

New York State Thoroughbred Breeding Development Fund (0027)  
 Fiscal Year End Date: 12/31/2015  
 Status: Unsubmitted

## BUDGET & FINANCIAL PLAN

### BUDGETED REVENUES, EXPENDITURES, AND CHANGES IN CURRENT NET ASSETS

	Last Year (Actual) 2013 <a href="#">Modify</a> <a href="#">Delete</a>	Current Year (Estimated) 2014 <a href="#">Modify</a> <a href="#">Delete</a>	Next Year (Adopted) 2015 <a href="#">Modify</a> <a href="#">Delete</a>	Proposed 2016 <a href="#">Modify</a> <a href="#">Delete</a>	Proposed 2017 <a href="#">Modify</a> <a href="#">Delete</a>	Proposed 2018 <a href="#">Modify</a> <a href="#">Delete</a>
<b>REVENUE &amp; FINANCIAL SOURCES</b>						
<b>Operating Revenues</b>						
Charges for services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Rental & financing income	0.00	0.00	0.00	0.00	0.00	0.00
Other operating revenues	19,435,552.00	22,096,741.00	21,894,284.00	21,894,284.00	21,894,284.00	21,894,284.00
<b>Nonoperating Revenues</b>						
Investment earnings	6,549.00	938.00	0.00	0.00	0.00	0.00
State subsidies/grants	0.00	0.00	0.00	0.00	0.00	0.00
Federal subsidies/grants	0.00	0.00	0.00	0.00	0.00	0.00
Municipal subsidies/grants	0.00	0.00	0.00	0.00	0.00	0.00
Public authority subsidies	0.00	0.00	0.00	0.00	0.00	0.00
Other nonoperating revenues	0.00	0.00	0.00	0.00	0.00	0.00
<b>Proceeds from the issuance of debt</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Total Revenues &amp; Financing Sources</b>	<b>\$19,442,101.00</b>	<b>\$22,097,679.00</b>	<b>\$21,894,284.00</b>	<b>\$21,894,284.00</b>	<b>\$21,894,284.00</b>	<b>\$21,894,284.00</b>
<b>EXPENDITURES</b>						
<b>Operating Expenditures</b>						
Salaries and wages	363,808.00	403,704.00	435,593.00	435,593.00	435,593.00	435,593.00
Other employee benefits	207,236.00	203,417.00	491,173.00	491,173.00	491,173.00	491,173.00
Professional services contracts	452,409.00	659,487.00	499,180.00	499,180.00	499,180.00	499,180.00
Supplies and materials	409,324.00	364,324.00	561,515.00	561,515.00	561,515.00	561,515.00
Other operating expenditures	18,009,324.00	20,466,747.00	19,906,823.00	19,906,823.00	19,906,823.00	19,906,823.00
<b>Nonoperating Expenditures</b>						
Payment of principal on bonds and financing arrangements	0.00	0.00	0.00	0.00	0.00	0.00
Interest and other financing charges	0.00	0.00	0.00	0.00	0.00	0.00
Subsidies to other public authorities	0.00	0.00	0.00	0.00	0.00	0.00
Capital asset outlay	0.00	0.00	0.00	0.00	0.00	0.00
Grants and donations	0.00	0.00	0.00	0.00	0.00	0.00
Other nonoperating expenditures	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Expenditures</b>	<b>\$19,442,101.00</b>	<b>\$22,097,679.00</b>	<b>\$21,894,284.00</b>	<b>\$21,894,284.00</b>	<b>\$21,894,284.00</b>	<b>\$21,894,284.00</b>
<b>Capital Contributions</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Excess (deficiency) of revenues and capital contributions over expenditures</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

[Click here for definitions](#)

**NYS Thoroughbred Breeding & Development  
Fund OSC Budget Request (Part 203) - 2015**

Public authorities are required to provide information regarding their budget and financial planning to the Office of the State Comptroller (OSC) pursuant to New York Codes, Rules & Regulations, Part 203, Chapter V, Title 2. The data is collected in the "OSC Budget Request (Part 203)" tab in the Public Authorities Reporting Information System (PARIS).

**§ 203.6 (a)** An explanation of the public authority's relationship with the unit or units of government, if any, on whose behalf or for whose benefit the authority was established.

The NYS Thoroughbred Breeding & Development Fund (Fund) is a public benefit corporation organized pursuant to Sections 251 through 257 of the Racing, Pari-Mutuel Wagering and Breeding Law enacted by the New York State Legislature in 1973. The Fund's mission statement is ***"To promote by monetary incentives the responsible breeding of quality thoroughbred racehorses in keeping with the founding legislation to preserve New York's irreplaceable farmland."***

**§ 203.6 (b)** A description of the budget process, including the dates of key budget decisions.

June 2014 – The 2015 budget process begins with estimated revenues and expenses provided to the Audit Committee by Fund management based on historical information, trends and analytic review. The projections are reviewed by and discussed with Audit Committee members to determine a final budget.

July 17, 2014 – The Audit Committee approves the 2015 budget proposal and submits it to the full Board for approval. A draft of the budget is provided to Board members and posted on the Fund's website at:

<http://www.nybreeds.com/wp-content/uploads/2015-Budget-Proposal-Draft.pdf>

July 29, 2014 – The Board approves 2015 budget.

**§ 203.6 (c)** A description of the principal budget assumptions, including sources of revenue, staffing and future collective bargaining costs, and programmatic goals.

See 2015 budget documents located on the Fund's website under "Reports and Filings."

<http://www.nybreeds.com/wp-content/uploads/2015-Budget-Documents.pdf>

**§ 203.6 (d)** A self-assessment of budgetary risks.

Budgetary risks include Fund revenues received as a percentage of revenue from on-track and off-track thoroughbred handle in New York. This revenue source accounted for 34% and 42% of the Fund's revenue in 2013 and 2012, respectively, and has been trending downward for the past several years.

The Fund also receives a percentage of revenue from Video Lottery Terminals (VLTs) at Aqueduct Racetrack's casino (Resorts World) and Finger Lakes Casino and Raceway. In 2013 and 2012, this revenue source accounted for 63% and 54%, respectively, of the Fund's revenue. The increase was due in part to an increase in the Resorts World percentage due to the Fund,

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which will remain at 1.5% for future years. The VLT revenues based on Net Win have been relatively consistent with prior periods. The Fund is unsure of the effect on Fund revenues of the opening of new casinos in 2015, but will monitor and adjust its budget accordingly.

The Fund pays out approximately 90% of its revenues in awards and purse enrichments. Rates paid to breeders and owners are reviewed and approved by the Board annually. Currently, 10% of the awards earned are withheld by the Fund until the end of the year to insure that the Fund has sufficient revenues to pay all awards. The amount withheld was paid to breeders and owners at a rate of 100% in both 2013 and 2012.

Budgets are reviewed by the Fund's management and Board monthly. The monthly report shows monthly and year-to-date totals for budget, actual, prior year and any variances. A rolling budget assists the Fund in determining the effect of current-year activity on year-end projections, and any necessary adjustments can be made on a timely basis.

**§ 203.6 (e)** A revised forecast of the current year's budget.

The Fund uses a rolling budget model that replaces budget projections with actual revenues and expenses on a monthly basis. This report is sent to Board members monthly and is posted to the Fund's website as documentation prior to all Board meetings.

<http://www.nybreeds.com/aboutus/board-meeting-agendas-and-documents/>

**§ 203.6 (f)** A reconciliation that identifies all changes in estimates from the projections in the previously approved budget or plan.

The Fund uses a rolling budget model that replaces budget projections with actual revenues and expenses on a monthly basis. This report is sent to Board members monthly and is posted to the Fund's website as documentation prior to all Board meetings.

<http://www.nybreeds.com/aboutus/board-meeting-agendas-and-documents/>

**§ 203.6 (g)** A statement of the last completed fiscal year's actual financial performance in categories consistent with the proposed budget or financial plan.

See December 2013 financial documents located on the Fund's website under "Board Meeting Documents."

<http://www.nybreeds.com/wp-content/uploads/December-2013-Financials.pdf>

**§ 203.6 (h)** A projection of the number of employees, including sources of funding, the numbers of full-time and full-time equivalents, and functional classifications.

See 2015 Budget documents located on the Fund's website under "Reports and Filings."

<http://www.nybreeds.com/wp-content/uploads/2015-Budget-Documents.pdf>

**NYS Thoroughbred Breeding & Development  
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**§ 203.6 (i)** A statement of each revenue-enhancement and cost-reduction initiative that represents a component of any gap-closing program and the annual impact on revenues, expenses, and staffing.

The Fund has developed a budget to project revenues and expenses for current and future years. These projections are compared to actual activity and environmental changes on a monthly basis. Any unexpected activity is discussed and adjustments made to the remaining budget in a timely manner in order to avoid significant deficiencies at year end. In addition, the Fund currently withholds 10% of award payments until year end to insure the Fund's net position at the end of the fiscal year.

**§ 203.6 (j)** A statement of the source and amount of any material non-recurring resource that is planned

No planned use of non-recurring resources.

**§ 203.6 (k)** A statement of any transactions that shift material resources from one year to another and the amount of any reserves.

None.

**§ 203.6 (l)** A statement of borrowed debt projected to be outstanding at the end of each fiscal year covered by the budget or financial plan; the planned use or purpose of debt issuances; scheduled debt service payments for both issued and proposed debt; the principal amount of proposed debt and assumed interest rate(s); debt service for each issuance as a percentage of total pledged revenues, listed by type or category of pledged revenues; cumulative debt service as a percentage of available revenues; and amount of debt that can be issued until legal limits are met.

None.

**§ 203.6 (m)** A statement of the annual projected capital cost broken down by category and sources of funding, and for each capital project, estimates of the annual commitment, total project cost, expected date of completion and the annual cost for operating and maintaining those capital projects or capital categories that, when placed into service, are expected to have a material impact on the operating budget.

Software Development – The Fund has budgeted approximately \$150,000 to update its current award and registration system. The current system was developed in the 1980s and has become outdated. The Fund has retained Jockey Club Information Systems and Frutschy Consulting to assist in the software re-write. The project is currently in the preliminary stage and is expected to be completed by the end of 2015 or in early 2016. The Fund plans to use current revenues to finance the project, and the annual costs for operating and maintaining the software are expected to be consistent with current costs.