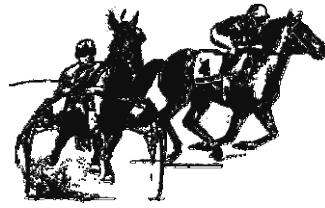


Manitoba



**ANNUAL
REPORT
2021-2022**

**RAPPORT
ANNUEL
2021-2022**

**Manitoba
Horse Racing
Commission**

**Commission
hippique du
Manitoba**

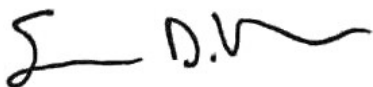
June 1, 2022

The Honourable Kelvin Goertzen
Minister of Justice and Attorney General
Room 104, Legislative Building
450 Broadway
Winnipeg, MB R3C 0V8

Dear Minister Goertzen:

With the proclamation of The Horse Racing Regulatory Modernization Act (Liquor, Gaming and Cannabis Control Act and Pari-Mutuel Levy Act Amended) on April 1, 2022, the Manitoba Horse Racing Commission was dissolved. As the Chair of the Liquor, Gaming and Cannabis Authority of Manitoba, which now oversees horse racing, I am pleased to present the fifty-sixth and final annual report of the Manitoba Horse Racing Commission, covering the fiscal year ended March 31, 2022.

Yours truly,



Stéphane D. Dorge
Chair, Liquor, Gaming and Cannabis Authority of
Manitoba

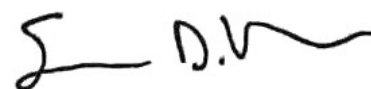
Le 1 juin 2022

L'honorable Kelvin Goertzen
Ministre de la Justice et procureur général
Palais législatif, bureau 104
450 Broadway
Winnipeg (Manitoba) R3C 0V8

Monsieur le Ministre,

Lorsque la Loi sur la modernisation de la réglementation des courses de chevaux (Loi sur la réglementation des alcools, des jeux et du cannabis et Loi concernant les prélèvements sur les mises de pari mutuel modifiée) le 1er avril 2022, la commission hippique du Manitoba a été dissoute. En tant que président de la Régie des alcools, des jeux et du cannabis du Manitoba, qui assure maintenant le contrôle des courses de chevaux, j'ai le plaisir de présenter le cinquante-sixième rapport annuel de la Commission hippique du Manitoba, qui est aussi le rapport final et qui vise l'exercice se terminant le 31 mars 2022.

Cordialement,



Stéphane D. Dorge
Président de la Régie des alcools, des jeux et du
cannabis du Manitoba

**MANITOBA HORSE RACING COMMISSION
COMMISSIONERS
UPON DISSOLUTION ON MARCH 31, 2022**

Brett Arnason,
Chair
Winnipeg

Peter Fuchs,
Vice-Chair
Winnipeg

Marg Homenuik,
Member
Winnipeg

Robert King,
Member
Winnipeg

Darrell Stephansson,
Member
Winnipeg

**COMMISSION HIPPIQUE DU MANITOBA
COMMISSAIRES
AU MOMENT DE LA DISSOLUTION, LE 31 MARS 2022**

Brett Arnason,
Président
Winnipeg

Peter Fuchs,
Vice-président
Winnipeg

Marg Homenuik,
Membre
Winnipeg

Robert King,
Membre
Winnipeg

Darrell Stephansson,
Membre
Winnipeg

**MANITOBA HORSE RACING
COMMISSION**

ANNUAL REPORT 2021-2022

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**COMMISSION HIPPIQUE
DU MANITOBA**

RAPPORT ANNUEL 2021-2022

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YEAR IN REVIEW

General

This report covers the twelve-month period ending March 31, 2022.

Under The Horse Racing Commission Act, which was repealed April 1, 2022, the Manitoba Horse Racing Commission (MHRC) was given the power and responsibility to govern, direct, control and regulate horse racing in Manitoba, and the operation of all race tracks in the province that offer pari-mutuel betting. Pursuant to this responsibility, the MHRC passed and enforced rules, issued licences to all industry participants and racetrack operators, and generally oversaw all aspects of horse racing to ensure that it has been carried out in a fair and safe manner, and perceived as such by the public.

The MHRC's core functions as a regulator did not include a role in the advocacy or promotion of horse racing, as in some other jurisdictions.

Live Racing

The COVID-19 pandemic continued to present challenges to live horse racing for the 2021 racing season. Collaboration between the MHRC, Manitoba Public Health and industry stakeholders ensured racing could happen in a safe and socially distant manner in the province. Thoroughbred racing occurred with in-person spectators, when allowed by public health orders. Races were broadcast and available worldwide through simulcast wagering, and standardbred racing was centralized at a single racetrack, the Miami Agricultural Society Grounds in Miami, Manitoba.

L'ANNÉE EN REVUE

Général

Le présent rapport couvre la période de douze mois se terminant le 31 mars 2022.

En vertu de la Loi sur la Commission hippique du Manitoba, qui a été abrogée le 1 avril, 2022, la Commission hippique du Manitoba (Commission) s'est vu confier le pouvoir et la responsabilité de régir, diriger, contrôler et régler les courses de chevaux au Manitoba et d'exploiter tous les hippodromes offrant des courses axées sur le pari mutuel. Par ailleurs, la Commission avait le pouvoir de voter et d'appliquer des règlements, d'autoriser tous les intervenants du secteur et les exploitants d'hippodromes, et de surveiller tous les aspects de la course hippique pour garantir qu'elle se déroule d'une manière équitable et sûre, et qu'elle soit perçue comme telle par le public.

La Commission avait essentiellement un rôle de régulateur; à l'inverse de certaines commissions d'autres provinces, la promotion ou la défense de la course hippique ne faisait pas partie de ses fonctions.

Courses en direct

La pandémie de la COVID-19 a continué de poser des défis aux courses de chevaux en direct pendant la saison 2021. La collaboration entre la Commission, la Santé publique du Manitoba et les intervenants du secteur a permis d'assurer que les courses puissent avoir lieu de manière sûre et socialement distante dans la province. Des courses de pur-sang ont eu lieu en présence de spectateurs sur place, lorsqu'autorisées en vertu d'ordonnances de santé publique. Les courses étaient diffusées et disponibles dans le monde entier grâce aux paris en diffusion simultanée, et les courses de chevaux de

race standardbred ont été centralisées dans un seul hippodrome, le Miami Agricultural Society Grounds, à Miami, au Manitoba.

Assiniboia Downs conducted 51 days of live thoroughbred racing, commencing May 24, 2021 through September 16, 2021. Total live thoroughbred wagering at Assiniboia Downs was \$2,055,765, a decrease from the previous year. Wagering on live racing from partner racetracks was \$34,603,636 in 2021, a decrease from the previous year.

Du 24 mai 2021 au 16 septembre 2021, Assiniboia Downs a connu 51 jours de courses de pur-sang en direct. Le total des paris s'est élevé à 2 055 765 \$, ce qui représente une baisse par rapport à l'année dernière. Le total des paris s'est élevé à 2 055 765 \$, ce qui représente une baisse par rapport à l'année dernière. Les paris sur les courses en direct des hippodromes partenaires se sont élevés à 34 603 636 \$ en 2021, ce qui représente une baisse par rapport à l'année dernière.

Standardbred racing continued during the summer of 2021, with 10 days of live action held at the Miami Agricultural Society Grounds, similar to 2020. Total live standardbred wagering was \$23,133, a decrease from the previous year. The Manitoba Standardbred Racing Industry entered the simulcast market in 2020 by broadcasting live racing to partner racetracks, and during the 2021 racing season, \$34,034 was wagered in Miami, Manitoba, a decrease from the previous year.

Les courses de chevaux de race standardbred se sont poursuivies pendant l'été 2021 avec dix jours de courses en direct ayant eu lieu au Miami Agricultural Society Grounds, ce qui est semblable à 2020. Le total des paris s'est élevé à 23 133 \$, ce qui représente une baisse par rapport à l'année dernière. La Manitoba Standardbred Racing Industry est entrée sur le marché de la diffusion en simultanée en 2020 en diffusant des courses en direct des hippodromes partenaires. Durant la saison de course 2021, les paris se sont élevés à 34 034 \$ à Miami, au Manitoba, ce qui représente une baisse par rapport à l'année dernière.

Simulcast Wagering

Total simulcast wagering for 2021-2022 was \$23,304,430, an increase from the previous year.

Paris en diffusion simultanée

Le total des paris en diffusion simultanée en 2021-2022 était de 23 304 430 \$, ce qui représente une augmentation par rapport à l'année dernière.

Summary

To further assist with integrating the MHRC into the Liquor, Gaming and Cannabis Authority of Manitoba's (LGCA) existing regulatory oversight, Peter Fuchs, vice-chair of the MHRC was appointed to the LGCA's board in March 2021. This appointment has helped transition the board oversight of horse racing to the LGCA, and Mr. Fuchs'

En résumé

Pour faciliter l'intégration de la Commission à la surveillance réglementaire actuelle de la Régie des alcools, des jeux et du cannabis du Manitoba (RAJC), Peter Fuchs, vice-président de la Commission, a été nommé au conseil de la RAJC en mars 2021. Cette nomination a contribué à la transition de la surveillance des courses de

experience with the MHRC board and horse racing industry will be of great benefit going forward.

On April 1, 2022, The Horse Racing Regulatory Modernization Act was proclaimed, officially transferring the regulation of horse racing to the LGCA. Upon passage, the MHRC and its board were dissolved. Future annual reporting on Manitoba's horse racing industry will occur through the LGCA's annual report.

The LGCA recognizes and appreciates the engagement of stakeholders through this transition, especially during difficult years impacted by the COVID-19 pandemic. We hope to continue in a collaborative approach to ensure that the regulatory framework meets the industry needs, while ensuring a safe and transparent sport for the betting public and racing participants.



Kristianne Dechant
Executive Director and CEO, LGCA

chevaux par le conseil de la RAJC, et l'expérience de M. Fuchs avec le conseil de la Commission et le secteur des courses de chevaux sera très utile pour l'avenir.

Le 1^{er} avril 2022, la Loi sur la modernisation de la réglementation des courses de chevaux a été proclamée, transférant ainsi automatiquement la réglementation des courses de chevaux à la RAJC. Lorsque cette loi a été adoptée, la Commission et son conseil ont été dissous. La production annuelle future de rapports sur le secteur des courses de chevaux sera effectuée au moyen du rapport annuel de la RAJC.

La RAJC est reconnaissante de la participation des intervenants durant cette transition, surtout lors des années difficiles marquées par la pandémie de COVID-19. Nous espérons poursuivre cette approche de collaboration afin de veiller à ce que le cadre réglementaire réponde aux besoins du secteur, tout en assurant le déroulement d'un sport sûr et transparent pour les parieurs et les participants aux courses.



Kristianne Dechant
Directrice générale et chef de la direction,
RAJC

**THOROUGHBRED AND SIMULCAST/PURS-SANGS ET DIFFUSION SIMULTANÉE
ASSINIBOIA DOWNS/ASSINIBOIA DOWNS**

Live Racing/Courses en direct	2021/22	2020/21
Wagering on live racing (on track)/Paris sur les courses en direct (sur piste)	\$2,055,765	\$2,149,781
Wagering on live racing (partners)/Paris sur les courses en direct (partenaires)	\$34,603,636	\$61,114,220
Total live wagering/Total des paris en direct	\$36,609,401	\$63,264,001
Number of live race days/Nombre de jours de courses en direct	51	50
Number of live races/Nombre de courses en direct	2021/22	2020/21
Overnight/Course ordinaire	321	308
Stakes/Course stake	25	26
Purse paid out (overnights)/Bourse versée (ordinaires)	\$3,780,451	\$2,954,800
Purse paid out (stakes)/Bourse versée (stakes)	\$930,000	\$740,500
Simulcast Racing/Courses en diffusion simultanée	2021/22	2020/21
Simulcast Wagering/Paris en diffusion simultanée		
Number of race days/Nombre de jours de courses	364	364
Total simulcast/Total des paris en diffusion simultanée	\$23,304,430	\$20,585,379*
Pari-mutuel Wagering/Pari mutuel		
Number of race days/Nombre de jours de courses	364	364
Total pari-mutuel/Total des paris mutuels	\$25,360,195	\$22,735,160*

* Amended subsequent to the 2020-2021 annual report:

- Total simulcast for 2020/2021 has been amended from \$19,904,089 to \$20,585,379.
- Total pari-mutuel for 2020/21 has been amended from \$22,053,870 to \$22,735,160.

* Modifié après le rapport annuel de 2020-2021 :

- Le total des paris en diffusion simultanée pour 2020-2021 a été modifié de 19 904 089 \$ à 20 585 379 \$.
- Le total des paris mutuels pour 2020-2021 a été modifié de 22 053 870 \$ à 22 735 160 \$.

**STANDARD BRED (RURAL)/STANDARD BRED (RURAL)
RURAL RACING/COURSES RURALES**

Racing Days/Jours de courses	2021/22	2020/21
Miami	10	10
Amount Wagered/Montant parié	2021/22	2020/21
Miami	\$23,133	\$29,276

LICENCES AND REGISTRATIONS/LICENCES ET ENREGISTREMENTS

Occupational Licences/ Licences de professionnel	Thoroughbred/ Purs-sangs		Standardbred/ Standardbred	
	2021/22	2020/21	2021/22	2020/21
Owner/Propriétaire *	424	324	22	18
Owner/Trainer/Propriétaire ou entraîneur	52	54	12	12
Trainer/Entraîneur	9	14	0	0
Assistant Trainer/Entraîneur adjoint	9	9	0	0
Owner/Trainer/Driver/Propriétaire, entraîneur et conducteur	0	0	9	14
Owner/Driver/Propriétaire ou conducteur	0	0	1	1
Jockey (1/4 and amateur included)/Jockey (1/4 et amateurs inclus)	16	15	0	0
Apprentice Jockey/Exercise Rider/Pony/Apprenti jockey, conducteur d'exercice ou poney	53	71	0	0
Driver/Conducteur	0	0	5	5
Driver/Trainer/Conducteur ou entraîneur	0	0	2	1
Jockey Agent/Agent de jockeys	6	4	0	0
Backstretch – occupational/Zone de l'avant-dernier droit – professionnel	0	154	10	21
Owners with groom licences/Propriétaires ayant des licences de palefreniers *	0	29	0	10
Officials/Officiels *	0	4	0	0
Occ. 1 (assoc., kit. sec., test barn, etc.)/Occ. 1 (assoc., sec. kit., écurie de rétention, etc.) *	0	71	0	0
Occ. 2 (press, daycare, etc.)/Occ. 2 (presse, garderie, etc.) *	0	1	0	0
Occ. 3 (tradesmen, video, EMT, etc.)/Occ. 3 (gens de métier, vidéo, technicien en soins médicaux d'urgence, etc.) *	0	14	0	0
Occ. 5 (veterinarians, etc.)/Occ. 5 (vétérinaires, etc.) *	0	6	0	0
Vet assistant/Tec/Aide-vétérinaire ou tec. *	0	8	0	0
Access passes/Laissez-passer *	277	0	0	0
Total Licences Issued/ Total des licences délivrées	846	778	61	82

Registrations and Non-Occupational/ Enregistrements et non professionnel	Thoroughbred/ Purs-sangs		Standardbred/ Standardbred	
	2021/22	2020/21	2021/22	2020/21
Sponsored persons/Personnes parrainées	0	13	0	0
Partnerships/Partenariats	114	112	5	4
Stable names/Noms des écuries	85	92	0	0
Colours/Couleurs	32	27	0	0
Leases/Locations	0	0	0	0
Authorized agents/Agents autorisés	160	161	4	0
Total Non-Occupational/ Total des non professionnels	391	405	9	4

* A risk-based approach was applied to the MHRC's licensing model to prepare for integration into the Liquor, Gaming and Cannabis Authority of Manitoba. This resulted in the reporting change of Owner licences to an occupational licence from a non-occupational licence; and the eliminations of the Owners with groom licences, Officials, Occ. 1, Occ. 2, Occ. 3, Occ. 5, and Vet assistant licence categories which accounted for an increase in the number of access passes issued.

* Une approche fondée sur l'analyse des risques a été appliquée au modèle d'obtention des licences de la Commission pour préparer son intégration à la Régie des alcools, des jeux et du cannabis du Manitoba. Cela a eu pour effet de modifier les licences de propriétaire à une licence professionnelle et non plus une licence non-professionnelle, et l'élimination des licences dans les catégories suivantes : Propriétaires ayant des licences de palefreniers, Officiels, Occ. 1, Occ. 2, Occ. 3, Occ. 5, et aide-vétérinaire, ce qui a donné lieu à une augmentation du nombre de laissez-passer délivrés.

RULINGS, FINES AND SUSPENSIONS/DÉCISIONS, AMENDES ET SUSPENSIONS

Thoroughbred/ Purs-sangs	2021/22	2020/21
Stewards' rulings/Commissaires des décisions	19	31
Commission rulings/Décisions de la Commission	2	0
Fines/Amendes	\$4,500.00	\$6,350.00
Standardbred/ Standardbred	2021/22	2020/21
Rulings/Décisions	7	18
Fines/Amendes	\$1,100.00	\$2,063.80

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 financial information, and to ensure that the assets of the Manitoba Horse Racing Commission are properly safeguarded.

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



Kristianne Dechant

**Executive Director
June 1, 2022**

RAPPORT DE GESTION

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 avoirs de la commission hippique du Manitoba soient bien protégés.

La responsabilité du vérificateur consiste à formuler une opinion professionnelle indépendante quant à la justesse des états financiers, à tous égards importants.



Kristianne Dechant

**Directrice générale
Le 1 juin 2022**



Tel.: 204 956 7200
Fax.: 204 926 7201
Toll Free: 800 268 3337
www.bdo.ca

BDO Canada LLP
201 Portage Avenue - 26th Floor
Winnipeg MB R3B 3K6 Canada

Independent Auditor's Report

To the Board of Commissioners of Manitoba Horse Racing Commission

Opinion

We have audited the accompanying financial statements of Manitoba Horse Racing Commission the "Commission"), which comprise the statement of financial position as at March 31, 2022, and the statement of operating revenue and expenses and fund balances and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2022, and its results of operations for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepting auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to Note 10 to the financial statements, which explains that certain comparative information presented for the year ended March 31, 2021 has been restated. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of our audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Winnipeg, Manitoba

July 6, 2022

MANITOBA HORSE RACING COMMISSION
Statement of Financial Position
March 31, 2022

2022 2021

	Restricted Funds					Total	Restated (Note 10)
	General Fund	Capital Assets Fund	Pari-Mutuel Levy Fund	Standardbred Fund	CTHS Fund		
Assets							
Current Assets							
Cash	\$108,264	-	-	-	-	\$108,264	\$133,515
Accounts Receivable	1,757	-	-	\$2,271	\$2,295	15,293	-
Long-term Investment (Note 2)	304,396	-	-	-	-	304,396	203,271
Capital Assets (Note 3)	-	4,141	-	-	-	4,141	-
	304,396	4,141	-	-	-	308,537	203,271
	\$414,417	\$4,141	-	\$2,271	\$2,295	\$432,094	\$ 336,786
Liabilities and Fund Balances							
Current Liabilities							
Accounts Payable and Accrued Liabilities (Note 5)	\$102,248	-	-	\$2,271	\$2,295	\$115,784	\$77,500
Provision for Employee Pension Benefits (Note 4)	371,077	-	-	-	-	371,077	461,835
Fund Balances	473,325	-	-	2,271	8,970	486,861	539,335
Unrestricted Deficit	(58,908)	-	-	-	-	(58,908)	(202,549)
Invested in Capital Assets	-	4,141	-	-	-	4,141	-
	(58,908)	4,141	-	-	-	(54,767)	(202,549)
	\$414,417	\$4,141	-	\$2,271	\$2,295	\$432,094	\$336,786

Approved on behalf of the Commission:



Chair



Executive Director

The accompanying notes are an integral part of these financial statements.

MANITOBA HORSE RACING COMMISSION
Statement of Operating Revenue and Expenses and Fund Balances
For the year ended March 31, 2022

	2022					2021		
	General Fund	Capital Assets Fund	Pari-Mutuel Levy Fund	Restricted Funds Standardbred Fund	HBPA Fund	CTHS Fund	Total	Restated (Note 10)
Revenue								
Fees, Licences and Fines (Note 6)	\$166,444	-	-	-	-	-	\$166,444	\$173,429
Interest	1,125	-	-	-	-	-	1,125	46
Pari-Mutuel Levy	-	-	2,229,329	-	-	-	2,229,329	2,187,077
	167,569	-	2,229,329	-	-	-	2,396,898	2,360,552
Expenses								
Operating Expenses (Schedule 1)	252,581	-	-	-	-	-	252,581	398,332
Overnight Purse Support								
Thoroughbred	-	-	-	334,399	1,315,135	346,751	1,996,285	1,959,727
Amortization		250	-	-	-	-	250	-
	252,581	250	-	334,399	1,315,135	346,751	2,249,116	2,358,059
Excess (Deficiency) of Revenue over Expenditures	(85,012)	(250)	2,229,329	(334,399)	(1,315,135)	(346,751)	147,782	2,493
Purchase of Capital Assets	(4,391)	4,391	-	-	-	-	-	-
Pari-Mutuel Levy Fund Transfer	233,044	-	(2,229,329)	334,399	1,315,135	346,751	-	-
Fund Balances (deficit), beginning of year	(202,549)	-	-	-	-	-	(202,549)	(205,042)
Fund Balances (deficit), end of year	\$(58,908)	\$4,141	-	-	-	-	\$(54,767)	\$(202,549)

The accompanying notes are an integral part of these financial statements.

MANITOBA HORSE RACING COMMISSION
Statement of Cash Flows
For the year ended March 31, 2022

	2022	2021
	Total	Restated (Note 10) Total
Cash Flows from Operating Activities		
Excess of Revenue over Expenditures	\$147,782	\$2,493
Amortization	250	-
	<u>148,032</u>	<u>2,493</u>
Changes in Non-Cash Working Capital Balances		
Accounts Receivable	(15,293)	-
Accounts Payable and Accrued Liabilities	38,285	(23,010)
Provision for Employee Pension Benefits	(90,758)	(5,987)
	<u>80,266</u>	<u>(26,504)</u>
Cash Flows used in Capital Activities		
Acquisition of Capital Assets	(4,391)	-
Cash Flows from Investing Activities		
Net change in Investments	(101,125)	80,626
Increase in Cash and Bank during the year	<u>(25,250)</u>	<u>54,122</u>
Cash, Beginning of the year	<u>133,515</u>	<u>79,393</u>
Cash, End of the year	<u>\$108,264</u>	<u>\$133,515</u>

The accompanying notes are an integral part of these financial statements.

MANITOBA HORSE RACING COMMISSION

Notes to the Financial Statements

For the year ended March 31, 2022

1. Nature of the Organization and Significant Accounting Policies

Nature of the Organization

The Manitoba Horse Racing Commission (the "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 Commission's sustainability is dependent upon ongoing financial resources realized through The Horse Racing Commission Act.

The operating expenses of the Commission in excess of revenue derived from its regulatory activities may be funded by grants from the Province of Manitoba, interest earned on the general fund, as well as a proportionate share of the pari-mutuel levy according to the plan of distribution established under The Pari-Mutuel Levy Act.

Revenues and expenses 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.

The Pari-Mutuel Levy Act was established in 1997 to provide for the establishment of a pari-mutuel levy fund for the promotion of horse racing in Manitoba. The levy is collected by the Commission and distributed in accordance with a plan of distribution, which is approved by the Minister of Finance.

The standardbred fund is used for the funding of harness racing. Funding for the standardbred fund is provided through The Pari-Mutuel Levy Act based on the plan of distribution.

The Horsemen's Benevolent Protection Association (HBPA) fund is to be used for overnight purses at Assiniboia Downs. Funding for the HBPA fund is provided through The Pari-Mutuel Levy Act based on the plan of distribution.

The Canadian Thoroughbred Horsemen Society (CTHS) fund is to be used for breeders' and owners' incentives at Assiniboia Downs. Funding for the CTHS fund is provided through The Pari-Mutuel Levy Act based on the plan of distribution.

Basis of Accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards and include the following significant accounting policies:

Fund Accounting

The Commission follows the restricted fund method of accounting for contributions, and maintains six funds: general fund, capital asset fund, pari-mutuel levy fund, standardbred fund, HBPA fund, and CTHS fund.

MANITOBA HORSE RACING COMMISSION

Notes to the Financial Statements

For the year ended March 31, 2022

1. Nature of the Organization and Significant Accounting Policies (continued)

Revenue Recognition

Restricted contributions including pari-mutuel levy are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions including fees, licences, fines and interests 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.

Pension Costs

Employees of the Commission are pensionable under The Civil Service Superannuation Act. Pension costs 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 a formula provided by the actuary. The most recent valuation was completed as at December 31, 2020. Actuarial gains and losses are amortized over the average remaining service life of employees, commencing in the year following when the actuarial gain or loss arises.

Severance Payable

Severance payable is based on the Collective Agreement between the Manitoba Government and General Employees' Union and is recorded at cost based on years of service to March 31, 2022.

Measurement Uncertainty (Use of Estimates)

The preparation of financial statements in conformity with Canadian public sector accounting standards for government not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

MANITOBA HORSE RACING COMMISSION

Notes to the Financial Statements

For the year ended March 31, 2022

1. Nature of the Organization and Significant Accounting Policies (continued)

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

Fund Transfers

i) Capital asset fund transfer

Fund transfers represent allocations from the general fund to the capital asset fund for capital acquisitions.

ii) Pari-mutuel levy fund transfer

A pari-mutuel levy is collected by the Commission for the promotion of horse racing in Manitoba. The Pari-Mutuel Levy Fund is then distributed in accordance with the plan of distribution.

Capital Assets

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

Security equipment	10 years
Computer equipment	5 years
Furniture and fixtures	10 - 20 years

Financial Instruments

The financial instruments of the Commission consist of cash, long-term investment, and accounts payable and accrued liabilities.

All of the Commission's financial instruments are carried at cost or amortized cost.

If an impairment loss is determined by the Commission and there is no realistic prospect of recovery, the financial asset(s) are written down to net recoverable value with the writedown being recognized in the statement of operating revenue and expenses and fund balances.

2. Long-Term Investment

The Province of Manitoba has confirmed that it intends to pay in full the March 31, 2008 receivable balance related to prior years' funding for the pension liability. This payment was placed in an interest-bearing trust account on March 31, 2009 and is held on behalf of the Commission until the cash is required to discharge the related liabilities. Accordingly, this investment is classified as long-term.

MANITOBA HORSE RACING COMMISSION
Notes to the Financial Statements

For the year ended March 31, 2022

3. Capital Assets

	2022			2021		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Security equipment	\$ 13,118	\$ 13,118	\$ -	\$ 13,118	\$ 13,118	\$ -
Furniture and fixtures	7,571	7,571	-	7,571	7,571	-
Computer equipment	16,690	12,549	4,141	12,299	12,299	-
	\$ 37,379	\$ 33,238	\$ 4,141	\$ 32,988	\$ 32,988	\$ -

4. Provision for Employee Pension Benefits

The Commission records the pension liability and the related pension expense, including an interest component, in its financial statements. An actuarial valuation of the employee pension benefit liability as at December 31, 2021 was conducted by Ellement Consulting Group. The key actuarial assumptions were a rate of return of 5.75% (5.75% in 2019), 2.00% inflation (2.00% in 2019), salary rate increases of 3.50% (3.50% in 2019), discount rate of 5.75% (5.75% in 2019) 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 estimated to March 31, 2022 using a formula provided by the actuary and adjusted for a provision for adverse experience and a trust fund credit.

Total pension expense of \$34,095 (\$35,964 in 2021) has been recorded in the statement of operating revenue and expenses.

During the year, there was an adjustment for \$90,757 due to an overestimation of the pension liability in the prior year.

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

	2022	2021
Accrued benefit obligation, beginning of year	\$ 461,835	\$ 467,822
Benefits accrued	29,558	9,557
Interest accrued on benefits	27,194	28,326
Benefits paid	(22,471)	(49,432)
Experience loss	(44,633)	83,605
Pension paid out	(3,354)	(80,267)
Change in assumptions	11,162	2,584
Balance, end of year	\$ 371,077	\$ 461,835

MANITOBA HORSE RACING COMMISSION
Notes to the Financial Statements

For the year ended March 31, 2022

5. Accounts Payable and Accrued Liabilities

	2022	2021
Severance payable	\$ 82,727	\$ 56,239
Accounts payable	19,521	21,261
Levy payable	13,536	-
	\$ 115,784	\$ 77,500

6. Fees, Licences and Fines

	2022	2021
Assiniboia Downs		
Daily licences	\$ 134,865	\$ 134,865
Fees and licenses	24,564	28,965
Fines	4,900	6,350
	164,329	170,180
Rural circuit		
Fees and licences	1,090	1,250
Fines	1,025	1,999
	2,115	3,249
	\$ 166,444	\$ 173,429

7. Financial Instruments

The Commission has exposure to the following risks from its use of financial instruments:

Liquidity Risk

Liquidity risk arises from the possibility of the Commission having insufficient financial resources to meet its financial obligations when they come due. The Commission mitigates this risk through cash management. Accounts payable and accrued liabilities are typically paid when due.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure relates to cash and long-term investment. The interest rate risk on cash and long-term investment is considered to be low due to their short-term nature and the long-term investment is reinvested annually.

MANITOBA HORSE RACING COMMISSION
Notes to the Financial Statements

For the year ended March 31, 2022

7. Financial Instruments (continued)

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments that potentially subject the Commission to credit risk consist principally of cash, long-term investment and accounts receivable.

Cash is not exposed to significant credit risk as cash is held with a large reputable financial institution.

Long-term investment is not exposed to significant credit risk as it is with the Province of Manitoba.

Accounts receivable is not exposed to significant credit risk as payment in full is typically collected when due. No allowance for doubtful accounts is required.

Foreign Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Commission is not exposed to significant foreign currency risk, as it does not have any financial instruments denominated in foreign currency.

8. Related Party Transactions

In addition to those related party transactions disclosed elsewhere in these financial statements, the Commission is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Commission enters into transactions with these entities in the normal course of business. These transactions are recorded at the exchange amount.

9. Subsequent Event

The Horse Racing Regulatory Modernization Act (Liquor, Gaming and Cannabis Control Act and Pari-Mutuel Levy Act Amended) was passed and received Royal Assent on May 12, 2021, and came into force as at April 1, 2022. This legislation transfers responsibility for the regulation of all types of horse racing in Manitoba to the Liquor, Gaming and Cannabis Authority of Manitoba.

MANITOBA HORSE RACING COMMISSION
Notes to the Financial Statements

For the year ended March 31, 2022

10. Adjustment to opening unrestricted funds of the comparative figures

In prior years, management was of the understanding that the pension liability net of investment balance would be reimbursed by the Province of Manitoba, hence, the balances were recorded as receivable from the Province of Manitoba. During the year, management was made aware that the discharge of the pension liability should be met through the Commission's own financial resources and that the Province of Manitoba never assumed the responsibilities of the pension liability. This has resulted in an overstatement of receivables and unrestricted fund balances in the prior years and an adjustment is necessary to reflect the misstatement.

Comparative amounts presented in these financial statements have been restated as follows:

At March 31, 2021	As Previously stated Debit (Credit)	Adjustment	Restated
<u>Statement of Financial Position</u>			
Receivables from the Province of Manitoba	\$258,564	\$(258,564)	Nil
Unrestricted fund balances	\$(56,015)	\$258,564	\$202,549
<u>Statement of Operating Revenue and Expenses and Fund Balances</u>			
Operating expenses	\$323,693	\$74,639	\$398,332
Excess of revenue over expenses	\$77,132	\$(74,639)	\$2,493
Fund balances, beginning of year	\$21,117	\$183,925	\$205,042
Fund balances, end of year	\$(56,015)	\$258,564	\$202,549

11. Comparative Amounts

Certain of the comparative amounts presented in the financial statement have been restated to conform to the current year's financial statement presentation.

MANITOBA HORSE RACING COMMISSION
Schedule of General and Administrative Expenses

For the year ended March 31	2022	2021
		Restated (Note 10)
Commissioners' per diem and honoraria	\$ 1,862	\$ 2,891
Drug, alcohol and security	15,674	10,185
Employee benefits	44,449	16,719
Equipment and office furniture	1,365	155
Insurance	1,085	1,703
Membership and dues	7,128	-
Office	14,621	10,508
Pension cost	(56,662)	110,603
Professional fees	14,151	9,312
Salaries		
Administration	36,404	54,139
Stewards and judges	107,384	112,468
Veterinarian services	52,940	45,807
Support grant	-	15,343
Telephone	6,817	8,331
Travel	5,363	168
	\$ 252,581	\$ 398,322

MANITOBA HORSE RACING COMMISSION
Schedule of Public Sector Compensation

For the year ended December 31, 2021

Note on Basis of Accounting

Pursuant to Section 2 of The Public Sector Compensation Disclosure Act, the Commission must disclose to the public the amount of compensation that it pays or provides in the year directly or indirectly. Compensation means compensation pursuant to any arrangement, including an employment contract, calculated to include the total value of all cash and non-cash salary or payments, allowances, bonuses, commissions, or perquisites.

Aggregate compensation of all Commissioners: \$ 3,615

There are no other amounts meeting the requirement for disclosure.

Manitoba



**Manitoba
Horse Racing
Commission**

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Manitoba**

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