \$5000

Donations (\$ total) For any donation, state the recipient(s), amount for each recipient, and an explanation of the purpose of the donation. For any 501(c)(3), provide the organization's most recent IRS Form 990.

Other direct expenses – first category _ _____ **(\$12000 total)** Provide a detailed description of any other category of direct expenses.

Consignor/Buyer Showcase welcome evening -\$8,000
Golf Carts - help loading, unloading trailers, feed; identify horses- \$1000
Security Bank Cash Pick Up - - \$1200
Covid-19 Set-up materials (masks, check-out shields, distant stations, sanitizer, etc)

Other direct expenses – second category _____ (\$ _____ **total**)
Provide a detailed description of any other category of direct expenses.

Other direct expenses – third category _____ (\$ _____ **total**) *Provide a detailed description of any other category of direct expenses.*

Administrative Expenses/Capital Assets (\$9080 total; may not exceed 5% of total) *Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted costs associated with the project. For each employee receiving a portion of this funding as a wage or stipend, indicate their title, estimated time budgeted to the event, and the amount.*

This sale is run by contract labor and far exceeds what is requested below.

Sale manager - Marty Powers - \$5000

Horse identifiers (3) - \$3000

Additional staff to handle Covid 19 restrictions at check-out - \$1,080