



New Mexico Horse Breeders Association

1020 Texas Street NE

Mailing Address

P.O. Box 36869

Albuquerque, New Mexico 87176-6869

(505) 262-0224

2007 ANNUAL BUSINESS MEETING

TREASURER'S REPORT

Checking Account Balances First Community Bank 12/31/06

	12/31/05	12/31/06
1) General Operating Account	\$248,016.62	\$222,941.60
2) Contingency Fund Account	\$ 13,701.00	\$ 29,551.55
3) Certificates of Deposit Incentive Fund Maturing 11/18/2006	\$246,198.51	\$268,301.59
4) Clearing Account – (12/24/06)	\$ 17,198.61	\$ 19,301.59
5) Aetna Annuity	\$107,679.83	\$105,870.46
6) Dean Witter US GVT Money Market	\$125,917.80	\$187,088.22
7) First Signature CD (10/30/06) (2.79% Interest Rate)	\$ 49,184.50 (Market Value)	Matured 10/30/06
8) Netbank CD (07/30/07) (3.46% Interest Rate)	\$ 48,840.00 (Market Value)	\$ 49,447.50 (Market Value)
9) Discover Bank CD (08/04/08) (4.33% Interest Rate)	\$ 49,019.00 (Market Value)	\$ 49,175.50 (Market Value)
10) Presidential Life (08/13/07) Annuity (4.00% Interest Rate)	\$ 52,791.59	\$ 54,899.71
11) Community Bank (01/22/08) (5.37% Interest Rate)		\$ 50,000.00
12) Bank 1st (12/27/07) (5.20% Interest Rate)		\$ 50,000.00

**NEW MEXICO HORSE BREEDERS ASSOCIATION
GENERAL FUND COMPARISON
DECEMBER 31, 2006**

	<u>Year Ended 12/31/2005</u>	<u>Year Ended 12/31/2006</u>	<u>Change</u>
REVENUES:			
Including Dues, Administrative Fees, Registrations, Awards Banquet, and Interest	\$ 554,852	\$ 611,119	\$ 56,267
Marketing Campaign	-	-	-
Total Revenues	<u>554,852</u>	<u>611,119</u>	<u>56,267</u>
EXPENSES:			
Salaries and Payroll Taxes	95,183	100,071	4,888
Employee Health and Retirement Benefits	37,871	40,877	3,006
Annual Meeting and Banquet	25,801	29,983	4,182
Summer Meeting	-	15,830	15,830
Insurance	21,242	26,247	5,005
Lobbying Costs	19,215	19,215	-
Magazine Publication	58,077	63,476	5,399
Marketing Campaign	47,758	57,254	9,496
Board Expense	9,894	7,832	(2,062)
Dues & Subscriptions	887	1,238	351
Telephone	5,185	4,988	(197)
Printing	1,077	3,653	2,576
Postage	8,721	9,895	1,174
Depreciation	17,484	24,089	6,605
Advertising	3,472	15,220	11,748
Web Site	3,793	3,867	74
Auto Expense	2,948	4,167	1,219
Interest	659	356	(303)
Office Expense	2,722	1,678	(1,044)
Computer Expense	-	1,145	1,145
Miscellaneous	354	4,485	4,131
Office Supplies	13,648	13,435	(213)
Utilities	3,921	3,766	(155)
Equipment Rent and Maintenance	3,970	5,054	1,084
Travel and Lodging	2,527	3,692	1,165
Consulting and Accounting	13,033	13,315	282
Repairs and Maintenance	2,229	4,672	2,443
Meals and Entertainment	749	1,260	511
Property Taxes	3,356	3,846	490
Legal Fees	646	3,538	2,892
Retirement Payments	6,000	6,000	-
Annual Audit	14,411	16,182	1,771
Total Expenses	<u>426,834</u>	<u>510,327</u>	<u>83,493</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 128,018</u>	<u>\$ 100,792</u>	<u>\$ (27,226)</u>
	After 2005 Audit	Before 2006 Audit	

2007 ANNUAL BUSINESS MEETING

January 31, 2007

Week Ending 12/24/06

BREAKAGE ACCOUNTS

	<u>2005</u>	<u>2006</u>
New Mexico State Fair	\$ 3,410.00	\$ 4,760.76
Ruidoso Downs	\$ 6,940.86	\$ 213.18
SunRay Park	\$ 3,677.34	\$ 4,475.40
Downs At Albuquerque	\$15,363.48	\$53,811.90
Sunland Park	\$16,256.47	\$20,361.11
Zia Park	\$ 8,210.24	\$ 4,412.49

PURSE ENHANCEMENTS
SUNLAND PARK 2005 – 2006

12/03/05	Jess Burner Memorial Handicap	\$70,000.00 (Gaming)
12/04/05	NM State Racing Commission Handicap	\$70,000.00 (Gaming)
12/10/05	Challenger Six Handicap	\$70,000.00 (Gaming)
12/11/05	Johnie L. Jamison Stakes	\$70,000.00 (Gaming)
12/17/05	Lou Wooten Handicap	\$70,000.00 (Gaming)
12/17/05	La Coneja Stakes	\$70,000.00 (1/2Gaming)
12/18/05	Red Hedeman Mile	\$70,000.00 (Gaming)
12/18/05	The Shue Fly	\$80,000.00 (Gaming)
01/01/06	Albert Dominguez Memorial Handicap	\$70,000.00 (Gaming)
01/14/06	Pepsi Cola Handicap	\$70,000.00 (Gaming)
01/21/06	La Senora Handicap	\$70,000.00 (Gaming)
02/12/06	NMHBA QH Stakes	\$70,000.00 (Gaming)

02/18/06	NM State University Stakes	\$70,000.00 (Gaming)
03/05/06	Mesilla Valley Speed Handicap	\$70,000.00 (Gaming)
03/18/06	The Sydney Valentini Handicap	\$70,000.00 (Gaming)
03/26/06	Mt. Cristo Rey Handicap	\$70,000.00 (Gaming)
04/01/06	New Mexico Breeders' Derby	\$50,000.00 (Gaming)
04/15/06	New Mexican Spring Fling	\$25,000.00 (Gaming)
04/15/06	Copper Top Futurity	\$80,000.00 (1/2 Gaming)
04/16/06	New Mexican Spring Futurity	<u>\$80,000.00 (Gaming)</u>
		\$1,365,000.00

DOWNNS AT ALBUQUERQUE 2006

05/13/06	Hard Twist	\$14,000.00 (Gaming)
05/13/06	Chief Narbona	\$14,000.00 (Gaming)
05/13/06	Pelican	\$14,000.00 (Gaming)
05/13/06	John Augustine	\$14,000.00 (Gaming)
05/13/06	Don Juan De Onate	\$14,000.00 (Gaming)
05/13/06	Casey Darnell Pony Express	\$14,000.00 (Gaming)
05/13/06	Lineage Championship	\$14,000.00 (Gaming)
05/13/06	Lineage Stakes	\$14,000.00
05/13/06	Carlos Salazar	\$14,000.00
05/14/06	Albuquerque Spring QH Futurity	\$12,000.00 (Gaming)
05/21/06	Albuquerque Spring TB Futurity	<u>\$12,000.00 (Gaming)</u>
		\$150,000.00

RUIDOSO DOWNS 2006

06/17/06	Ruidoso TB Sale Futurity	\$15,000.00 (Gaming)
06/18/06	Ruidoso QH Sale Futurity	\$15,000.00 (Gaming)
07/30/06	Zia Handicap	\$40,000.00
07/30/06	Road Runner Handicap	\$40,000.00 (Gaming)
07/30/06	Sierra Starlet Handicap	\$40,000.00 (Gaming)
07/30/06	870 Championship	\$40,000.00 (Gaming)
07/30/06	Land Of Enchantment	\$40,000.00 (1/2 Gaming)
07/30/06	Rio Grande Seniorita Futurity	\$40,000.00 (Gaming)
07/30/06	Zia QH Derby	\$40,000.00 (Gaming)
07/30/06	Rio Grande Senior Futurity	\$40,000.00 (\$30,000 Gaming)
07/30/06	Zia QH Futurity	\$40,000.00 (Gaming)
07/30/06	Lincoln Handicap	<u>\$40,000.00 (Gaming)</u>
		\$430,000.000

SUNRAY PARK & CASINO 2006

06/24/06	NM Distaff Handicap	\$30,000.00 (Gaming)
07/02/06	NM Breeder Assoc. Handicap	\$30,000.00 (Gaming)
08/19/06	NM Breeders' Futurity	\$35,000.00 (Gaming)
08/20/06	NM Breeders' Handicap	\$30,000.00 (Gaming)
08/26/06	Totah TB Futurity	\$27,500.00 (Gaming)
08/26/06	Aztec Oaks	\$30,000.00 (Gaming)
08/26/06	Dine' Stakes	\$30,000.00 (Gaming)
08/26/06	C.O. "Ken" Kendrick Memorial	\$27,500.00 (1/2 Gaming)
08/27/06	NM Quarter Horse Handicap	\$30,000.00 (Gaming)
08/27/06	NM Horsemen's Association Handicap	<u>\$30,000.00 (Gaming)</u>
		\$300,000.00

NEW MEXICO STATE FAIR 2006

09/09/06	E.T. Springer	\$ 5,000.00 (Gaming)
09/11/06	NM Breeders' QH Championship	\$ 5,000.00 (Gaming)
09/23/06	NMSF Senior Futurity	\$10,000.00 (Gaming)
09/23/06	NMSF Seniorita Futurity	\$10,000.00 (\$9,000.00 G)
09/24/06	NMSF QH Breeders Derby	\$10,000.00 (Gaming)
09/24/06	Dessie & Fern Sawyer Futurity	\$10,000.00 (Gaming)
09/24/06	George Maloof Futurity	<u>\$10,000.00 (Gaming)</u> \$60,000.00

ZIA PARK 2006

11/12/06	New Mexico Cup Juvenile Colts	\$75,000.00 (Gaming)
11/12/06	New Mexico Cup Juvenile Fillies	\$75,000.00 (Gaming)
11/12/06	New Mexico Cup Championship Fillies	\$75,000.00 (Gaming)
11/12/06	New Mexico Cup Colts & Geldings Championship	\$75,000.00 (Gaming)
11/12/06	New Mexico Cup 870 Championship	\$80,000.00 (Gaming)
11/12/06	New Mexico Classic Derby	\$70,000.00 (Gaming)
11/12/06	New Mexico Classic Cup QH Championship	\$90,000.00 (Gaming)
11/12/06	New Mexico Classic Futurity	\$70,000.00 (Gaming)
11/12/06	New Mexico Cup Championship Fillies & Mares	\$90,000.00 (Gaming)
11/12/06	New Mexico Cup Sprint Championship	\$90,000.00 (Gaming)
11/12/06	New Mexico Cup Classic Championship	\$100,000.00 (65,000.00 G)
12/02/06	New Mexico Fillies & Mares Championship	<u>\$25,000.00 (Gaming)</u> \$915,000.00

UNCLAIMED TICKET ACCOUNT

	2005	2006
New Mexico State Fair	\$ 61.80	\$ 85.47
Ruidoso Downs	\$274.80	\$ 68.08
Downs @ Albuquerque	\$390.59	\$ 85.13
Sunland Park	\$122.44	\$1,462.89
SunRay Park	\$8,892.21	\$15,151.60
Zia Park		\$ 64.02

COMMITTED TO OVERNIGHT NM BRED RACES

2005 – 2006 Sunland Park \$3,500.00 per o/n bred race purses
 2006 – Downs At Albuquerque \$1,500.00 per o/n bred race purses
 2006 – Ruidoso Downs \$1,800.00 per o/n bred race purses
 2006 – SunRay Park \$1,300.00 per o/n bred race purses
 2006 – New Mexico State Fair \$1,200.00 per o/n bred race purses
 2006 - Zia Park \$3,800.00 per o/n bred race purses

TOTAL DISTRIBUTION UNCLAIMED & GAMING

	2005	2006
Sunland Park	\$1,347,500.00 (\$75,000 & \$1,272,500 Gaming)	\$1,137,500.00 (\$75,500 & \$1,062,000 Gaming)
Ruidoso Downs	\$ 314,000.00 (\$65,500 & \$248,500 Gaming)	\$342,000.00 (\$42,400 & \$299,600 Gaming)
NM State Fair	\$ 58,800.00 (\$8,900 & \$49,900 Gaming)	\$52,800.00 (\$8,200 & \$44,600 Gaming)
Downs at Albuq	\$ 81,000.00 (\$36,000 & \$45,000 Gaming)	\$279,000.00 (\$56,400 & \$222,600 Gaming)
SunRay Park	\$222,000.00 (\$12,000 & \$210,000 Gaming)	\$232,700.00 (\$8,900 & \$223,800 Gaming)
Zia Park	\$664,000.00 (\$664,000 Gaming)	\$839,800.00 (\$28,800 & \$811,000 Gaming)
TOTAL	\$2,687,300.00	\$2,883,800.00

NM BREDS IN OPEN OVERNIGHT RACES

	<u>Number Of Horses</u>	<u>Came In 1st, 2nd or 3rd</u>	<u>Percentage</u>	<u>TB</u>	<u>QH</u>	<u>Amount Paid</u>
Ruidoso Downs	196	66	33%	26	40	\$29,812.40
SunRay Park	222	49	22%	17	32	\$27,263.80
NM State Fair	128	29	23%	12	17	\$10,399.10
Zia Park	160	44	28%	17	27	\$48,649.70
					Total	\$116,125.00

10% TRACK BREEDERS AWARDS**DISTRIBUTED IN 2006**

SUNLAND PARK 2005 - 2006

79 DAYS OF RACING - \$499,608.65

DOWNS AT ALBUQUERQUE 2006

50 DAYS OF RACING - \$118,871.78

RUIDOSO DOWNS 2006

60 DAYS OF RACING - \$137,314.90

SUNRAY PARK 2006

48 DAYS OF RACING - \$149,093.30

NEW MEXICO STATE FAIR 2006

17 DAYS OF RACING - \$38,863.00

ZIA PARK 2006

49 DAYS OF RACING - \$357,235.00

TOTAL TRACK BREEDERS AWARDS PAID OUT IN 2006 - \$1,300,986.63
(\$261,440.33 more than in 2005)

2006 INCENTIVE FUNDS AND PURSE ENHANCEMENTS

1069	Owners	\$1,855,976.73
466	Breeders	\$2,087,980.90
158	Stallion Owners	\$324,798.99
<u>1693</u>	<u>Checks Issued</u>	<u>\$4,268,756.62</u>

2006 Breakage/Gaming funds distributed to NM bred stakes \$3,220,000.00

2006 Unclaimed Ticket & Gaming funds distributed to NM bred Overnight races \$2,883,800.00

2006 NM Breds running in open overnight races \$ 116,125.00

	<u>\$10,488,681.62</u>
2006 10% Track Breeders Awards	<u>\$1,300,986.63</u>
	\$11,789,668.25

2006 Top 5 Award Recipients:

	2005	2006
	Members	Members
1) Mike C. Abraham		
2) Pierre J. Amestoy, Jr.	1236	1,312 +76
3) Rita J. Danley		
4) MJ Enterprises (Stanley N. Munro, et al)		
5) Leonard P. Blach		

2006 Horse Registrations

	<u>2005</u>	<u>2006</u>	
NM Bred Foals	866 QH	940 QH	
	<u>702 TB</u>	<u>875 TB</u>	
	1568	1815	+247
NM Bred Broodmares QH	423	376	- 47
NM Bred Broodmares TB	538	531	- 7
NM Stallions QH	29	34	+ 5
NM Stallions TB	54	45	- 9
	<u>2612</u>	<u>2801</u>	+189

HORSE REGISTRATIONS

	2006	2005	2004	2003	2002	2001	2000	1999	1998
<u>New Mexico Bred Foals</u>									
Quarter Horse	940	866	817	739	656	465	514	372	394
Thoroughbred	875	702	600	499	464	375	370	328	307
Total	1815	1568	1417	1238	1120	840	884	700	701
<u>NM Broodmares</u>									
Quarter Horse	376	423	426	373	512	402	435	355	218
Thoroughbred	531	538	428	332	525	346	458	232	160
Total	907	961	854	705	1037	748	893	587	378
<u>NM Stallions</u>									
Quarter Horse	34	29	22	26	33	33	36	28	19
Thoroughbred	45	54	40	31	38	26	51	31	14
Total	79	83	62	57	71	59	87	59	33

85 Recipient Mares were registered in 2006

59 Recipient Mares were registered in 2005

38 Recipient Mares were registered in 2004

60 Recipient Mares were registered in 2003

GAMING REVENUE		12/31/06	
	<u>2005</u>	<u>2006</u>	
NMHBA Gaming Purse Fund	\$ 38,100.54	\$ 3,322.00	
2/22/99 Sunland Park Breakage / Unclaimed (Breakage \$231,864.13 Unclaimed \$1,022,164.12)	\$939,670.87	\$1,254,028.25	
Sunland Park Award Incentive	\$300,883.65	\$ 311,496.43	
5/04/99 Ruidoso Downs Breakage / Unclaimed (Breakage \$155.02 Unclaimed \$5,142.68)	\$ 5,023.55	\$ 5,297.66	
Ruidoso Downs Award Incentive	\$ 61,946.06	\$ 71,150.88	
7/04/99 SunRay Park Breakage / Unclaimed (Breakage \$175,863.58 Unclaimed \$279,799.77)	\$195,294.84	\$ 455,663.35	
SunRay Park Award Incentive	\$ 85,163.22	\$ 103,394.12	
8/26/99 Downs At Albuq. Breakage / Unclaimed (Breakage \$117,420.01 Unclaimed \$93,448.55)	\$138,885.89	\$ 210,868.56	
Downs At Albuq. Award Incentive	\$ 40,150.13	\$ 52,329.70	
NM State Fair Breakage / Unclaimed (Breakage \$220.67 Unclaimed \$321.53)	\$ 18,531.69	\$ 542.20	
NM State Fair Award Incentive	\$ 13,371.66	\$ 110.51	
11/14/04 Zia Park Breakage / Unclaimed (Breakage \$10,845.35 Unclaimed \$47,902.82)	\$118,657.06	\$ 58,748.17	
Zia Park Award Incentive	\$180,827.05	\$ 208,094.55	

(2)

NEW MEXICO HORSE BREEDERS ASSOCIATION**Award Distribution Allocation****SEPTEMBER 23, 2005 THRU SEPTEMBER 24, 2006****(EXCLUDES ZIA PARK 2006 SEASON)****Award monies to be distributed based upon race class as follows:**

- CLASS A -** Trials, Futurities, Derbys, Allowances, Handicaps & Stakes.
- CLASS B -** Claiming races of \$5,000 and above.
- CLASS C -** Claiming races below \$5,000.
- CLASS D -** All Maiden and Maiden/Claiming races.

OWNERS' AWARDS**1,855,976.73**

<u>CLASS</u>	<u>FIRST PLACE</u>	<u>SECOND PLACE</u>	<u>THIRD PLACE</u>
CLASS A	\$ 1,315.18	\$ 505.03	\$ 197.98
CLASS B	986.39	378.76	148.48
CLASS C	840.25	322.67	126.49
CLASS D	511.46	196.40	76.99

BREEDERS' AWARDS**2,087,980.90**

<u>CLASS</u>	<u>FIRST PLACE</u>
CLASS A	\$ 2,276.28
CLASS B	1,707.21
CLASS C	1,454.28
CLASS D	885.22

STALLION OWNERS' AWARDS**324,798.99**

<u>CLASS</u>	<u>FIRST PLACE</u>
CLASS A	\$ 354.09
CLASS B	265.57
CLASS C	226.22
CLASS D	137.70

TOTAL AWARD DISTRIBUTION 4,268,756.62*Phillippi, Wright & Co. LLC., Certified Public Accountants, Albuquerque, NM*

SUMMARY OF NEW MEXICO BRED RACES

IN 79 DAYS OF RACING SUNLAND PARK RAN 365 NEW MEXICO BRED RACES.

12 TB STAKES		
4 TB TRIALS		
8 QH STAKES		
16 QH TRIALS		4.62 PER DAY AVERAGE
196 TB OVERNIGHT		
<u>129 QH OVERNIGHT</u>		
365 TOTAL	212 TB & 153 QH = 365	+ 207 FOR TWO A DAY

IN 50 DAYS OF RACING THE DOWNS AT ALBUQUERQUE RAN 200 NEW MEXICO BRED RACES.

6 TB STAKES		
5 QH STAKES		4.0 PER DAY AVERAGE
3 QH TRIALS		
77 TB OVERNIGHT		
<u>109 QH OVERNIGHT</u>		
200 TOTAL	83 TB & 117 QH = 200	+ 100 FOR TWO A DAY

IN 60 DAYS OF RACING RUIDOSO DOWNS RAN 232 NEW MEXICO BRED RACES

7 TB STAKES		
9 TB TRIALS		
6 QH STAKES		3.86 PER DAY AVERAGE
20 QH TRIALS		
98 TB OVERNIGHT		
<u>92 QH OVERNIGHT</u>		
232 TOTAL	114 TB & 118 QH = 232	+112 FOR TWO A DAY

IN 48 DAYS OF RACING SUNRAY PARK RAN 194 NEW MEXICO BRED RACES.

6 TB STAKES		
4 QH STAKES		
5 QH TRIALS		4.04 PER DAY AVERAGE
88 TB OVERNIGHT		
<u>91 QH OVERNIGHT</u>		
194 TOTAL	94 TB + 100 QH = 194	+ 98 FOR TWO A DAY

IN 17 DAYS OF RACING THE NEW MEXICO STATE FAIR RAN 59 NEW MEXICO BRED RACES.

3 TB STAKES		
2 TB TRIALS		
4 QH STAKES		3.47 PER DAY AVERAGE
6 QH TRIALS		
19 TB OVERNIGHT		
<u>25 QH OVERNIGHT</u>		
59 TOTAL	24 TB + 35 QH = 59	+ 25 FOR TWO A DAY

IN 49 DAYS OF RACING ZIA PARK RAN 241 NEW MEXICO BRED RACES.

7 TB STAKES		
5 QH STAKES		
8 QH TRIALS		4.91 PER DAY AVERAGE
129 TB OVERNIGHT		
<u>92 QH OVERNIGHT</u>		
241 TOTAL	136 TB + 105 QH = 241	+ 143 FOR TWO A DAY

NEW MEXICO BRED RACES

2001 2002 2003 2004 2005 2006

SUNLAND PARK

241 Overnight 238 Overnight 289 Overnight 315 Overnight 385 Overnight 325 Overnight
 17 Trials 18 Trials 20 Trials 24 Trials 25 Trials 20 Trials
 12 Stakes 13 Stakes 19 Stakes 20 Stakes 20 Stakes 20 Stakes
 84 Days 80 Days 80 Days 80 Days 87 Days 79 Days

RUIDOSO DOWNS

128 Overnight 138 Overnight 162 Overnight 141 Overnight 157 Overnight 190 Overnight
 21 Trials 18 Trials 20 Trials 32 Trials 28 Trials 29 Trials
 9 Stakes 11 Stakes 11 Stakes 14 Stakes 12 Stakes 13 Stakes
 62 Days 61 Days 61 Days 61 Days 60 Days 60 Days

NM STATE FAIR

26 Overnight 32 Overnight 34 Overnight 37 Overnight 42 Overnight 44 Overnight
 18 Trials 16 Trials 20 Trials 17 Trials 15 Trials 8 Trials
 8 Stakes 8 Stakes 8 Stakes 8 Stakes 8 Stakes 7 Stakes
 17 Days 17 Days 17 Days 17 Days 17 Days 17 Days

DOWNS AT ALBUQ

99 Overnight 116 Overnight 123 Overnight 161 Overnight 162 Overnight 186 Overnight
 16 Stakes 17 Stakes 17 Stakes 14 Stakes 7 Trials 3 Trials
 48 Days 48 Days 51 Days 53 Days 11 Stakes 11 Stakes
 50 Days

SUNRAY PARK

97 Overnight 102 Overnight 117 Overnight 158 Overnight 148 Overnight 179 Overnight
 9 Trials 5 Trials 8 Trials 9 Trials 8 Trials 5 Trials
 8 Stakes 9 Stakes 9 Stakes 9 Stakes 9 Stakes 10 Stakes
 46 Days 35 Days 40 Days 44 Days 38 Days 48 Days

ZIA PARK

166 Overnight 221 Overnight
 9 Trials 8 Trials
 19 Stakes 12 Stakes
 44 Days 49 Days

ANNUAL REPORT SUMMARY

The New Mexico Horse Breeders Association, before the 2007 Audit completion, shows revenues of \$588,806.00, which is \$24,350.00 less than 2006, which is a 4% decrease. After expenses, the net revenue is \$27,953.00 for 2007. There were the normal increases in salaries, employee health and retirement, annual meeting and Banquet along with board expenses (a 9% increase in expenses from 2006).

The Marketing Committee spent \$75,991.00, which is a 24 percent increase. The increase was due to the 2008 Calendar of Champions and more full color ads in the racing publications.

Computer expense increased \$2,762.00 for the program to be written for the EVA requirements for the stallions.

The Association contributed \$7,500.00 to New Mexico State University to share in the expense of the racing industry survey.

Doug Reed from the University of Arizona was hired as a consultant to create opportunities for New Mexico Breds.

Unfortunately, on the evening of January 28th, 2007 (two days prior to the annual meeting) the Association was broken into. There was a lot of damage to the doors & safe. An alarm system was installed. Repairs & maintenance reflect an increase of \$5,943.00.

There were 275 days of racing in 2007, which is 28 days less than 2006. In May 2006 New Mexico Breds had an opportunity to run in open races and receive a 20% bonus. In 2007, \$293,562.20 was earned as a bonus for New Mexico Breds running in open overnight races compared to \$116,125.00 in 2006, which is an increase of \$177,437.20 or 40% increase. There was a 46 % increase of horses participating and a 49% increase of those finishing 1st, 2nd or 3rd. There were 1,078 New Mexico Bred overnight races run in 2007. \$2,829,400.00 was distributed to overnight races from the unclaimed ticket and gaming revenues.

The 10 percent Track Breeders Awards in 2007 totaled \$1,385,463.48, which was \$84,476.85 more than in 2006.

Overall, the members with horses participating at the racetracks received \$12,277,526.80 in total distributions, which is \$487,858.55 more than in 2006.

The top five award recipients are: Mike C. Abraham, Pierre J. Amestoy, Jr. & Leslie A. Amestoy, Rita J. Danley, H. Joe Allen and W.L. Mooring, et al.

2007 members were 1,197, which is a 9 % decrease. The 2007 registrations decreased 8%. We feel that EVA greatly contributed to the decrease in registrations. Affidavits continue to be mailed confirming the accuracy of the information stated on the New Mexico Bred application.

The Award Incentive Fund checks were mailed November 19, 2007. The total award distribution was \$4,514,101.12. An increase of \$245,344.50 compared to 2006. The award allocation was from August 23, 2006 to October 7, 2007. This excludes Zia Park's 2007 season. \$3,178,031.36 of the total award distribution was generated from gaming. We issued 1,748 checks. There were 85 more owner awards and an increase of 29 breeders and stallion awards compared to 2006.

Your Association has experienced a decrease in memberships and registrations but an increase in funds distributed to New Mexico Bred stakes and an increase in opportunities for New Mexico Breds to participate at New Mexico tracks and still receive 10% Track Breeders Awards and the November Award Distribution. You do not have to run in a restricted New Mexico Bred race in order to receive the 10% Track Breeders Award or the November Award Distribution.

I admire your commitment to this Association and the racing industry.