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INDEPENDENT ACCOUNTANT'S REPORT

To the Members New York State Thoroughbred Breeding and Development Fund

We have examined the New York State Thoroughbred Breeding and Development Fund's (the Fund) compliance with its investment guidelines, and with the requirements of Section 201.3 of Title Two of the *Official Compilation of Codes, Rules, and Regulations of the State of New York* for the year ended December 31, 2016. Management is responsible for the Fund's compliance with the specified requirements. Our responsibility is to express an opinion on the Fund's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the Fund's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Fund's compliance with the specified requirements.

In our opinion, the New York State Thoroughbred Breeding and Development Fund complied, in all material respects, with the aforementioned requirements for the year ended December 31, 2016.

In accordance with *Government Auditing Standards*, we are required to report significant deficiencies in internal control, identifying those considered to be material weaknesses, violations of provisions of contracts or grant agreements, and abuse that could have a material effect on the Fund's compliance with Section 201.3 of Title Two of the *Official Compilation of Codes, Rules, and Regulations of the State of New York* and any fraud and illegal acts that are more than inconsequential that come to our attention during our examination. We performed our examination to express an opinion on whether the Fund complied with the aforementioned requirements and not for the purpose of expressing an opinion on the internal control over compliance with those requirements or other matters; accordingly, we express no such opinion. Our examination disclosed no matters that are required to be reported under *Government Auditing Standards*.

Our examination is not intended to provide any assurance as to the income from investments, fees paid, or investments at the end of the year.

This report is intended solely for the information and use of management and the Members of the New York State Thoroughbred Breeding and Development Fund, and the Office of the State Comptroller and is not intended to be and should not be used by anyone other than these specified parties.

Marvin and Company, P.C.

Latham, NY

March 21, 2017