

NY THOROUGHBRED BREEDING AND DEVELOPMENT FUND 2018 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 farmland.

PERFORMANCE GOALS

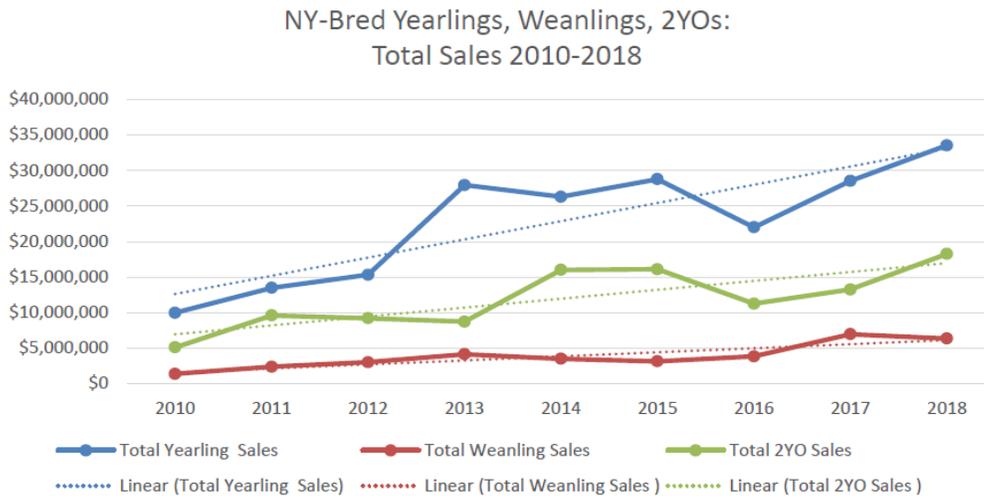
1. Promotion of Responsible Breeding

Increase the number of foals born in New York State.

2018 Action: The 2018 New York foal crop fell marginally, by 74 foals, from the 2017 total, nearly giving up the gain of 77 foals seen from 2016 to 2017. But while the 1,631 foals born in the state in 2018 represent a roughly 4% decline from the figure for 2017, the number remains 33% higher than the pre-VLT low reported in 2011 (1,225 foals). In addition, the decline in the state’s foal number for 2018 is actually slightly smaller than the 4.4% drop in the national figure from 2017 to 2018 predicted by The Jockey Club.

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

2018 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.

2018 Action: The inspectors visited all of the state's farms at least once during the year.

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

Promote the responsible breeding of Thoroughbreds.

2018 Action: Field inspectors found all horses in good condition during their visits.

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

- Nutrition
- How exposure to light affects gestation

Demonstrate the Fund's support for ex-Thoroughbred racehorses.

2018 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 Rescue, Equine Advocates, Finger Lakes Thoroughbred Adoption Program, Old Friends at Cabin Creek, ReRun Thoroughbred Adoption, Second Chances Thoroughbreds and the Thoroughbred Retirement Foundation.

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

Provide monetary incentives to promote responsible breeding.

2018 Action: The Fund paid its award earners just over \$15 million in breeder, owner and stallion owner awards in 2018. This total is virtually unchanged from the 2017 figure.

The Fund supplied \$1,797,165 in purse enrichment to NYRA and Finger Lakes Gaming and Racetrack in 2018.

As part of a 2017 and 2018 agreement with the Gaming Commission and Finger Lakes Racetrack, the Fund paid an additional \$1.5 million in purse enrichment to Finger Lakes in 2018. The agreement for 2018 also included breakage payments of \$97,166 and a budgeted carryover of \$761,000 from the Fund's 2016 surplus payment.

The Fund entered into an agreement with NYRA to increase the purses offered for the New York Stallion Stakes Series, and provided \$200,000 in purse enrichment to assist in supporting the program.

Promote the preservation of farmland.

2018 Action: The Fund supported tours of Thoroughbred farms arranged by both Cornell Cooperative Extension and the National Museum of Racing and Hall of Fame, 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.

2018 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.

2018 Action: Our re-designed online registration system installed in March 2017 functioned smoothly throughout 2018, enabling time savings and increased efficiency for users and Fund staff. All applications submitted by mail are now entered into the system rather than onto spreadsheets, and reports from the system are used to confirm deposit totals. Our new login procedure continued to save time for users by populating fields via a link with The Jockey Club, thereby reducing the amount of information clients are required to provide and preventing errors. During 2018, the Fund also implemented a software change that allows us to send Keeneland Sales Company up-to-date information on the registration status of NY-foaled horses for inclusion in their catalogs, thereby keeping buyers more informed. Further, at the request of the NY Thoroughbred Breeding and Development Fund the Jockey Club now allows breeders to sign up for Thoroughbred Connect when they register a foal. Thoroughbred Connect allows breeders to request to be notified should that animal ever need assistance. It does not require a breeder to take the animal back, but alerts the breeder in case they would like to assist in finding proper aftercare for the horse.

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.

2018 Action: The amount contributed to the Zweig Fund for 2018 is approximately \$390,700.

3. EQUINE EDUCATION

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

2018 Actions:

- A. The Fund in 2018 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:

- Stable manager
- Horse trainer
- Position in equine management

The Fund in 2018 conducted its third Thoroughbred Fellowship Program for outstanding equine studies students attending colleges in NYS. The Executive Director facilitated the placement of one student with leading Thoroughbred trainer Kieran McLaughlin 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 trainer
- Position in equine management

- B. The Fund also sponsored farm tours through the National Museum of Racing and Hall of Fame.

4. COMMUNICATION WITH STAKEHOLDERS

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

2018 Action: The Executive Director regularly sent e-mail blasts, posted messages on the Fund's website and 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 established the NYBREDS Facebook page to extend 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 those in the horse industry about the solid sales performance of 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.

2018 Action: In 2018, the Fund was within the 5% ceiling set for administrative spending and the 6% ceiling on promotional spending.

As the Fund staff became more familiar with the many improvements to its software system, they learned to leverage the system of provide improved access to information on mares, foals, farms and awards.