

NY THOROUGHBRED BREEDING AND DEVELOPMENT FUND 2017 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

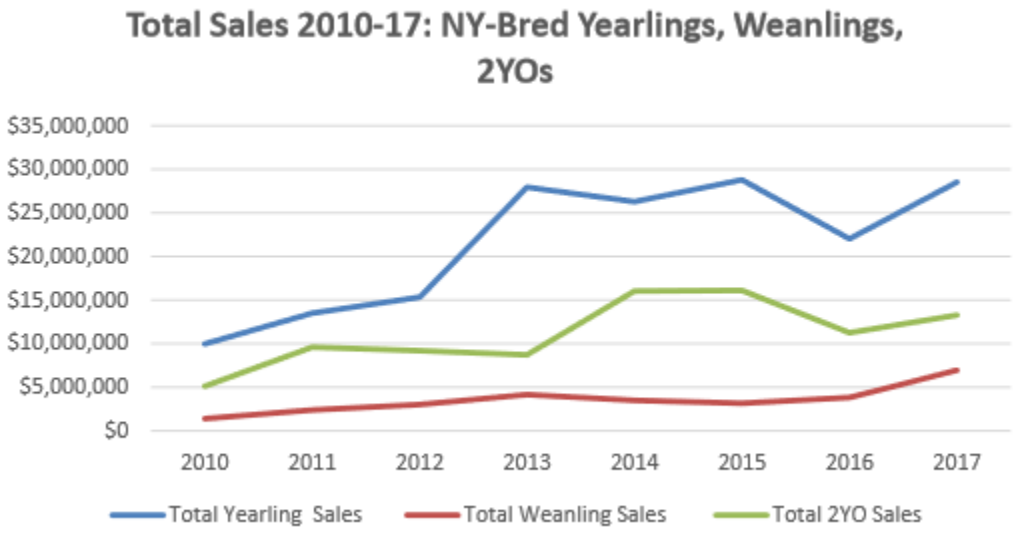
1. Promotion of Responsible Breeding

Increase the number of foals born in New York State.

2017 Action: The size of the foal crop grew for the sixth year in a row, bucking a nationwide downward trend in Thoroughbred foal crops. The **1,711** foals born on NY farms in 2017 represent a 4.7% increase over the 2016 foal count of 1,628. This foal-crop number represents an increase of 39.1% over the figure for 2011, when only 1,225 foals were born on New York farms.

Promote NY-breds at auction to confirm they are gaining in public acceptance as quality Thoroughbreds.

2017 Action: The graph below shows that NY-breds are experiencing success at auction.



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

2017 Action: The inspectors visited all of the state's farms at least once during the year.

- Those farms with a minimum of 15 mares were visited twice, at minimum, due to their size and/or frequent mare arrivals and departures.

Promote the responsible breeding of Thoroughbreds.

2017 Action:

- Field inspections did not reveal any examples of animal abuse or neglect. However, an allegation was made against one farm that the Fund inspects. The horses involved were not Thoroughbreds, but a field inspector visited the subject farm as soon as we were informed of the charges of neglect, and he made frequent visits thereafter. The field inspector reported he had never found any issues at that farm before the allegations were made and, after multiple visits by the local ASPCA, charges against the owner were dropped. As a result, the judge ordered the person who made the allegations to pay board to the farm and remove her horses. The owner of the farm in question was never due any award money, and therefore it was not necessary to place a hold on any awards while the investigation was ongoing. The accuser requested that the Fund bar the farm owner from taking part in sales, an action that is outside the purview of the Fund.

The Fund sponsored educational forums open to the public on topics such as:

- Foal diseases
- Rhodococcus
- Foot care, trimming & more in the young horse
- Panel discussion on hoof issues
- What Fasig-Tipton looks for in sales yearlings

Demonstrate the Fund's support for ex-Thoroughbred race horses

2017 Action: The Fund made promotional spends with several aftercare organizations.

Based on the understanding that many potential horse racing fans perceive that Thoroughbreds are not valued once their track careers are behind them and that such a perception is an impediment to ownership, breeding and fan-base growth, the Fund made promotional spends with several aftercare organizations.

We promoted events and facilities in NYS that have been approved by the TAA/Thoroughbred Aftercare Alliance: Akindale Thoroughbred Adoption, Equine

Advocates, Finger Lakes Thoroughbred Adoption Program, ReRun, Second Chances Thoroughbreds and the Thoroughbred Retirement Foundation. We also sponsored events put on by the Cornell Cooperative Extension to support 4-H programs.

The Fund 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.

Monetary incentives to promote responsible breeding

2017 Action: The Fund paid its award earners just over \$15 million in breeder, owner and stallion owner awards in 2017. This total is virtually unchanged from the 2016 figure.

Purse enrichment is an optional use of Fund revenue. In 2017, the Fund agreed to pay \$1.5 million into the Finger Lakes purse account as part of an agreement overseen by the Gaming Commission to ensure that racing at Finger Lakes Racetrack would continue in 2017 and 2018.

Promote the preservation of farmland.

2017 Action: The Fund supported tours of Thoroughbred farms arranged by both Cornell Cooperative Extension and the National Museum of Racing and Hall of Fame, as they were designed to increase public awareness of the importance of farms to the community, and to encourage people to bond with Thoroughbreds. 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.

2017 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.

Improve the registration process.

2017 Action: Our re-designed online registration system was installed in March 2017 after having been tested beginning in the fourth quarter of 2016. The new login procedure enables client information to be populated automatically for each application, saving time for users. Information on each foal is also populated via a link with The Jockey Club, reducing the amount of information clients are required to provide and preventing errors. The new system also allows us to quickly identify any duplicate applications and automatically updates new or changed names of registered NY-breds listed on our site. In

addition, clients will now have access to reports on the statuses of all registered and unregistered foals and stallions for which they have submitted an application, including details on any outstanding requirements.

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.

2017 Action: The amount contributed to the Zweig Fund for 2017 is approximately \$389,400.

3. EQUINE EDUCATION

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

2017 Actions:

- A. The Fund in 2017 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
- Equine management

- The Fund in 2017 conducted its third Thoroughbred Fellowship Program for outstanding students in equine studies that are attending college in NYS. The Executive Director facilitated the placement of one student with leading Thoroughbred trainer Todd Pletcher during the summer racing season. Two students were placed with a full-service Thoroughbred farm. A fourth student worked at the National Museum of Racing and Hall of Fame. The Executive Director set up a lecture series to enhance the students' hands-on experiences. Their careers goals include:
 - Horse agent
 - Horse trainer
 - Racing steward
 - Equine management

- B. The Fund also sponsored a 4- H tour of Saratoga Race Course, a 4-H tour of a Thoroughbred farm and an escorted tour of 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.

2017 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. The Executive Director also set up the NYBREDS Facebook page to enhance our reach beyond our immediate stakeholders.

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.
- 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.

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.

2017 Action: In 2017, the Fund was within the 5% ceiling set for administrative spending and the 6% ceiling on promotional spending.

The Fund completed many improvements to its software system to allow for easier tracking of awards and liens. Additionally, the re-write of software for the farm system

gives the Fund more insight into our broodmare and foal population, in conjunction with visits conducted by the Registry Compliance (Field) team.