NYS Thoroughbred Breeding and Development Fund Corporation

Internal Control Report for 2024

The fund has a general internal control policy that is posted on the Fund's website. The Executive Director of the Fund serves as its Internal Control Officer, who reports and is responsible to the Fund's Chairman and its Board.

The Fund has established controls over cash receipts and cash disbursements in the following categories:

- Establishment of responsibility – through staff assignments and job descriptions
- Segregation of Duties
    - Related activities are assigned to different individuals when appropriate
    - Record keeping for an asset is separate from the physical custody of the asset
    - Bank reconciliations reviewed by independent contractor
- Physical, mechanical and electronic controls, including keys, passwords, data backups and record retention
- Independent internal verification including:
    - Authorization processes for transactions and use of checklists
    - Routine reconciliations and testing of the validity of transactions
    - Monthly review, analysis and comparison to budget

Audits: The Fund is audited annually by external auditors and reports are reviewed by the Board and posted on the Funds website. No deficiencies in internal controls over financial reporting were noted in the most recent audit report for the period ended December 31, 2024.

Revenues: New York **s**tatutes governing fund revenue streams are reviewed by Fund personnel and amounts received and owed to the Fund are independently recalculated and/or confirmed.

Awards: The Fund uses customized software developed with the Jockey Club to calculate and pay awards. Verification and reconciliation processes have been established to test the accuracy of the award system and to prevent errors in award payments.

Operational Documentation: Specific and detailed documentation of key operating procedures, internal controls, regulatory reporting requirements and job procedures are available electronically and on our website. Operational documentation is also available in paper format at the Saratoga Springs location.