

Manitoba



ANNUAL REPORT

2006 - 2007

Manitoba
Horse Racing
Commission





David Miles (Chair)
Dushant Persaud (Vice-Chair)
Georgine Spooner (Member)
Mary Ann Patrick (Member)
Executive Director: Larry Huber

MANITOBA HORSE RACING COMMISSION

PO BOX 46086 WESTDALE
WINNIPEG MB R3R 3S3

Telephone (204) 885-7770 Facsimile (204) 831-0942

E.Mail: mhrc@manitobahorsecomm.org

<http://www.manitobahorsecomm.org>

May 30th, 2007

The Honorable Rosann Wowchuk
Minister of Agriculture, Food and Rural Initiatives
Room 165
Legislative Building
Winnipeg, MB R3C 0V8

Dear Ms. Wowchuk:

Annual Report

The undersigned has the honour to present the Forty First Annual Report of the Manitoba Horse Racing Commission covering the fiscal year ended March 31st, 2007.

Yours truly,

Manitoba Horse Racing Commission

David Miles
Chair
DM/wfd



David Miles (Président)
Dushant Persaud (Vice-président)
Georgine Spooner (Membre)
Mary Ann Patrick (Membre)
Directeur général : Larry Huber

MANITOBA HORSE RACING COMMISSION

C.P. 46086 WESTDALE Téléphone : (204) 885-7770 Fax : (204) 831-0942
WINNIPEG MB R3R 3S3 Courriel : mhrc@manitobahorsecomm.org
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le 30 mai 2007

L'honorable Rosann Wowchuk
Ministre de l'Agriculture, de l'alimentation et des initiatives
Pièce 165
Assemblée législative
Winnipeg, MB R3C 0V8

Madame la ministre :

Rapport annuel

Le soussigné a le privilège de vous présenter le 41^e Rapport annuel de la Manitoba Horse Racing Commission pour l'exercice financier qui a pris fin le 31 mars 2007.

Bien cordialement,

Manitoba Horse Racing Commission

David Miles
Président
DM/wfd

FORTY FIRST ANNUAL REPORT
THE MANITOBA HORSE RACING COMMISSION

For the year ending March 31st, 2007

COMMISSONERS

David Miles	Chair	Winnipeg
Dushant Persaud	Vice Chair	Winnipeg
Georgine Spooner	Member	Winnipeg
Mary Ann Patrick	Member	Altona
Marvin Vestby	Member	Swan River

41e Rapport Annuel

THE MANITOBA HORSE RACING COMMISSION

Exercice financier terminé le 31 mars 2007

COMMISSAIRES

David Miles	Président	Winnipeg
Dushant Persaud	Vice-président	Winnipeg
Georgine Spooner	Membre	Winnipeg
Mary Ann Patrick	Membre	Altona
Marvin Vestby	Membre	Swan River

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FORTY FIRST ANNUAL REPORT
THE HORSE RACING COMMISSION

GENERAL

This report covers the twelve months ended March 31st, 2007.

Functions of the Manitoba Horse Racing Commission (MHRC)

The functions of the MHRC are set out in the Horse Racing Commission Act and the Pari-Mutuel Levy Act.

Under the Horse Racing Commission Act and Regulations thereto the MHRC governs, directs, controls, and regulates horse racing and the operation of all racetracks in Manitoba offering pari-mutuel wagering.

Pursuant to its' responsibility the MHRC passes and enforces rules, licenses all industry participants and racetrack operators, and generally oversees all aspects of horse racing to ensure that it is carried on in a manner that is fair and safe for all participants and that the races are run fairly and honestly and are perceived as such by the public. The MHRC is very cognizant of the importance of ensuring the safety of the horses. To that end a veterinarian is employed to inspect and monitor the condition of all horses running at the track.

The rules are primarily enforced on a day-to-day basis by Stewards/Judges (Officials), employed by the MHRC. In carrying out their duties the Officials not only act as investigators and prosecutors, but also act as judge and jury - making decisions based on their own investigations. Appeals from all decisions of the Officials may be made as a matter of right to the Commission, which is bound to act impartially. There is no appeal as a matter of right to any Court or any entity beyond the Commission, so the hearing of appeals is one of the most important functions of the Commission.

The Commission is cognizant of the fact that horse racing rules and their interpretation are not static. As outlined in the Annual Report for the period ending March 31st, 2006 a new Rule Book was adopted by the MHRC which came into force on April 1st, 2006. The changes, made after consultation with all industry participants, were helpful to the MHRC in its continuous endeavor to meet its goals of safety and fairness.

Additionally, under the Horse Racing Commission Act, the MHRC is to perform such other duties and functions that may be imposed upon it by the Lieutenant Governor in Council. Traditionally, the Chair of MHRC has acted as a confidential policy advisor to the Member of the Executive Council charged by the Lieutenant Governor in Council with the administration of the Act.

It should be noted that unlike Commissions in some other provinces it is not part of the function of the MHRC to promote horse racing. The Manitoba Commission is a regulator. The only reference to promotion in either the Horse Racing Commission Act or the Pari-Mutuel Levy Act is Section 13 (1) of the Pari-Mutuel Levy Act which establishes the Pari-Mutuel Levy Fund for "promotion" of horse racing.

Pursuant to the Pari-Mutuel Levy Act, a fixed percentage of each dollar wagered in Manitoba is collected by the track operator and remitted to the MHRC for distribution as authorized by the

Act. The MHRC is charged with the responsibility of adopting a plan on an annual basis for distribution of the funds. The Minister of Finance must approve the plan, once adopted, before it can become effective. The current plan, and that adopted and approved for 2007/08, provides that the Commission is to retain 1% for its own operation and is to distribute the balance, expected to be approximately \$2,700,000, to the racing industry. For the fiscal period covered by this report, from the approximately \$31,000,000 wagered, the Commission retained approximately \$310,000 to cover its expenses and distributed approximately \$2,125,000 to the Thoroughbred Horsemen's Benevolent and Protective Association (HBPA) for purse support and \$575,000 to the Canadian Thoroughbred Horse Society (CTHS) to support its breeding program.

The Standardbred and Quarter Horse Industries have never received money from the Pari-Mutuel Levy Fund. Traditionally these racing organizations were funded by the Province of Manitoba, supplemented by funds from the MHRC. This changed during the 2004 racing season. The Manitoba Lotteries Corporation (MLC), by Memorandum of Understanding (MOU) dated July 15th, 2004, assumed responsibility for the funding of Standardbred and Quarter Horse Racing. For the years 2005 and 2006 the MLC contributed approximately one million dollars for the support of the Standardbred and Quarter Horse Industry and will be providing another \$500,000 for the 2007 season. Of the \$500,000 annual grant \$38,000 is allocated to the MHRC to supervise the rural harness meet. The MHRC decided to allocate \$12,000 to the Quarter Horse Industry and the balance of \$450,000 to the Harness Industry. Of that \$450,000, by agreement between the Industry and the Agricultural Societies which sponsor "the rural circuit", \$40,200 (approx) went to the Agricultural Societies to defray the expense of conducting the weekend race meets. The balance of \$409,800 (approx) was used for purses, breeder awards/incentives and circuit administration. In December of 2006 the MHRC was notified by the MLC that it was prepared to extend the MOU for a further one year period and it is pursuant to that extension that MLC is providing funds for the 2007 season. The MLC also advised the industry and the MHRC that it would not be prepared to provide any further funding and after 2007 the industry would have to look elsewhere for support.

Results Achieved

To ensure safety for participants, the Commission continued to carry out extensive and improved human drug and alcohol testing programs. These programs, for the protection of both humans and horses, continued to be in effect during the entire race season, not only during live race days. The quality of race riding continued to improve as a result of which the Commission is very pleased to report that, once again, there were no accidents arising from substandard riding during the year. Manitoba continues to be a leader in the employment of the latest drug detecting technology.

In addition to drug testing the MHRC has continued to emphasize education, prevention, and rehabilitation. The MHRC, in cooperation with the Horsemen and the Track Operator, continues to strive to offer a work environment safe from the threat of injury to humans or animals.

The MHRC is pleased to report that "The Winners Foundation" is continuing its operations on the backstretch of Assiniboia Downs providing counseling and support programs to all industry participants.

To ensure that races are run fairly and honestly, and are perceived as such by the public, the betting pools are constantly monitored for fraudulent patterns and investigations are held into any hints or allegations of questionable racing tactics. This Commission is pleased to report that over the last six years there has not been received, from the public or participants, any even remotely substantiated allegations of a tainted race.

THE PUBLIC DISCLOSURE (WHISTLE BLOWER PROTECTION) ACT

This Act which came into force April 1st, 2007 applies to the MHRC. Procedures have been implanted as required.

Racing: April 1st 2006 – March 31st 2007

a) Live and Simulcast Racing at Assiniboia Downs

The total combined live and simulcast wagering for the year at Assiniboia Downs was \$30,986,328. This is a decline of approximately \$1,000,000 from the period ending March 31st, 2006. The live betting also declined. It decreased from approximately \$5,800,000 in the 2005 season to \$5,500,000 in 2006 but this can be attributed to the shortening of the live season from 75 to 70 days. The average daily wagering actually increased by \$1,000.

In the view of the MHRC Chair the caliber and competitiveness of the racing remained satisfactory and is probably the reason why the wagering on live races remained steady. In this writer's view the decline in simulcast wagering is somewhat troubling especially in light of the fact that there was also a decline in 2005 from 2004. In analyzing the betting results it appears as if the decline is attributable only to the first six months of the fiscal year. Therefore no conclusions should be drawn. The MHRC is also concerned about the decrease in live racing dates and has expressed this concern to all industry participants.

The horse population remained at full capacity. The number of licenses issued showed no marked change from the previous year.

b) Standardbred Live Racing

The Manitoba Great Western Harness Racing Circuit raced 22 days as scheduled with average daily wagering of \$5,340 in 2006 compared to \$5,867 in 2005.

The history of harness racing in rural Manitoba extends back to the 1930's. Harness racing continues to provide excellent entertainment and continues to enhance the cultural heritage of local communities. The problems facing rural racing have been well documented. As previously stated the MLC has indicated its intention not to provide support after the 2007 season and the proposal for the construction of a permanent facility in Brandon seems to be stalled. The government will once again have to deal with the issue of funding for this industry.

c) Quarter Horse Racing

There were a total of 4-Quarter Horse races run at Assiniboia Downs. There was, once again, no Quarter Horse Racing in Manitoba outside Winnipeg. For the 2007 season the

MHRC once again designated \$12,000 from grant money received from MLC for the support of Quarter Horse Racing. Obviously this source of funding is also ending. What will happen after 2007 is yet to be determined. The MHRC has met with leaders in this industry. They remain enthusiastic and optimistic and are continuing with their efforts to survive and prosper.

CONCLUSION:

The future of the Standardbred and Quarter Horse Industries, for the reasons stated herein, must be addressed as soon as is practicable so that the participants can plan for the 2008 season. The future of the Thoroughbred Industry, in the view of this writer should also be considered. The industry remains "in flux". The MHRC supports the Government's decision to carry out an extensive industry study in order to provide a solid source of information from which a long term policy can be adopted and implemented.

41 e Rapport annuel

THE MANITOBA HORSE RACING COMMISSION

Généralités

Ce rapport couvre la période de douze mois qui a pris fin le 31 mars 2007.

Activités de la Manitoba Horse Racing Commission (MHRC)

Les activités de la MHRC sont indiquées dans le « Horse Racing Commission Act » ainsi que le « Pari-Mutuel Levy Act. »

Selon la loi du *Horse Racing Commission Act and Regulations*, le MHRC gouverne, dirige, contrôle et réglemente les courses de chevaux ainsi que les opérations de tous les hippodromes du Manitoba qui offrent la possibilité de pari mutuel.

En accord avec ses responsabilités, la MHRC adopte et applique les règlements, accorde les permis à tous les participants de l'industrie ainsi qu'aux opérateurs d'hippodromes, et en général supervise tous les aspects des courses de chevaux afin d'assurer que le sport se déroule d'une manière équitable et sécuritaire pour tous les participants et que les courses se déroulent d'une manière équitable et honnête aux yeux du public. La MHRC reconnaît l'importance d'assurer la sécurité des chevaux. À cette fin, un vétérinaire est embauché afin d'inspecter et surveiller la condition de tous les chevaux qui participent aux courses.

Les règlements sont appliqués sur une base quotidienne par des commissaires et des juges (officiels) employés par la MHRC. Dans l'exécution de leurs tâches, ces officiels peuvent agir non seulement à titre d'enquêteurs et de procureurs, mais aussi en tant que jury et juge et prendre des décisions basées sur leurs propres enquêtes. Des appels concernant toutes les décisions des officiels peuvent être déposés à l'endroit de la commission, qui se doit d'agir d'une manière impartiale. Il n'y a pas la possibilité d'interjeter un appel dans une cour ou autre entité à l'extérieur de la commission et par conséquent la procédure d'instruire un appel est une des activités les plus importantes de la commission.

La commission reconnaît que les règlements des courses de chevaux et l'interprétation de ces règles ne sont pas statiques. Tel qu'explicité dans le rapport annuel pour la période qui a pris fin le 31 mars 2006, un nouveau livre de règlements a été adopté par la MHRC qui est entré en vigueur le 1er avril 2006. Les changements, effectués suite à une consultation à l'endroit des participants de l'industrie, ont aidé à la MHRC dans l'atteinte de ses objectifs en matière de sécurité et équité.

Aussi, selon la loi du *Horse Racing Commission Act*, la MHRC doit aussi assumer les responsabilités et tâches que peut lui déléguer le lieutenant gouverneur en conseil. Selon la tradition, le président de la MHRC a agi en tant que conseiller confidentiel en matière de politique au membre du conseil exécutif chargé par le lieutenant gouverneur en conseil d'appliquer la loi.

Également, et ce contrairement aux commissions des autres provinces, la MHRC ne fait pas la promotion des courses de chevaux. La commission du Manitoba agit en tant qu'organisation de réglementation. La seule référence à la promotion comme telle dans le Horse Racing Commission Act ou le Pari-Mutuel Levy Act est la section 13 (1) du Pari-Mutuel Levy Act qui établit un fonds de prélèvement pour le pari mutuel (« Pari-Mutuel Levy Fund ») afin de promouvoir les courses de chevaux.

Selon le Pari-Mutuel Levy Fund Act, un pourcentage fixe de chaque dollar misé au Manitoba est recueilli par l'opérateur d'hippodrome et remis à la MHRC pour distribution tel qu'autorisé par la loi. La MHRC détient la responsabilité d'adopter un plan sur une base annuelle pour la distribution des fonds. Le ministre des finances doit donner son approbation au plan tel qu'approuvé afin que celui-ci puisse entrer en vigueur. Le plan actuel, ainsi que celui qui a été adopté pour l'année 2007- 2008, prévoit que la commission retiendra 1 % pour ses opérations à elle et distribuera ce qui reste, approximativement 2 700 000 \$, à l'industrie du hippisme. Pour l'exercice financier couvert par ce rapport, du 31 000 000 \$ approximatif qui avait été misé, la commission a retenu environ 310 000 \$ afin de défrayer ses dépenses et a distribué environ 2 125 000 \$ au Thoroughbred Horsemen's Benevolent and Protective Association (HBPA) pour payer les bourses et 575 000 \$ au Canadian Thoroughbred Horse Society (CTHS) afin de soutenir son programme de sélection.

Les industries des chevaux standardbred et quarter horse n'ont jamais reçu de l'argent du Pari-Mutuel Levy Fund. Traditionnellement, ces organisations de course étaient financées par la Province du Manitoba, en plus de recevoir des fonds de la MHRC. Cela a changé durant la saison de course de 2004. La Corporation manitobaine des loteries (CML), d'après un protocole d'entente en date du 15 juillet 2004, a assumé la responsabilité du financement des courses standardbred et quarter horse. Pour les années 2005 et 2006, la MHRC a contribué environ un million de dollars afin de soutenir les industries des chevaux standardbred et quarter horse et donnera un autre 500 000 \$ pour la saison de 2007. De l'octroi annuel de 500 000 \$, la somme de 38 000 \$ est accordée à la MHRC afin que celle-ci puisse superviser la rencontre rurale des courses attelées. La MHRC a décidé d'accorder 12 000 \$ à l'industrie du quarter horse et la balance de 450 000 \$ à l'industrie des courses attelées. De ce 450 000 \$, selon une entente entre l'industrie et les sociétés agricoles qui commanditent le circuit rural, environ 420 000 \$ ont été accordés aux sociétés agricoles afin de défrayer les coûts d'organisation des rencontres de courses en fin de semaine. La balance approximative de 409 800 \$ a été utilisée pour des bourses, primes/ mesures incitatives aux éleveurs et administration du circuit. En décembre 2006, la MHRC a reçu un avis de la CLM que cette dernière était prête à prolonger la validité du protocole d'entente pour une période additionnelle d'un an et c'est dans cette optique que la MHRC pourra accorder des fonds pour la saison de 2007. La CLM a également averti l'industrie et la MHRC qu'elle n'accorderait pas de financement additionnel et qu'après 2007 l'industrie devrait s'adresser ailleurs pour obtenir du soutien financier.

Résultats

Afin d'assurer la sécurité des participants, la commission a continué de l'avant avec ses programmes exhaustifs et améliorés de dépistage de drogue et d'alcool. Ces programmes, pour la protection des humains et des animaux, ont été en vigueur durant toute la saison des courses et non seulement lors des journées mêmes de course. La qualité du déroulement des courses a continué de s'améliorer et la commission est donc heureuse de pouvoir affirmer qu'une fois de plus il n'y a pas eu d'accident causé par des courses qui se sont déroulées en dessous de la

norme. Le Manitoba continue d'être un chef de file en ce qui a trait à l'utilisation des technologies de pointe pour le dépistage des drogues.

En plus du dépistage de drogues la MHRC a continué de mettre l'emphase sur l'éducation, la prévention et la réadaptation. La MHRC, en collaboration avec les membres de la profession équestre et les opérateurs d'hippodromes, continue de faire tout en sorte afin d'offrir un environnement de travail sécuritaire pour ce qui est de la possibilité de blessure pour les humains ou les animaux.

La MHRC est heureuse de pouvoir dire que la fondation des gagnants (« The Winners Foundation ») poursuit ses opérations aux Assiniboia Downs afin de fournir des programmes de counselling et de soutien à tous les participants de l'industrie.

Afin d'assurer que les courses se déroulent d'une manière équitable et honnête et que le public ait cette impression, les pool de paris sont constamment surveillés afin de détecter des manoeuvres frauduleuses et des enquêtes sont menées lorsqu'il y a rumeur ou accusations de tactiques de courses qui sont suspectes. La commission est heureuse de pouvoir dire qu'au cours des six dernières années elle n'a pas reçu, ni de la part du public ou des participants, une accusation fondée que ce soit en ce qui a trait à une course qui aurait été manipulée.

Loi sur les divulgations faites dans l'intérêt public (protection des divulgateurs d'actes répréhensibles)

Cette loi, qui est entrée en vigueur le 1er avril 2007, s'applique à la MHRC. Les procédures y aff. rentes ont été mis en oeuvre telles que requises.

Les courses : 1er avril 2006 – 31 mars 2007

a) Courses en direct et diffusion simultanée aux Assiniboia Downs

Le total des paris pour les courses en direct et diffusion simultanée au Assiniboia Downs pour l'année était de 30 986 328 \$. Ceci représente une baisse d'environ 1 000 000 \$ en comparaison à la période qui avait pris fin le 31 mars 2006. Le pari en direct a aussi connu un déclin. Il a baissé d'environ 5 800 000 \$ en 2005 à 5 500 000 \$ en 2006 mais cela peut être attribué à une saison écourtée de 75 à 70 jours. La moyenne des paris quotidiens a même connu une hausse de 1 000 \$.

Selon le président de la MHRC le calibre et la compétitivité des course sont demeurés satisfaisants et c'est probablement la raison pour laquelle les paris sur les courses en direct est demeuré constant. L'auteur de ce document est de l'avis que le déclin des paris sur les courses diffusées simultanément est troublant à la lumière du fait qu'il y aussi eu une baisse en 2005 comparativement à 2004. En analysant le résultat des paris, on a l'impression que cette baisse peut être attribuée aux premiers six mois seulement de l'exercice financier en question. Toutefois, il faut éviter d'en arriver à une conclusion spécifique. La MHRC est aussi soucieuse en ce qui a trait à la baisse du nombre des courses en direct et a fait part de ses préoccupations à tous les participants de l'industrie.

La population des chevaux est demeurée à pleine capacité. Le nombre de permis est demeuré inchangé comparativement à l'année précédente.

b) **Courses Standardbred en direct**

Le Manitoba Great Western Harness Racing Circuit a tenu 22 jours de courses tel que prévu avec une moyenne quotidienne de paris totalisant 5 340 \$ comparativement à 5 867 \$ en 2005.

L'histoire des courses attelées au Manitoba rural date des années 30. Les courses attelées continuent de donner un excellent spectacle et de bâtir sur l'héritage culturel local de ces communautés. Les problèmes auxquels font face ces communautés sont bien connus. Tel que précisé plus haut, la CLM a déjà indiqué qu'elle n'accorderait plus de financement après la saison de 2007 et que la proposition concernant la construction d'une installation permanente à Brandon semble être dans l'impasse. Le gouvernement devra une fois de plus se pencher sur la question du financement pour cette industrie.

c) **Courses Quarter Horse**

Il y a eu un total de quatre courses quarter horse à Assiniboia Downs. Une fois de plus, il n'y en a pas eu à l'extérieur de Winnipeg. Pour la saison 2007, la MHRC a accordé la somme de 12 000 \$ des fonds reçus de la CLM pour le soutien des courses quarter horse. Evidemment, la source de ce financement sera également bientôt tarie. Ce qui va se passer après 2007 reste toujours inconnu. La MHRC a rencontré les chefs de file de cette industrie. Ces derniers demeurent enthousiastes et optimistes et continuent avec leurs efforts afin de survivre et de prospérer.

Conclusion:

L'avenir des industries des chevaux standardbred et quarter horse, pour les raisons explicitées plus haut, doit être examiné aussitôt que possible afin de permettre aux participants de planifier en prévision de la saison 2008. L'avenir de l'industrie des purs-sangs, selon l'avis de l'auteur de ce document, devrait également pris en considération, car l'industrie est toujours en transition. La MHRC appuie la décision du gouvernement de procéder avec une étude exhaustive de l'industrie afin de fournir une source fiable de renseignements à partir desquels une politique à long terme pourra être adoptée et mise en oeuvre.

SCHEDULE A

Assiniboia Downs

Live Racing

	<u>2006</u>	<u>2005</u>
Wagering on Live Racing	5,473,085	5,792,775
Number of Live Race Days	70	75
Number of Live Races	560	600
Average Daily Wagering (Live)	78,186	77,237
Average Live Wager per race	9,773	9,622
Purses Paid Out	5,685,058	5,695,669
Per Race Purse Average	10,151	9,251

Simulcast Racing

	<u>2006/07</u>	<u>2005/06</u>
<u>Simulcast Wagering</u>	\$ 25,500,543	\$ 26,669,277
Number of Race Days	364	350
Average Daily Wagering (Simulcast)	70,056	76,197

Totals

	<u>2005/06</u>	<u>2004/05</u>
<u>Pari-Mutuel Wagering</u>	\$ 30,973,628	\$ 32,462,053
Number of Race Days	364	354
Average Daily Wagering	85,092	91,700

SCHEDULE B

Rural Racing

<u>Standardbred</u>	<u>Racing Days</u>		<u>Amount Wagered</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Dauphin	2	2	\$ 11,014	15,530
Deloraine	2	1	10,145	3,959
Glenboro	2	2	10,466	10,282
Holland	4	3	19,081	13,955
Killarney	4	4	20,971	23,317
Portage	4	4	23,194	28,611
Wawanesa	2	2	13,989	15,293
Miami	<u>2</u>	<u>3</u>	<u>8,659</u>	<u>12,271</u>
Subtotal	22	21	\$ 117,519	\$ 123,218

There was no Rural Quarter Horse Racing in 2006

Other Comparative Statistics

	<u>2006</u>	<u>2005</u>
Total Overnight Purses - Standardbred	\$ 284,900	\$ 286,034
Per Race Purse Average - Standardbred	\$ 1,656	\$ 1,662

Provincial Support Programs

	<u>2006</u>	<u>2005</u>
Race Meet Support - Standardbred	\$378,000	\$378,890
Breeders/Owners Incentives - Standardbred	110,000	111,110
Purses/Breeders/Owners Incentives – Quarter Horse (quarter horse programs operated from Assiniboia Downs)	12,000	12,000
TOTALS From Manitoba Lotteries Corporation	<u>\$500,000</u>	<u>\$502,000</u>

SCHEDULE C

MANITOBA HORSE RACING COMMISSION

Occupational Licenses and Registrations for the year ending
March 31, 2007

<u>Occupational Licenses</u>	<u>Thoroughbred</u>		<u>Standardbred</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Owner/Trainer	118	96	27	11
Trainer	27	32	2	0
Assistant Trainer	17	10	4	0
Owner/Trainer/Driver	0	0	19	25
Owner/Driver	0	0	0	2
Jockey (1/4 & Amateur incl.)	24	36	0	0
Apprentice Jockey/Exercise Rider	52	54	0	0
Driver	0	0	3	5
Driver/Trainer	0	0	0	2
Jockey Agent	9	8	0	0
Officials	11	11	8	11
Backstretch	232	229	9	11
Occ 1 (Assoc., Kitchen, etc.)	109	145	0	0
Occ 2 (Press, etc.)	78	57	0	0
Occ 3 (Tradesmen, etc.)	17	22	0	0
Occ 5 (Veterinarians, etc.)	<u>9</u>	<u>9</u>	<u>0</u>	<u>0</u>
TOTAL LICENSES ISSUED:	<u>703</u>	<u>709</u>	<u>70</u>	<u>67</u>

<u>Registrations & Non-Occupational</u>	<u>Thoroughbred</u>		<u>Standardbred</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Owners	518	497	76	81
Sponsored Persons	101	117	1	10
Partnerships	204	197	3	3
Stable Names	137	145	1	0
Colours	47	54	0	0
Leases	0	0	0	0
Authorized Agents	226	209	0	0

	<u>Quarter Horse</u>	
	<u>2006</u>	<u>2005</u>
All Categories (excluding Assiniboia Downs dual licensees)	24	27

SCHEDULE D

MANITOBA HORSE RACING COMMISSION

<u>Thoroughbred</u>	<u>2006</u>	<u>2005</u>
Rulings	222	175
Fines	\$ 17,300	\$ 15,000

<u>Standardbred</u>	<u>2006</u>	<u>2005</u>
Rulings	10	20
Fines	\$ 1,127	\$ 537

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgment regarding all necessary estimates and all other data available. The financial information presented elsewhere in the annual report, is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance as to the reliability and accuracy of the financial information and to ensure that the assets of the Commission are properly safeguarded.

The responsibility of the Auditor General for Manitoba is to express an independent professional opinion as to whether the financial statements are presented fairly, in all material respects.

Larry Huber
Executive Director

A handwritten signature in black ink, appearing to read 'L. Huber', written over a horizontal line.

Date: May 16th, 2007

Rapport de la direction

Les états financiers ci-joints sont la responsabilité de la direction et ont été préparés conformément aux principes comptables canadiens généralement reconnus. À notre avis, les états financiers ont été convenablement préparés à l'intérieur des limites de l'importance relative des renseignements, en y incorporant le meilleur jugement de la direction en ce qui a trait aux estimations requises ainsi que toutes autres données disponibles. L'information financière présentée ailleurs dans ce rapport annuel est conforme à ce que l'on retrouve dans les états financiers.

La direction maintient des contrôles internes afin d'assurer, et ce dans la mesure du possible, que l'information financière est précise et fiable et aussi que les actifs de la commission soient bien protégés.

La responsabilité du vérificateur général est d'exprimer une opinion professionnelle indépendante à savoir que les états financiers ont été présentés d'une manière équitable dans tous leurs aspects importants.

Larry Huber
Directeur général



Date: le 16 mai 2007

THE MANITOBA HORSE RACING COMMISSION

Financial Statements

March 31, 2007

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Auditors' Report

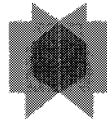
Balance Sheet

Statement of Operating Revenue and Expenditure and Fund Balances

Statement of General Fund Operating Expenditures

Notes to the Financial Statements

Disclosure of Employee Compensation



OFFICE OF THE
AUDITOR GENERAL
MANITOBA

AUDITORS' REPORT

To the Legislative Assembly of Manitoba, and
To the Board of Directors of Manitoba Horse Racing Commission

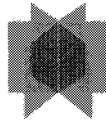
We have audited the balance sheet of the Manitoba Horse Racing Commission as at March 31, 2007 and the statement of operating revenue and expenditure and fund balances for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Manitoba Horse Racing Commission as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Winnipeg, Manitoba
June 1, 2007



OFFICE OF THE
AUDITOR GENERAL
MANITOBA

AUDITORS' REPORT

Schedule of Employee Compensation Disclosure

To the Legislative Assembly of Manitoba, and
To the Board of Directors of the Manitoba Horse Racing Commission

We have audited the Schedule of Employee Compensation Disclosure of the Manitoba Horse Racing Commission for the year ended December 31, 2006 prepared in accordance with Section 2 of The Public Sector Compensation Disclosure Act. This financial information is the responsibility of the Corporation's management. Our responsibility is to express an opinion on this financial information based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In our opinion, this schedule presents fairly, in all material respects, the employee compensation payments of the Manitoba Horse Racing Commission for the year ended December 31, 2006 in accordance with the provisions of The Public Sector Compensation Disclosure Act.

Office of the Auditor General
Office of the Auditor General

Winnipeg, Manitoba
June 21, 2007

THE MANITOBA HORSE RACING COMMISSION

Exhibit A

Balance Sheet
as at March 31, 2007
(with 2006 figures for comparison)

	Restricted Funds					Total		
	General Fund	Capital Asset Fund	Pari-Mutuel Levy Fund	Rural Fund	H.B.P.A. Fund	C.T.H.S. Fund	Year ended March 31 2007	2006
ASSETS								
Current assets:								
Cash on hand and in bank	\$ 38,053	\$ -	\$ -	\$ 4,584	\$ 115,256	\$ 255,855	\$ 413,748	\$ 284,511
Pari-mutuel levy receivable	-	-	47,394	-	-	-	47,394	30,551
Pari-mutuel levy distribution receivable	4,930	-	-	-	33,557	8,907	47,394	30,551
Pre paid expenses	7,388	-	-	-	-	-	7,388	10,605
Accounts Receivable	15,430	-	-	-	-	-	15,430	32,220
	<u>65,801</u>	<u>-</u>	<u>47,394</u>	<u>4,584</u>	<u>148,813</u>	<u>264,762</u>	<u>531,354</u>	<u>388,438</u>
Long term receivable:								
Province of Manitoba (Note 3)	288,336	15,255	-	-	-	-	288,336	271,207
Capital assets, net (Note 5)	-	-	-	-	-	-	15,255	15,371
	<u>\$ 354,137</u>	<u>\$ 15,255</u>	<u>\$ 47,394</u>	<u>\$ 4,584</u>	<u>\$ 148,813</u>	<u>\$ 264,762</u>	<u>\$ 834,945</u>	<u>\$ 675,016</u>
LIABILITIES								
Current liabilities:								
Accounts payable and accrued liabilities	\$ 15,957	\$ -	\$ -	\$ 4,584	\$ 148,813	\$ 264,762	\$ 434,116	\$ 292,005
Deferred revenue	2,915	-	-	-	-	-	2,915	1,770
Due to C.T.H.S. Fund	-	-	8,907	-	-	-	8,907	5,852
Due to General Fund	-	-	4,930	-	-	-	4,930	3,141
Due to H.B.P.A. Fund	-	-	33,557	-	-	-	33,557	21,558
	<u>18,872</u>	<u>-</u>	<u>47,394</u>	<u>4,584</u>	<u>148,813</u>	<u>264,762</u>	<u>484,425</u>	<u>324,326</u>
Long term liability:								
Provision for employee pension benefits (Note 3)	288,336	-	-	-	-	-	288,336	271,207
	<u>307,208</u>	<u>-</u>	<u>47,394</u>	<u>4,584</u>	<u>148,813</u>	<u>264,762</u>	<u>772,761</u>	<u>595,533</u>
Fund Balances - Exhibit B								
Unrestricted	46,929	-	-	-	-	-	46,929	64,112
Invested in Capital Assets	-	15,255	-	-	-	-	15,255	15,371
	<u>\$ 354,137</u>	<u>\$ 15,255</u>	<u>\$ 47,394</u>	<u>\$ 4,584</u>	<u>\$ 148,813</u>	<u>\$ 264,762</u>	<u>\$ 834,945</u>	<u>\$ 675,016</u>

APPROVED BY THE COMMISSION

David Miles
Bert Hawbaker

Chairman
Comptroller

See accompanying notes to the financial statements

THE MANITOBA HORSE RACING COMMISSION

Exhibit B

Statement of Operating Revenue and Expenditure
and Fund Balances for the year ended March 31, 2007
(with 2006 figures for comparison)

	Restricted Funds						Total Year ended March 31 2006
	General Fund	Capital Asset Fund	Pari-Mutuel Levy Fund	Rural Fund	H.B.P.A. Fund	C.T.H.S. Fund	
Revenue:							
Fees, licenses and fines (Note 4)	\$ 126,261	-	-	-	-	-	\$ 126,261
Grant from the Manitoba Lotteries	38,000	-	-	462,000	-	-	500,000
Interest	780	-	-	813	5,166	6,326	13,085
Pari-mutuel levy	-	-	2,985,302	-	-	-	2,985,302
Pari-mutuel levy fund distribution	309,828	-	-	-	2,112,408	563,066	3,088,613
Sundry	34	-	-	-	-	-	90
Employee future benefits - (Note 3)	17,130	-	-	-	-	-	63,955
	<u>492,033</u>	<u>-</u>	<u>2,985,302</u>	<u>462,813</u>	<u>2,117,574</u>	<u>569,392</u>	<u>6,627,114</u>
Expenditure:							
General Fund expenditures, Exhibit C	507,504	-	-	-	2,117,574	-	507,504
Overnight purse support thoroughbred	-	-	-	-	-	-	2,186,633
Owners/breeders incentive thoroughbred	-	-	-	-	-	569,392	566,791
Pari-mutuel levy fund distribution	-	-	2,985,302	-	-	-	3,088,613
Quarter Horse support	-	-	-	12,000	-	-	12,000
Amortization of capital assets	-	1,828	-	-	-	-	1,657
Standardbred rural	-	-	-	450,813	-	-	450,441
	<u>507,504</u>	<u>1,828</u>	<u>2,985,302</u>	<u>462,813</u>	<u>2,117,574</u>	<u>569,392</u>	<u>6,644,413</u>
Excess (deficiency) of revenues over expenses	(15,471)	(1,828)	-	-	-	-	(5,358)
Funds transfer (Note 2F)	(1,712)	1,712	-	-	-	-	-
Fund balances at beginning of year	64,112	15,371	-	-	-	-	79,483
Fund balances end of year	<u>\$ 46,929</u>	<u>\$ 15,255</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,184</u>

See accompanying notes to the financial statements

THE MANITOBA HORSE RACING COMMISSION

Exhibit C

**Statement of General Fund Operating Expenditure
for the year ended March 31, 2007**
(with 2006 figures for comparison)

	<u>2007</u>	<u>2006</u>
Expenditure:		(Note 7)
Commissioners' per diem and honoraria	\$ 20,828	\$ 15,364
Drug, alcohol and security	4,705	7,454
Employee benefits	26,736	28,103
Equipment rentals	1,275	1,390
Insurance	968	-
Memberships and dues	6,845	7,145
Office	13,070	5,874
Pension cost	31,402	77,847
Professional fees	8,400	11,933
Recruiting costs	1,927	-
Repairs and maintenance	1,822	2,996
Salaries:		
Administration	125,595	121,206
Security	17,295	17,584
Stewards and judges	153,380	138,315
Veterinarian services	50,124	51,836
Sundry	-	3,602
Support grant	15,823	9,382
Telephone	6,602	7,273
Travel	20,707	25,527
	<u>\$ 507,504</u>	<u>\$ 532,831</u>

THE MANITOBA HORSE RACING COMMISSION

Notes to the Financial Statements for the year ended March 31, 2007

Nature of operations

The Manitoba Horse Racing Commission (Commission) was established under The Horse Racing Commission Act to govern, direct, control and regulate horse racing and the operations of horse race tracks in Manitoba.

The operating expenditures of the Commission in excess of revenue derived from its regulatory activities are funded through an appropriation of the Government of the Province of Manitoba and a grant from the Manitoba Lotteries Corporation. Administrative grant monies drawn down in excess of actual expenditures are retained by the Commission. However, such retained funds in excess of actual expenditures reduce subsequent administrative grants.

Revenues and expenditures related to program delivery and administrative activities of the Commission are reported in the General Fund.

The Capital Asset Fund represents the net investment of the Commission in capital assets.

Effective April 1, 1997, the Pari-Mutuel Levy Act (the "Act") was enacted. The Act provides for the establishment of the Pari-Mutuel Levy Fund for the promotion of horse racing in Manitoba. The fund is collected by the Commission and distributed in accordance with a Plan For Distribution, as required by the Act.

The Rural Fund is used for funding of the rural circuit as well as Quarter Horse racing. Funding for the Rural Fund is provided through a grant from the Manitoba Lotteries Corporation.

The Horsemen's Benevolent Protection Association (H.B.P.A.) Fund is to be used for overnight purses at Assiniboia Downs. Funding for the H.B.P.A. Fund is provided through the Pari-Mutuel Levy Act based on the Plan For Distribution approved by the minister responsible for the administration of the Act.

The Canadian Thoroughbred Horsemen Society (C.T.H.S.) Fund is to be used for breeder's and owner's incentives at Assiniboia Downs. Funding for the C.T.H.S. Fund is provided through the Pari-Mutuel Levy Act based on the Plan For Distribution approved by the minister responsible for the administration of the Act.

THE MANITOBA HORSE RACING COMMISSION

Notes to the Financial Statements for the year ended March 31, 2007

2. Significant accounting policies

A) Fund accounting

The Commission follows the restricted fund method of accounting for contributions.

B) Revenue recognition

Restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be estimated and collection is reasonably assured.

Funding from the Province of Manitoba includes the Commission's share of provisions recorded for unfunded pension liabilities.

C) Pension costs

These consist of the employer's share of pension benefits paid to retired employees, as well as the increase in the employee pension benefits liability during the fiscal year. This liability is determined actuarially every three years with the balances for the intervening years determined by formula provided by the actuary. The most recent valuation was completed as at December 31, 2004. Experience gains or losses are recognized in the year the actuarial valuation is completed.

D) Use of estimates

In preparing the Commission's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

E) Financial instruments

The Commission's financial instruments consist of cash, accounts receivable and accounts payable. It is management's opinion that the Commission is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

F) Fund transfers

Fund transfers represent allocations from the General fund to the Capital Asset Fund for capital acquisitions.

THE MANITOBA HORSE RACING COMMISSION

Notes to the Financial Statements for the year ended March 31, 2007

2. Significant accounting policies (continued)

G) Capital assets

Capital assets are recorded at cost. Amortization is provided on a straight-line basis over the assets' estimated useful lives, as follows:

Computer equipment	5 years
Security equipment	10 years
Furniture	10 years

3. Provision for employee pension benefits

The Commission follows the accrual method of accounting for its employee pension benefits liability.

The Province of Manitoba has accepted responsibility for the unfunded portion of the pension liability. Accordingly the provision of employee pension benefits is offset by a receivable from the Province of Manitoba. There are no specific terms of repayment for this receivable.

An actuarial valuation of the employee pension benefit liability as at December 31, 2004 was conducted by Ellement & Ellement Ltd., Consulting Actuaries. The key actuarial assumptions were a rate of return of 7% (2001 - 7.25%), 2.50% inflation (2001 - 2.75%), salary rate increases of 3.25% (2001 - 3.5%) and post retirement indexing at 2/3 of the inflation rate. The service to date projected benefit method was used and the liabilities have been extrapolated to March 31, 2007 using a formula provided by the actuary and adjusted for a provision for adverse experience and a trust fund credit.

Provision for employer's share of employees' pension plan:

	<u>2007</u>	<u>2006</u>
Balance, beginning of year	\$ 271,207	\$ 207,251
Experience loss	-	47,468
Adjusted beginning balance	271,207	254,719
Benefits accrued	13,198	12,978
Interest accrued on benefits	17,823	17,402
Benefits paid	(13,892)	(13,892)
Balance, end of year	\$ 288,336	\$ 271,207

THE MANITOBA HORSE RACING COMMISSION

Notes to the Financial Statements for the year ended March 31, 2007

4.	<u>Fees, licenses and fines</u>		<u>2007</u>	<u>2006</u>
	Assiniboia Downs			
	Daily licenses		\$ 67,000	\$ 52,880
	Fees and licenses		39,771	33,263
	Fines		17,610	16,253
			<u>124,381</u>	<u>102,396</u>
	Rural Circuit			
	Fees and licenses		1,160	995
	Fines		720	637
			<u>1,880</u>	<u>1,632</u>
			<u>\$ 126,261</u>	<u>\$ 104,028</u>

5.	<u>Capital assets</u>		<u>2007</u>	<u>2006</u>	
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
	Computer equipment	\$ 10,422	\$ 1,818	\$ 8,604	\$ 7,612
	Security equipment	1,629	336	1,293	1,405
	Furniture	<u>7,571</u>	<u>2,213</u>	<u>5,358</u>	<u>6,354</u>
		<u>\$ 19,622</u>	<u>\$ 4,367</u>	<u>\$ 15,255</u>	<u>\$ 15,371</u>

6. Statement of cash flows

A statement of cash flows has not been provided as information about financing and investing activities and their effects on cash resources are readily apparent from the other financial statements.

7. Comparative figures

Certain of the prior year's comparative figures have been reclassified to conform to the presentation adopted for the current year.

THE MANITOBA HORSE RACING COMMISSION

Schedule of Employee Compensation Disclosure For the Year Ended December 31, 2006

The Public Sector Compensation Disclosure Act requires disclosure of the aggregate compensation paid to the Commission's Board members and of individual compensation paid to Board members or staff, where such compensation exceeds \$50,000 per year. In the year 2006 the Commission paid the Board members in aggregate \$18,745. In the year 2006, the Commission paid the following employees in excess of \$50,000.

Name	Position	Compensation (\$'s)
Huber, Larry	Executive Director	71,904
Meek, Dr. Joseph	Commission Veterinarian	50,124