

**NY THOROUGHBRED BREEDING AND DEVELOPMENT FUND
2016 PERFORMANCE MEASURES REPORT**

NAME OF PUBLIC AUTHORITY

New York Thoroughbred Breeding and Development Fund Corporation

PUBLIC AUTHORITY'S MISSION STATEMENT

To promote by monetary incentives the responsible breeding of quality Thoroughbred racehorses in keeping with the founding legislation to preserve New York's irreplaceable farm land.

PERFORMANCE GOALS

1. Promotion of Responsible Breeding

Increase the number of foals born in New York State.

2016 Action: The foal crop of 2016 held virtually steady, with our field inspectors counting 1,628 foals, only one fewer than hit the ground in 2015. This foal-crop number represents an increase of 33% over the foal crop of 2011, when only 1,225 were born on New York farms.

Ensure that the Registry Compliance Team visits all NYS Thoroughbred breeding farms to collect data pertinent to our state-bred registry.

2016 Action: The inspectors visited all of the state's 269 farms at least once during the year.

- Those farms with a minimum of 15 mares were visited twice due to their size and/or frequent mare arrivals and departures.
- The Fund's field registry compliance team did not find a single instance in which they found it necessary to make note of any farm conditions that contributed or could contribute to equine abuse or neglect. If they had found negative conditions, they would have notified the Executive Director, who in turn would have notified authorities or intervened to provide immediate assistance and education such that the farm owners could take corrective measures.

Promote the responsible breeding of Thoroughbreds.

2016 Action: The Fund sponsored educational forums on topics ranging from how artificial lights can be used to influence the gestational length of broodmare's pregnancies and bring on early ovation, to selecting the best stallion to suit individual mares.

The Fund spent more than \$100,000 with aftercare facilities in New York State that retrain and re-home Thoroughbreds, as we consider the belief that racehorses are throw-aways when they are done racing is a barrier to ownership and to increasing the sport's fan base. The best way to overcome that belief is to help create a reality that supports racehorses in second careers.

The Fund made promotional spends for the following: the Saratoga Horse Show; classes limited to off-track Thoroughbreds; the Finger Lakes Thoroughbred Adoption Program; Second Chances Thoroughbreds; Akindale Thoroughbred Adoption; and the Saratoga Horse Expo, which supports 4-H programs.

The Fund also posts success stories weekly concerning off-track Thoroughbreds (OTTBs) and uses the Fund website to communicate the importance of finding second careers for them. NYBreds.com also hosts free web ads for the nationally acclaimed Finger Lakes Thoroughbred Adoption Program and Old Friends at Cabin Creek.

Promote the preservation of farmland.

2016 Action: The Fund supported tours of Thoroughbred farms arranged by Cornell Cooperative Extension, designed to increase public awareness of the importance of farms to the community. Additionally, the Fund supports the American Farmland Trust by distributing their brochures at interested farms. The pamphlets provide information on topics such as selling development rights in order to preserve farmland.

Ensure that all prospective NY-bred horses satisfy all requirements for registration, as well as applicable equine-health-related statutory or regulatory requirements.

2016 Action: Oversight by the Executive Director and Registrar of the registry process ensured that these requirements were satisfied for all horses included in the Fund's registry.

Certify all qualified horses as NY-breds within two weeks of the completion of payment, the necessary paperwork, and the Jockey Club registration of each horse.

2016 Action: The Registry consistently meets this goal.

2. EQUINE RESEARCH

Provide 2% of revenue to the Zweig Fund at Cornell University.

The Fund is required by statute to contribute 2% of its annual revenue to the Harry M. Zweig Memorial Fund for Equine Research.

2016 Action: The amount contributed to the Zweig Fund for 2016 is approximately \$433,000.

3. EQUINE EDUCATION

Support programs that teach youth about Thoroughbred racehorses and educate them about the respectful treatment of Thoroughbreds and other breeds.

2016 Actions:

- A. The Fund in 2016 provided six (6) \$3,000 scholarships to college students enrolled in equine studies courses and aiming for careers in the Thoroughbred industry within New York State.

The students' goals included the following careers:

- Equine veterinarian
- Horse trainer
- Broodmare & foal manager

- B. The Fund in 2016 conducted its second Thoroughbred Fellowship Program for outstanding equine studies students attending NYS colleges. The Executive Director facilitated the placement of three students with leading Thoroughbred trainers during the summer racing season, and the placement of a fourth student at a full-service Thoroughbred farm. The Executive Director set up a lecture series to enhance the students' hands-on experiences.

- C. The Fund also sponsored a 4- H tour of Saratoga Race Course, a Thoroughbred farm and the National Museum of Racing and Hall of Fame.

4. COMMUNICATION WITH STAKEHOLDERS

Keep stakeholders informed of industry trends, changes in the awards program, and the accomplishments of NY-breds.

2016 Action: The Executive Director regularly sent e-mail blasts, posted messages on the Fund's website, included messages with regular award-check mailings, and took advantage of opportunities to communicate with stakeholders via e-mail and telephone, as well as during personal meetings at equine events, racetracks and farm open-house events.

5. PROMOTION OF QUALITY THOROUGHBRED RACEHORSES

- Awards Program: Distribute performance-based awards to Thoroughbred breeders, stallion owners, and racehorse owners.

- With assistance from the Jockey Club, maintain the Fund’s award system to ensure the accuracy and integrity of award calculations.
- Allocate more than \$2 million for the enrichment of purses for NY-bred races in NYS.
- Use advertising and articles to enhance demand for NY-bred racehorses by highlighting their on-track performance and the increased profit potential that comes with owning and racing NY-breds, and by informing the horse industry about solid sales performances by NY-breds at auction.

2016 Action: In 2016, the Fund decided to increase purse-enrichment payments to NY tracks, resulting in a lower total payment of awards for 2016. This action was taken in order to help Finger Lakes Gaming and Racetrack remain operational.

The Fund made 9,525 award payments totaling over \$15 million in 2016 to stakeholders. This includes the 2016 ten-percent holdback paid in January 2017.

6. EFFICIENT ADMINISTRATION OF THE FUND

- Efficiently and effectively administer the Fund within statutory cost ceilings.
- Streamline operations consistent with an adequate system of internal controls through periodic review and revision of processes and staffing.
- Ensure compliance with all regulatory filing and reporting requirements of NYS control agencies.

2016 Action: In 2016, the Fund spent below the current 5% ceiling set for administrative spending, and below the 6% ceiling on promotional spending.

In 2016, the Fund implemented several improvements to its accounting policies.

- The Fund completed a transfer of all of its bank accounts from Bank of America to Trustco Bank in early 2016. The move has resulted in reduced service fees and quicker response times to Fund requests. With the new Trustco agreement, the Fund was also able to recognize almost \$31K in interest earnings during 2016, compared to the 0% interest earned on the former Bank of America accounts.
- Several enhancements to the award section of The Jockey Club software re-write were completed in 2016. These enhancements made significant improvements to the year-end 1099 process and allowed for better tracking of liens and judgments on individual award accounts.