



Meeting Notes of the Audit Committee of the NY Thoroughbred Breeding and Development 7/17/2018

The Audit Committee meeting was held at 10:15 on July 17, 2018 in the offices of the NYTB, Inc. on the second floor of 57 Phila Street, Saratoga Springs, NY 12866

AGENDA

Committee Chairman Joseph McMahon (Breeder Member) called the meeting to order in the presence of committee members Jeff Cannizzo and John Graziano. Fund Executive Director Tracy Egan and Comptroller Jill LaBoissiere were also in attendance.

As the first order of business Ms. LaBoissiere presented the Draft Budget 2019 which had previously been mailed to committee members such that they could become familiar with its contents and prepare questions. The Comptroller explained that the Resorts World VLT revenues for 2019 are budgeted at 2013 levels adjusted for CPI (Consumer Price Index).

All present noted the inclusion of \$1.5 million dollars for Purse Enrichment based on prior years of 2018 and 2017 although details of how the funds would be used by NYRA and the Finger Lakes were still being discussed with those organizations.

ACTION: The Audit Committee voted unanimously to recommend the Draft Budget 2019 to the entire Board.

The subject of the board approved payment of the 2017 surplus of \$520,000.00 (five-hundred and twenty-thousand dollars) to NYRA was discussed. It was noted that NYRA did not want conditions attached to that payment and has rejected the original Board request to provide supplemental first place purse money to NY-sired NY-breds breaking their maidens. Committee Chair Joe McMahon said the money could always be used as a supplemental payment to breeders (although that would require re-consideration of the matter by the full Board of Directors.)

At the June 2018 Board meeting Board member William Wilmot made a request that the Fund split Breeder award checks among up to 4 (four) co-breeders. Chairman Poklemba responded in that meeting by requesting that the Fund staff look into the expense of said project. The committee was provided with a copy of an email from The Jockey Club which estimated it would cost around \$3-thousand dollars to perform the initial cost estimate and to actually write, test and implement the software upgrades could cost up to \$75,000.00 or "much much more."

Action: After discussing the information provided, the audit committee unanimously voted to "not spend a nickel" on the project and would be passing along its recommendation the full Board of Directors at its August meeting.

Finally, the audit committee discussed the idea of raising breeder award rates for NY-sired NY-breds to 20% for second and third place finishes. The reasoning was that this would help promote the use of NY sires by helping those breeders in a small way financially.

Action: The committee voted unanimously to approve the above measure with the caveat that the Fund would seek feedback from the board members of the NYTB, Inc. before recommending the action to the Fund Board at its August meeting.

Committee members: Joseph McMahon, Breeder Member
John Graziano, Breeder Member
Jeffrey Cannizzo, NYTB, Inc.

Fund staff: Tracy Egan, Executive Director
Jill LaBoissiere, Comptroller