



**TEXAS RACING COMMISSION**  
**P. O. Box 12080**  
**Austin, TX 78711-2080**  
**(512) 833-6699**

Texas Racing Commission  
Wednesday, February 15, 2023  
10:30 a.m.  
Criminal Law Enforcement Auditorium  
1600 Guadalupe St., Bldg. E  
Austin, Texas 78752

**AGENDA**

**I. CALL TO ORDER**

**II. PLEDGES (U.S. AND TEXAS)**

**III. COMMISSIONER REMARKS**

- A. Commission Chair
- B. Commission Vice Chair
- C. Commission Members

**IV. PUBLIC COMMENTS**

**V. STAFF REPORTS**

Discussion and consideration of staff reports regarding administrative matters:

- 1. Executive Director Report
- 2. Chief Financial Officer Report
- 3. Government Relations Specialist Report

**VI. GENERAL BUSINESS**

Discussion and possible action to approve publication of the application deadline for recognition as the official horsemen's organization in the Texas Register pursuant to 16 TEX. ADMIN. CODE §309.299.

## **VII. PROCEEDINGS ON THE HORSE INDUSTRY ESCROW ACCOUNT**

Discussion and possible action to allocate funds in the Horse Industry Escrow Account to state horse breed registries for events to further the horse industry under 16 TEX. ADMIN. CODE Chapter 303, Subchapter G.

1. Requests by the Texas Arabian Breeders Association
  - i. Arabian Juvenal Stakes Night at Lone Star Park 2023 - \$62,040.00;
  - ii. Arabian Stakes Night at Lone Star Park 2023 - \$62,540.00; and
  - iii. Arabian Stakes Night at Retama Park 2023 - \$62,050.00
2. Requests by the Texas Quarter Horse Association
  - i. 2023 QH Meet @Retama-ATB Owners, Breeders, and Stallion Owner Awards- \$353,000.00
  - ii. 2023 Retama Stakes Program- \$325,000.00
  - iii. TQHA The Classic Horse Show- \$75,000.00
  - iv. Texas Summer Showdown- \$240,000.00

## **VIII. EXECUTIVE SESSION (AS NEEDED)**

The following items may be discussed and considered in executive session or open meeting, with any action taken in the open meeting:

- A. Under TEX. GOV'T CODE §551.071(1), the Commission may enter an executive session to seek the advice of its attorney regarding pending or contemplated litigation or regarding a settlement offer.
- B. Under TEX. GOV'T CODE §551.071(2), the Commission may enter an executive session to discuss all matters identified in this agenda where the Commission seeks the advice of its attorney as privileged communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas. This may include, but is not limited to, legal advice regarding the Open Meetings Act, the Administrative Procedures Act, and the Texas Racing Act.
- C. Under TEX. OCC. CODE §2025.005, the Commission may enter an executive session to review security plans and management, concession, and totalisator contracts.

## **IX. NEXT COMMISSION MEETING**

Wednesday, April 19, 2023, 10:30 a.m.

## **X. ADJOURN**



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# **TEXAS RACING COMMISSION FINANCIAL REPORT February 15, 2023**

Presented by Dinorah Chiu, Chief Financial Officer

*Building the Best State Agency in Texas and the Most Professional Racing Commission in America!*



## REVENUE BALANCES AS OF 02/01/2023

FUND 0597	CURRENT	PROJECTED
Cash Balance Carry Over (2022)	\$1,250,000.00	\$1,250,000.00
Annual License Fees (Active/Inactive)	\$656,630.00	\$1,330,000.00
Simulcast Tax	\$673,290.00	\$2,142,000.00
Occupational License Fees & Fines	\$220,700.00	\$660,000.00
Other Revenue (Reimbursements)	\$38,200.00	\$50,000.00
<b><u>TOTAL FUND 0597:</u></b>	<b>\$2,838,820.00</b>	<b>\$5,432,000.00</b>

FUND 0327	CURRENT	PROJECTED
ATB Texas Bred	\$189,560.00	\$3,130,000.00



## ATB AND HIEA PAYMENTS AS OF 2/1/2023

BREED ASSOCIATION	ATB PAYMENTS	HIEA PAYMENT
TEXAS ARABIAN BREEDERS' ASSOCIATION	\$17,113.23	\$104,580.00
TEXAS GREYHOUND ASSOCIATION	\$37,402.47	-----
TEXAS PAINT HORSE BREEDERS' ASSOCIATION	\$9,469.96	\$41,890.00
TEXAS QUARTER HORSE ASSOCIATION	\$291,313.20	\$1,399,974.00
TEXAS THOROUGHBRED BREEDERS' ASSOCIATION	\$492,968.22	\$5,745,219.00
<b><u>TOTAL FY23 PAYMENTS:</u></b>	<b>\$848,267.08</b>	<b>\$7,291,663.00</b>



## SUSPENSE ACCOUNT STATUS As of 2/1/2023

SUSPENSE ACCOUNT	DEPOSIT AMOUNT	REFUND AMOUNT	COMMENTS
Beaumont Racetrack Application	\$98,000.00	\$21,853.66	DPS/Agency Staff Fees Deducted Application Closed 1/17/23
LPR Group LTD License Change of Location	\$50,000.00	\$49,625.00	Agency Staff Fees Deducted Following Commission Action 12/15/23
Valle de los Tesoros 2022 License Review	\$5,000.00	\$5,000.00	Annual Review Fee Refunded, Review Scheduled for 2023
Manor Downs 2022 License Review	\$5,000.00	\$5,000.00	Annual Review Fee Refunded, Review Scheduled for 2023
Laredo Downs 2022 License Review	\$5,000.00	\$5,000.00	Annual Review Fee Refunded, Review Scheduled for 2023

**CURRENT FUND BALANCE: \$0.00**



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: \_\_\_\_\_

Mailing Address: P.O. BOX 215
Street Address

FORNEY TEXAS 75126 KAUFMAN
City State Zip Code County

Physical Address: 10051 WILSON LN.
Street Address

FORNEY TEXAS 75126 KAUFMAN
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: Ed Wilson
First Last
Mr. Dr.
Ms. Other

Position Title: President

Email Address: wetaba@swbell.net

Phone: (972) 564 - 9430 Ext. Alt #: (972) 523 - 7870 Best # ro reach me

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

Full Name: Jon Henningsgard
First Last
Mr. Dr.
Ms. Other

Position Title: Vice President

Email Address: jon.uptownranch@yahoo.com

Phone: (503) 367 - 6890 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: Ed Wilson  Mr.  Dr.  
First Last  Ms.  Other \_\_\_\_\_

Position Title: President

Email Address: wetaba@swbell.net

Phone: (972) 564 - 9430 Ext. \_\_\_\_\_ Alt #: (972) 523 - 7870


**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		1/19/23
	<b>Signature</b>	<b>Date</b>

*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

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APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNTPROJECT NARRATIVE (USE A SEPARATE FORM FOR EACH EVENT)  
(Must be accompanied by Form H1EA-1, General Information)**APPLICANT NAME:** TEXAS ARABIAN BREEDERS 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):** Arabian Juvenal Stakes Night at Lone Star Park 2023**Event Date(s) or Approximate Date(s):** October 28, 2023**Total Amount Requested For this Event:** \$62,040.00**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
October 1, 2023**Project Background****Project Summary**

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

\$60,000 will be used for Purses for the Juvenal Stakes. \$30,000 for the Juvenal Distaff for 3 yr old Fillies and \$ 30,000 for the Juvenal Sprint for 3 yr olds. This encourages owner to race their 3 yr old to prepare for these Stakes

**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 Promotional Manager will use Social media, e-blast, and advertisement to get Owners and racing enthusiast to the track and promote the two \$30,000 Juvenal Stakes.

**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.*

We expect to introduce Arabian racing to some that are not familiar with it. To bring owners to the track and meet racing owners and see the enjoyment of Racing you own horse. These activities are need to grow the Racing industry

### **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?*

President and Sam Vasquez Stakes Chairman

### **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	\$
Race Award Supplements/Prizes	\$60,000.00
Advertising	\$1,500.00
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	\$
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$540.00</b>
<b>Total</b>	<b>\$62,040.00</b>

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

**Race Award Supplements/Prizes (\$60000 total)** Provide a breakdown of race awards/race award supplements, prizes, and Texas-bred supplements from HIEA funding.  
\$30,000 for the Juvenal Distaff, \$30,000 for the Juvenal Sprint

**Advertising (\$1500 total)** Provide an explanation of advertising costs.  
Cost for promotional manager, advertising, e-blast, other media outlets. Continued promotions will continue under this agreement thru the end of this meet at LS

**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** \_\_\_\_\_ (\$ 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 (\$540 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.

1/10 share of the Audit		\$500
Secretarial help	2hrs @ \$20	40



## TEXAS RACING COMMISSION

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APPLICATION FOR BREED REGISTRY FUNDING  
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*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):** Arabian Stakes Night at Lone Star park**Event Date(s) or Approximate Date(s):** December 8, 2023**Total Amount Requested For this Event:** \$62,540**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
November 1, 2023**Project Background****Project Summary**

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

\$60,000 will be used for Purses for two Stakes. \$30,000 for the Stallion Stakes Fille and Mare Division for 3yr old and up and \$30,000 for the Stallion Stakes 3yr old and up. The Promotion Manager will use \$2,000 for promotion of the Stakes and racing Arabians in 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.*

Promotion Manager will use Social media blast, e-mail and advertisement to get Owners and Racing enthusiast to the track and to promote this event. \$60,000 will be used for two \$30,000 Stakes.

**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 will bring new and old owners to the track for fellowship and enjoyment of the races. Attracting new Owners and enthusiast to the track are essential for growth.

**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?

Jon Henningsgard

**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	\$

<b>Race Award Supplements/Prizes</b>	<b>\$60,000.00</b>
<b>Advertising</b>	<b>\$2,000.00</b>
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	<b>\$</b>
<b>Other Direct Expenses (itemize below):</b>	<b>\$</b>
	<b>\$</b>
	<b>\$</b>
	<b>\$</b>
	<b>\$</b>
	<b>\$</b>
<b>Total Direct Costs</b>	<b>\$</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$540.00</b>
<b>Total</b>	<b>\$62,540.00</b>

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

**Race Award Supplements/Prizes (\$60000 total)** Provide a breakdown of race awards/race award supplements, prizes, and Texas-bred supplements from HIEA funding.  
 \$30,000 for the Stallion Stakes for fillie and mare 3 yr old and up Division, \$30,000 for 3yr and up.

**Advertising (\$2000 total)** Provide an explanation of advertising costs.  
 To be used for promotional activities managed by Promotional Manager

**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 (\$540 total; may not exceed 5% of total)** Provide a detailed description of administrative expenses such as personnel costs or other direct budgeted

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*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.*

Audit	\$500
Secretarial help	40





## TEXAS RACING COMMISSION

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APPLICATION FOR BREED REGISTRY FUNDING  
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(Must be accompanied by Form H1EA-1, General Information)**APPLICANT NAME:** TEXAS ARABIAN BREEDERS 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):** Arabian Stakes Night at Retama Park**Event Date(s) or Approximate Date(s):** August 4, 2023**Total Amount Requested For this Event:** \$62,050**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
July, 15, 2023**Project Background****Project Summary**

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

\$60,000 is being requested for the Purse of the Texas Arabian Oaks \$30,000 and the Texas Arabian Derby \$30,000. \$1,500 will be used by the Promotional Manager to promote these Stakes and Arabian Breeding and Racing in 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 Arabian Breeders Association has hired a promotion Manager to manage the social media, advertisement, e-blast, etc. to get Arabian Owners and Enthusist to the track. \$60,000 will be used for purses for the Stakes and \$1,500 will be used by the Promotional manager for promoting Racing 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.*

2022

We expect to introduce Arabian Racing to people that are not familiar with Arabian racing and meet with owner to realize the enjoyment of owning an Arabian race horse. This will bring new Owners into the racing industry.

**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?*

President of TABA

**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.*

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EXPENSE CATEGORIES	AMOUNT
Event Production Costs	\$
Race Award Supplements/Prizes	\$60,000.00
Advertising	\$1,500.00
Donations (include most recent IRS Form 990 for any non-profit)	\$
Other Direct Expenses (itemize below):	\$
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	<b>\$61,500.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$550.00</b>
<b>Total</b>	<b>\$62,050.00</b>

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

**Race Award Supplements/Prizes (\$60000 total)** Provide a breakdown of race awards/race award supplements, prizes, and Texas-bred supplements from HIEA funding.  
 \$30,000 will be used Purse of the Texas Arabian Oaks and \$30,000 will be used for Purse of the Texas Arabian Derby.

**Advertising (\$1500 total)** Provide an explanation of advertising costs.  
 The promotion Manager will use these funds to promote Arabian Racing with emphases on Retama Park and the Stakes being run at Retama Park.

**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 (\$550 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.

Audit	Share of Audit Expense	\$500
Miscellaneous office expenses		\$ 50



**TEXAS RACING COMMISSION  
APPLICATION FOR BREED REGISTRY FUNDING  
FROM THE HORSE INDUSTRY ESCROW ACCOUNT (HIEA)**

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Deadline for Submission of Applications.....	5
General Information .....	6
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Application for Funding .....	Application Page 1
Project Narrative .....	Application Page 3

**Please read all materials before preparing and submitting the application.** Failure to follow the instructions and requirements described in these materials may result in denial of funding.

**NOTICE REGARDING THE INCLUSION OF CONFIDENTIAL, PROPRIETARY,  
TRADE SECRET, OR PRIVILEGED INFORMATION IN AN APPLICATION**

Please take notice of the following:

If it is necessary for Applicant to include proprietary or otherwise confidential information in its application or other submitted information, Applicant must clearly mark and label all confidential, proprietary, trade secret, or privileged material in 14 point or higher bold font on each page as it appears, and identify the specific exception to disclosure in the Texas Public Information Act (PIA) for each specific piece of confidential, proprietary, trade secret, or privileged information. Additionally, all confidential, proprietary, trade secret, or privileged information must be segregated in a separate and discrete section of the application, which must be able to be conveniently separated and detached from the other sections of the application. Failure to properly label, identify, and segregate any confidential, proprietary, trade secret, or other privileged information in the application may result in all such information or material being disclosed as public information. Merely making a blanket claim that the entire application is protected from disclosure because it contains any amount of confidential, proprietary, trade secret, or privileged information is not acceptable and shall make the entire application subject to release under the PIA. To initiate the process of seeking an Attorney General opinion on the release of confidential, proprietary, trade secret, or privileged information, the specific provisions of the application that are considered by Applicant to be confidential, proprietary, trade secret, or privileged must be clearly labeled and segregated as described above. Any information which is not clearly identified as confidential, proprietary, trade secret or privileged shall be deemed to be subject to disclosure pursuant to the PIA.

## STATEMENT OF PURPOSE

Pursuant to Section 2028.204(b) of the Texas Occupations Code, the Texas Racing Commission (TXRC) invites breed registries recognized in Section 2030.002(a) to apply for funding from the Horse Industry Escrow Account (Account) for events that further the horse industry.

## GRANTEE RESPONSIBILITIES AND ACCOUNTABILITY

Grantees (breed registries receiving funding) will be responsible for the conduct of the project(s) identified in the proposal(s) for which funding was granted. Each grantee shall monitor the day-to-day conduct of the project to assure adherence to statutes, regulations, and funding terms and conditions. The grantee must carry out the activities described in the approved scope of work.

The grantee will be accountable for documenting the use of funds from the Horse Industry Escrow Account (HIEA) and must ensure that funds are used solely for authorized purposes. The grantee must ensure:

- Funds are used only for activities covered by the approved project.
- Funds are not used in violation of the restrictions and prohibitions of applicable rules and statutes.
- All reports are completed in a timely manner.

Each grantee must ensure it has an adequate accounting system in place and sufficient internal controls to ensure expenditures are reported and records maintained for five (5) years after the conclusion of the project, or longer if required by TXRC.

## FUNDING PARAMETERS

Awards are subject to the availability of funds. If anticipated funds are reduced or become unavailable before the full amount approved is disbursed, the amount to be paid to grantees may be reduced or eliminated.

## APPLICATION REQUIREMENTS

### *Form Requirements:*

To be considered, applications must be complete and include all the requested information:

1. **Form HIEA-1, General Information.** Include ONE copy of this form regardless of the number of proposals submitted.
  - a. *Breed registry information.* This is the organization that will be the recipient of funds and will be held accountable for reporting and project performance.
  - b. *Program contacts.* These are the individuals who can answer questions about the project's activities and performance.
  - c. *Certifications and signature of authorized official.* This is the person legally able to bind the organization in contracts or agreements and may be the same person as the program contact.
2. **Form HIEA-2, Project Narrative.** This section provides a comprehensive framework and description of all aspects of the proposed project(s). *Use one form HIEA-2 per event for which funding is requested.* Each proposal may not exceed six (6) pages (not including supporting documents). Proposals must address the following information:
  - a. **Project Title (Event Name)**
  - b. **Event Date(s) or Approximate Date(s)**
  - c. **Total Amount Requested for the Event**

- d. **Timeline of Need for Funds**
- e. **Project Summary**
- f. **Project Description**
- g. **Anticipated Project Results/Economic Impact on the Horse Industry**
- h. **Project Oversight**
- i. **Project Budget**

## BUDGET INFORMATION

**1. Advanced Funding Payments:** This program may advance an amount in working capital for the grantee to ensure the necessary resources to carry out the project. These funds will require reporting to substantiate the advanced funds have been expended in compliance with eligibility requirements. Ineligible expenses must be personally reimbursed within 30 days of notice of ineligibility from TXRC. Expenditures shall include sufficient documentation detailing each expense to decision regarding eligibility.

The application must state when funds are needed for a particular event. If some funds are needed by a certain date for one part of the event but the rest are not needed until later, the application must state what portion of the funds are needed by what date.

**2. Eligible Expenses.** Generally, expenses that are necessary and reasonable for proper and efficient performance and administration of a project are eligible. Account funds may not be used to supplant normal business costs but instead must be used to cover the costs incurred for the approved proposed activities. To be eligible for payment with funds from the Account, an expense must be reasonable and adequately documented in accordance with 16 TAC Section 303.322(d).

Examples of eligible expenditures include:

- a. Event production costs.
- b. Event award supplements, Texas-bred supplements, and prizes for approved events
- c. Advertising expenses
- d. 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

**3. Ineligible Expenses.** Expenses may be prohibited by state or federal law or determined to be ineligible by program guidelines. Examples of ineligible expenses include, but are not limited to the following:

- a. capital improvements.
- b. donations or contributions made to any individual or organization without express approval from the Commission for such contribution or donation.
- c. 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.
- d. fines, penalties, or other costs resulting from violations of or failure to comply with federal, state, or local laws and regulations.
- e. liability insurance coverage not specific to a particular event or series of events for which the Commission has allocated funds from the account.
- f. expenses related to litigation.
- g. professional association fees or dues for the breed registry or an individual.



- h. 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
- i. fundraising.

## EVALUATION AND SELECTION INFORMATION

After all proposals have been received, TXRC program staff will conduct an administrative review to determine whether an application complies with all requirements of Tex. Occ. Code Section 2028.204(b) and 16 TAC Chapter 303, Subchapter G, and to evaluate the relevance and effectiveness of the proposed project based on the following factors:

- **Anticipated impact on the state's horse racing industry**
- **Anticipated impact on live racing at the state's racetracks**
- **Anticipated impact on the horse breeding industry**
- **Anticipated impact on the state of Texas**
- **Anticipated impact on non-racing horse industry activities**

Assessments of anticipated economic impact for an existing event must be based on only the effect of the additional funding provided from the Account. For example, if funds are requested from the Account for race award supplements for an existing horseracing event, the evaluation of the economic impact must be based only on the effect of the increased race awards, not on the economic impact of the entire race.

## REPORTING REQUIREMENTS

Grantees will be required to submit periodic performance reports. Reporting timelines will be incorporated into the funding agreement. As part of TXRC's ongoing monitoring of the use of funds from the Account, grantees must demonstrate progress toward achieving project goals. Failure to comply with reporting requirements may result in the withholding of further payments and/or termination of the award.

Grantees shall submit to the Commission a report every quarter detailing the accomplishments of the project objectives for the previous calendar quarter. Quarterly reports shall be submitted to the Commission no later than November 30, February 28, May 31, and August 31 of each year. Each report must include:

1. the amount of funds expended toward each event for which funds have been allocated.
2. for each completed event, the total amount of funds expended toward the event from the Account, a breakdown of the funds expended for that event, and copies of documentation of all amounts expended; and
3. the following certification: "By my signature below, I certify that (1) all of the information in this report is correct, (2) all funds expended from the horse industry escrow account were used in accordance with Section 2028.204 of the Texas Racing Act and the Rules of the Texas Racing Commission, and (3) the breed registry has all documentation required by 16 TAC § 303.324."

The funds received and/or expended by the breed registry from the Account must be included in the breed registry's annual audit of financial statements required to be submitted by June 15 of each year. An auditor's statement must be included as part of the annual audit attesting to the proper use of the funds received by the breed registry from the Account.

## SUBMISSION OF APPLICATIONS

Applicants must submit one complete, signed application. Do not include the instruction pages, and only include one copy of form HIEA-1 regardless of the number of proposals submitted. Applications must be submitted by email to BreedFunds@TXRC.texas.gov or by mail or hand delivery to:

Texas Racing Commission  
Attn: HIEA Administrator  
P.O. Box 12080  
Austin TX 78711

## GENERAL INFORMATION

Selected applicants will be notified of the Commission's approval of their proposal(s) and will receive an official funding agreement from TXRC. Payment will not issue until the funding agreement is fully executed.

TXRC reserves the right to fund projects partially or fully. TXRC reserves the right to negotiate individual elements of any application and to reject all applications. Where more than one application is acceptable for funding, TXRC may request cooperation between grantees or revisions/adjustments to an application to avoid duplication and to realize the maximum benefit.

### Proprietary Information/Public Information

The applicant is responsible for clearly designating any portion of the application that contains proprietary or trade secret information and must state the reason(s) the information is designated as such. Merely making a blanket claim that the entire application is protected from disclosure because it contains proprietary, or trade secret information is not acceptable and may subject the entire application to release under the PIA.

If a public information request for the application is received, TXRC shall process such request in accordance with §552.305 of the Texas Government Code. Applicants are advised to consult with their legal counsel regarding disclosure issues and to take appropriate precautions to safeguard trade secrets or any other proprietary information.

All applications submitted under this program are subject to release as public information, unless the application or specific parts of any such application can be shown to be exempt from disclosure under the Texas Public Information Act, Chapter 552 of the Government Code.

## GENERAL COMPLIANCE INFORMATION

1. Grantees (breed registries receiving funding from the Horse Industry Escrow Account) must comply with TXRC's reporting requirements and financial procedures outlined in 16 TAC Chapter 303, Subchapter G, and the funding agreement. Any delegation by the grantee to a subcontractor regarding any duties and responsibilities imposed by the funding award must be approved in advance by TXRC and shall not relieve the grantee of its responsibilities to TXRC for performance of those duties.
2. Grantees must remain in full compliance with state and federal laws and regulations. Non-compliance may result in termination of the funding and/or ineligibility for further funding.
3. Grantees must maintain records related to the project for a minimum of five (5) years after the completion of the project, or as otherwise agreed upon with TXRC. If any litigation, claim, negotiation, audit,

or other action is initiated prior to the expiration of the five-year retention period, then all records and accounts must be retained until their destruction is authorized in writing by TXRC. TXRC and the Texas State Auditor's Office (SAO) reserve the right to examine all books, documents, records, and accounts relating to the project, including all electronic records, at any time throughout the duration of the agreement until all litigation, claims, negotiations, audits, or other action pertaining to funding for a particular project is resolved, or until the expiration of the five-year retention period or a final judgment in litigation, whichever is longer. TXRC and the SAO shall have access to all electronic data or records pertaining to the project; paper or other tangible documents or records, including the physical location where records are stored; and all locations related to project activities.

4. Grantees must comply with Texas Government Code, Chapter 783, Uniform Grant and Contract Management, and the Texas Uniform Grant Management Standards (UGMS).



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

Mailing Address: 14 N. Main Street Suite B
Street Address

Elgin TX 78621 Bastrop
City State Zip Code County

Physical Address: same
Street Address

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: Rob Werstler
First Last
Mr. Dr.
Ms. Other

Position Title: Executive Director

Email Address: rwerstler@tqha.com

Phone: (512) 458 - 5202 Ext. Alt #: (512) 468 - 5566

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

Full Name: Scott Sherwood
First Last
Mr. Dr.
Ms. Other

Position Title: Director of Racing

Email Address: ssherwood@tqha.com

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: Rob Werstler  Mr.  Dr.  
First Last  Ms.  Other \_\_\_\_\_

Position Title: Executive Director

Email Address: rwerstler@tqha.com

Phone: (512) 458 - 5202 Ext. \_\_\_\_\_ Alt #: (512) 468 - 5566

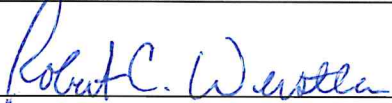
**Section C. Certifications**

**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		<u>1/23/2023</u>
	<b>Signature</b>	<b>Date</b>

*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

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

1 of 5

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

*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):** 2023 QH Meet @ RETAMA - Accredited Texas Bred (ATB) Owners, Breeders & Stallion Owner Awards

**Event Date(s) or Approximate Date(s):** 6/29-8/19

**Total Amount Requested For this Event:** \$353,000

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
August 1, 2023

### **Project Background**

#### **Project Summary**

*Please provide a summary of the event for which funding is sought and the project(s) that will be achieved because 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 2023 Retama Park QH meeting..

These funds will supplement the current accredited Texas-bred incentive award payouts, mandated by the Texas Racing Act Sec. 2030.004. These funds will give incentives for those in the horse racing and breeding industry to stay in 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.*

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:

\$350,000 ATB Awards:

40% Owner Award

40% Breeder Award  
20% Stallion Owner Award

### **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 stallion owners 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. 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.

### **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 Rob Werstler, Executive Director of the Texas Quarter Horse Association along with Scott Sherwood, Director of Racing.

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
<b>Event Production Costs</b>	<b>\$350,000.00</b>
<b>Race Award Supplements/Prizes</b>	<b>\$</b>
<b>Advertising</b>	<b>\$</b>
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	<b>\$</b>
<b>Other Direct Expenses (itemize below):</b>	<b>\$3,000.00</b>
	<b>\$</b>
	<b>\$</b>
	<b>\$</b>
	<b>\$</b>
<b>Total Direct Costs</b>	<b>\$353,000.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$</b>
<b>Total</b>	<b>\$353,000.00</b>

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

**Race Award Supplements/Prizes (\$            total)** Provide a breakdown of race awards/race award 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 \_ \_\_\_\_\_ (\$3000 total)** Provide a detailed description of any other category of direct expenses.

-Software for ATB pay-out specific to HIEA grant & reporting.  
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

**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-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

Mailing Address: 14 N. Main Street Suite B
Street Address

Elgin TX 78621 Bastrop
City State Zip Code County

Physical Address: Same
Street Address

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: Robert Werstler
First Last
Mr. Dr.
Ms. Other

Position Title: Executive Director

Email Address: rwerstler@tqha.com

Phone: (512) 458 - 5202 Ext. 102 Alt #: (512) 468 - 5566

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

Full Name: Scott Sherwood
First Last
Mr. Dr.
Ms. Other

Position Title: Director of Racing

Email Address: ssherwood@tqha.com

Phone: (512) 458 - 5202 Ext. 107 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: Rob Werstler  Mr.  Dr.  
First Last  Ms.  Other \_\_\_\_\_

Position Title: Executive Director

Email Address: rwerstler@tqha.com

Phone: (512) 458 - 5202 Ext. 102 Alt #: (512) 468 - 5566

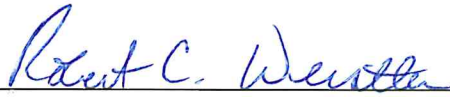
**Section C. Certifications**

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		<u>11/23/2023</u>
	<b>Signature</b>	<b>Date</b>

*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

2 of 5

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):** 2023 Retama Stakes Program

**Event Date(s) or Approximate Date(s):** June 29-August 19

**Total Amount Requested For this Event:** \$325,000

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

### **Project Background**

#### **Project Summary**

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

This funding will allow Retama Park to offer a more lucrative stakes program which will attract more competitive horses and increase attendance and handle. The increased stake amounts will allow Retama to sell their simulcast signal to an increased number of outlets, which will increase handle.

#### **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.*

Improving stakes program with an emphasis on Texas-bred races through signature race days:  
\$200,000 to the TQHA Sales Futurity  
\$75,000 to the Sires" Cup Futurity  
\$50,000 to the Sires" Cup Derby

#### **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 primary driver of all events is to bring exposure to Texas racing. Fiscal measurements for all proposed elements will be demonstrated in the racing product via entries and handle

### **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 Rob Werstler, Executive Director of the Texas Quarter Horse Association along with Scott Sherwood, Director of Racing.

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
<b>Event Production Costs</b>	\$
<b>Race Award Supplements/Prizes</b>	\$325,000.00
<b>Advertising</b>	\$
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$
<b>Other Direct Expenses (itemize below):</b>	\$
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	\$
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	\$
<b>Total</b>	<b>\$325,000.00</b>

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

**Race Award Supplements/Prizes (\$325000 total)** Provide a breakdown of race awards/race award supplements, prizes, and Texas-bred supplements from HIEA funding.

\$200,000 to the TQHA Sales Futurity

\$75,000 to the Sires' Cup Futurity

\$50,000 to the Sires' Cup Derby

**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-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

Mailing Address: 14 N. Main Street; Suite B Street Address

Elgin TX 78621 Bastrop City State Zip Code County

Physical Address: Same as above Street Address

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: Cheyenne Johanson Mr. Dr. Ms. Other

Position Title: TQHA Show Director

Email Address: cjohanson@tqha.com

Phone: (512) 458 - 5203 Ext. Alt #:( ) -

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

Full Name: Michelle Tidwell Mr. Dr. Ms. Other

Position Title: TQHA President and Chair of The Classic

Email Address: michelletidwell@gmail.com

Phone: (936) 348 - 0277 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: Rob Werstler  Mr.  Dr.  
*First* *Last*  Ms.  Other \_\_\_\_\_

Position Title: TQHA Executive Director

Email Address: rwerstler@tqha.com

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

**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		<u>1/23/2023</u>
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**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

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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 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 The Classic Horse Show

**Event Date(s) or Approximate Date(s):** August 31-September 4, 2023

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

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
March 2023

### Project Background

#### **Project Summary**

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

The Classic Horse Show is produced by Texas Quarter Horse Association (TQHA) and is held in Fort Worth. Classic Cash (exhibitor payouts) was implemented in 2022 with the new The Classic horse show and was a major success. Classic Cash payouts from the HIEA funding in 2022 were critical to the show's ability to attract exhibitors showing more than 300 horses and grow its entry and stall fees by more than 50%. As it becomes a financially viable event, The Classic will be better positioned to attract more involvement in the Texas horse industry.

#### **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 funding from HIEA in 2023, Classic Cash will provide payouts to members of TQHA placing in the top seven in 140 performance classes with most of the payouts going to youth, novice and amateur exhibitors and will also include payouts in designated classes/specialty areas and Texas Foaled horses.

The Classic Cash focus of paying out deeper into classes will continue and will encourage more participation in The Classic. This will be the only event in Texas that pays out exhibitors through 7th place and has created interest and excitement in those horse owners who often do not place in the top few. To focus on Texas horse industry, the Top All Around Texas Foaled horse in each of 6 divisions will receive a Classic Cash payout. Other payouts to increase participation will include Ranch Classes, Hunter/Jumper Classes and various Special Stakes Classes for Novice or Green Horses.

Additionally, youth exhibitors that are high school seniors will be eligible for a Classic Cash Scholarship payout to further encourage youth participation in the equine industry.

These awards encourage Texas horse owners and riders to stay in Texas and out of state owners to travel to Texas to participate in The Classic. All payout winners must be TQHA or TQHYA members. As noted previously, the objective is to attract more exhibitors so advertising and other promotional materials will focus on these payout opportunities.

#### **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 impact of this award program will be increased participation in The Classic, giving our Texas Foaled horses and their owners/riders an opportunity to earn AQHA points and a cash award. The incentive of cash payouts will encourage our Texas participants to stay here in Texas, staying in local hotels, eating in local restaurants and enjoy local retail opportunities. In addition, there will be nationwide appeal to Texas Foaled horse owners to come to Texas and spend their dollars in Texas. Each horse competing has a support group of a minimum of three people, including trainers and family members.

Many equine associations have taken an active role in promoting and encouraging novice riders and recognize the long-term benefits of supporting new participants in their early experiences. The more that equine associations can continue to foster and encourage participation of these beginners, the greater chance of these individuals going on to increase their annual dollars spent on breeding and showing.

#### **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?*

Texas Quarter Horse Association Halter & Performance Committee will be directly involved in The Classic overseeing all aspects of The Classic. A show management company will be hired to handle all details regarding schedules, judges, results and points. During the show, TQHA Committee chair will review and approve all payouts.

Project management will be provided by the Chairman of the TQHA Halter & Performance Committee and project oversight will be provided by 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
<b>Event Production Costs</b>	\$19,500.00
<b>Race Award Supplements/Prizes</b>	\$50,000.00
<b>Advertising</b>	\$5,000.00
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$
<b>Other Direct Expenses (itemize below):</b>	\$
	\$
	\$
	\$

	\$
<b>Total Direct Costs</b>	<b>\$74,500.00</b>
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	<b>\$500.00</b>
<b>Total</b>	<b>\$75,000.00</b>

**Event Production Costs (\$19,500 total)** For events to be produced or sponsored by the breed registry, provide a breakdown of the event production expenses.

With increased participation, more arenas and facilities will be needed. Additional staff will be required to allow the schedule to run smoothly and show management staff with AQHA credentials will be needed to calculate Classic Cash points to determine the payouts.

**Race Award Supplements/Prizes (\$50,000 total)** Provide a breakdown of race awards/race award supplements, prizes, and Texas-bred supplements from HIEA funding.

\$35,000 - Class Payouts to Top 7 Show Circuit Winners in approximately 110 Performance Classes and Top 3 Show Circuit Winners in approximately 30 halter classes. These classes include Youth/Novice Youth of all ages; Amateur/Novice Amateur/Select Amateur and Professional exhibitors and includes both Western and English events and Halter Classes. Additionally, random awards will be distributed in some classes throughout the show to further encourage youth and novice exhibitors.

Other Payouts:

\$3,000 – Top Texas Foaled Horse in each of the 6 Divisions (Youth, Novice Youth, Amateur, Novice Amateur, Select Amateur and Open exhibitors)

\$4,500 – Ranch Circuit All Around Champions, Reserve Champions and 3rd Place exhibitors in 3 Divisions. (Youth, Amateur, Open). Classes include Ranch Riding, Ranch Trail and Ranch Rail.

\$750 – Champion Hunter/Jumper All Around in 3 Divisions (Youth, Amateur, Open)

\$5,250 – Additional payouts in Special Stakes Classes for Texas Foaled horses including: Novice Horse Trail, Novice Horse Western Pleasure and Non-Pro Green Horse Horsemanship.

\$1,500 – Classic Cash Scholarship payout for high school seniors.

**Advertising (\$5,000 total)** Provide an explanation of advertising costs.

Nationwide advertising is essential to attract Texas Foaled horses back to Texas to compete and will include:

AQHA promotions

On line ads with Go Horse Show and Equine Chronicle

Paid Facebook ads,

Constant Contact Enews Blasts

Promotional items

**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** (\$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.

\$500 Cost related to Annual TQHA Audit Performed by CPA Firm



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

Mailing Address: 14 N. Main St. Suite B
Street Address

Elgin TX 78621 Bastrop
City State Zip Code County

Physical Address: Same
Street Address

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: Rob Werstler
First Last
Mr. Dr.
Ms. Other

Position Title: Executive Director

Email Address: rwerstler@tqha.com

Phone: (512) 458 - 5202 Ext. 102 Alt #: (512) 468 - 5566

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

Full Name: Scott Sherwood
First Last
Mr. Dr.
Ms. Other

Position Title: Director of Racing

Email Address: ssherwood@tqha.com

Phone: (512) 458 - 5202 Ext. 107 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: Rob Werstler  Mr.  Dr.  
First Last  Ms.  Other \_\_\_\_\_

Position Title: Executive Director

Email Address: rwerstler@tqha.com

Phone: (512) 458 - 5202 Ext. 102 Alt #: (512) 468 - 5566

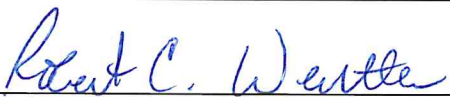
**Section C. Certifications**

**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		<u>1/23/2023</u>
	<b>Signature</b>	<b>Date</b>

*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

5 of 5

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):** Texas Summer Showdown

**Event Date(s) or Approximate Date(s):** July 28, 2023

**Total Amount Requested For this Event:** \$240,000

**When Are Funds Needed?** *If funding can be provided in multiple phases, please explain.*  
July 1, 2023

### **Project Background**

#### **Project Summary**

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

The Texas Summer Showdown is an event similar to events in other states where state bred American Quarter Horses are showcased. This event is not only a marketing tool for Texas breeders but also an event where Texas owners and breeders are encouraged to keep their horses racing in 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.*

Texas Summer Showdown-One night of Stakes races showcasing Accredited Texas-bred's held at Retama Park. The goal of the project is to incentivize breeding, owning and racing Accredited Texas-Bred Quarter Horses, while attracting new owners and breeders as well as breeding stallions & mares that left Texas for other states.

\$50,000 to the TQHA 250 Stakes

\$60,000 to the TQHA Classic

\$50,000 to the TQHA 550

\$50,000 to the Benny Pennington Memorial Stakes

\$30,000 to the Jones Bloodstock Stakes

### **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.*

Due to this event, TQHA has seen an increase in the number of Accredited Texas-Bred Racing Stock. We have also seen an increase in horses purchased by new owners in order to race in Texas. We also expect Texas foaled horses that left Texas to race in surrounding states to return to race in Texas. The expected results will be measured by the number of starters compared to previous years, as well as increased attendance and handle. Also, direct and indirect costs of more horses and related agriculture businesses in the State.

### **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 Scott Sherwood, TQHA Director of Racing.

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
<b>Event Production Costs</b>	\$
<b>Race Award Supplements/Prizes</b>	\$240,000.00
<b>Advertising</b>	\$
<b>Donations (include most recent IRS Form 990 for any non-profit)</b>	\$
<b>Other Direct Expenses (itemize below):</b>	\$
	\$
	\$
	\$
	\$
<b>Total Direct Costs</b>	\$
<b>Administrative Expenses/Capital Assets (may not exceed 5% of project total)</b>	\$
<b>Total</b>	<b>\$240,000.00</b>

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

**Race Award Supplements/Prizes (\$            total)** Provide a breakdown of race awards/race award supplements, prizes, and Texas-bred supplements from HIEA funding.

\$50,000 to the TQHA 250 Stakes

\$60,000 to the TQHA Classic

\$50,000 to the TQHA 550

\$50,000 to the Benny Pennington Memorial Stakes

\$30,000 to the Jones Bloodstock Stakes

**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.*