

**NEW YORK STATE THOROUGHBRED BREEDING AND
DEVELOPMENT FUND CORPORATION
MINUTES OF THE MEETING OF THE BOARD OF
DIRECTORS HELD MARCH 15, 2016**

A meeting of the Board of Directors of the New York State Thoroughbred Breeding and Development Fund Corporation (the "Fund") was held at 11:00 a.m. on March 15, 2016 at the Fasig-Tipton Sales Pavilion in Saratoga Springs, New York.

Present

John Poklemba	Chairman
Joseph McMahon	Breeder
Jeff Cannizzo	NYTB, Executive Director
William Wilmot, DVM	Breeder
Howard Nolan	Breeder
John Graziano	Breeder
Jackie Moody-Czub	Deputy Commissioner, Agriculture and Markets
Ed Kelly	Breeder
Tracy Egan	Executive Director
Jill LaBoissiere	Comptroller
Adam Lawrence	Registrar
Kyle Flaherty	Counsel
Joe Kehm	Auditor
Dennis Brida	Guest
Todd Stinson	Guest

Chairman Poklemba noted that there was a quorum and called the meeting to order.

As the first order of business, the Minutes of the December 2015 meeting were reviewed.

After a review of the Minutes, a motion to accept the Minutes was duly made, seconded and approved by the Board.

As the next order of business, the Fund's outside auditor, Joe Kehm from EFPR Group, LLP, was asked to give an overview of the annual financial audit that his firm had recently completed with the Fund. Mr. Kehm proceeded to go through the entire audit report explaining each of the items that were reviewed. After discussing the various tests and controls that his firm utilizes in the audit, he emphasized that his firm will be issuing an unqualified audit, noting no material weaknesses or other issues in the course of their review. It was noted that the Fund's Audit Committee had already approved the audit report. Chairman Poklemba noted that the audit

report would be subject to full Board approval at the next Board meeting. Mr. Kehm was very complimentary of the Fund's staff, noting that they are a good team.

As the next order of business, Chairman Poklemba asked Ms. LaBoissiere to review with the Board the January 2016 Year-to-Date Financials. Ms. LaBoissiere proceeded to review the financials with the Board.

A motion to approve the January 2016 Financial Statements was made, duly seconded and unanimously approved by the Board.

As the next item, Chairman Poklemba asked Ed Kelly, as the Chair of the Fund's Governance Committee, to review the Breeding Fund's various policies, copies of which had been previously circulated to the Board members. Mr. Kelly asked the Board members to review the Whistleblower Policy at Tab 10 of the packet, page 2, letter (c), and suggested that it be amended to include the following phrase "If you see something, say something". In addition, Mr. Kelly directed the Board members' attention to the "Internal Controls" policy at Tab 8 of the packet and noted two proposed changes. First, on page 1, item 4 entitled "Control Activities," he suggested that the phrase "and operating as intended" be added to the end thereof. Second, on the last paragraph (page 2), he suggested that it be amended to read in its entirety "Executive Director oversees internal controls". At the Chairman's request, Mr. Kelly reviewed the Capitalization Policy and Uncashed Check Policy. With regard to the Uncashed Check Policy, Fund counsel suggested that the policy be amended to include the following: "The Fund will maintain documentation showing its efforts to locate and distribute uncashed checks". The Board was agreeable to that change. Fund staff noted that it already documents such efforts.

After further discussion, a motion to adopt each of the Fund policies, as amended, was duly made, seconded and unanimously approved by the Board.

As the next order of business, Chairman Poklemba asked Ms. Egan to discuss the issue of stallion registration fees. Ms. Egan noted that at the last meeting, information concerning stallion registration fees had been circulated to the Board members. She noted that the distributed information had incorrectly indicated that there would be an increase in stallion registration fees. Indeed, she noted that there had not been an intention to increase stallion registration fees, and that this error should be rectified by the Board.

A motion was made that stallion registration fees in 2016 shall remain the same as they were in 2015. This motion was duly seconded and unanimously approved.

Chairman Poklemba requested a motion to go into Executive Session to discuss litigation. Whereupon a motion to go into Executive Session to discuss a litigation matter was duly made, seconded and unanimously approved by the Board.

At the conclusion of the executive session, Chairman Poklemba went back on the record and reported that no action was taken with respect to the litigation matter.

Chairman Poklemba noted that the next Board meeting was scheduled for June 7, 2016.

With no further business pending before the Board, the meeting was adjourned.