

Manitoba



ANNUAL REPORT

1999-2000

Manitoba
Horse Racing
Commission





Wayne R. Anderson, Chairman
Ian A. MacKenzie, Vice Chairman
Jim Moore, Member
Aerona Studler, Member
Don Roy, Member
Keith Hannah, Member

MANITOBA HORSE RACING COMMISSIO

P.O. Box 46086, R.P.O. Westdale, Winnipeg, Manitoba R3R 3S3 Tel. (204) 885-7770 Fax (204) 831-6

June 16th, 2000

Minister of Industry, Trade & Mines
Room 358
Legislative Building
Winnipeg, Manitoba
R3C 0V8

Attention: Ms. Maryann Mihychuk

Dear Ms. Mihychuk:

The undersigned has the honour to present the Thirty-Fourth Annual Report of the Manitoba Horse Racing Commission covering the fiscal year ended March 31st, 2000.

Yours truly,
Manitoba Horse Racing Commission

A handwritten signature in cursive script, appearing to read "Wayne R. Anderson".

Wayne R. Anderson
Chairman
WRA/jlc

THIRTY-FOURTH ANNUAL REPORT
THE MANITOBA HORSE RACING COMMISSION
for the year ending March 31, 2000

COMMISSIONERS – As of March 31st, 2000.

W. R. Anderson	Chairman	Winnipeg
Ian A. MacKenzie	Vice Chairman	Portage la Prairie
David Golub	Member	Winnipeg
Aenone Studler	Member	Woodlands
Keith Hannah	Member	Waskada
Don Roy	Member	Rosburn

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THIRTY-FOURTH ANNUAL REPORT

THE HORSE RACING COMMISSION

GENERAL

This report covers the twelve months ended March 31, 2000.

Thoroughbred Racing

The total combined live and simulcast wagering for 1999/00 was \$34,292,640, this was an increase of 1.9% over 1998/99 when the total was \$33,656,471. This is the fourth consecutive increase in total handle and follows a very significant increase of 15% in 1998/99.

The 1999 live racing season consisted of 75 days (76 were scheduled) which was the same number of days as in 1998. In 1995 – 86 days were raced when 90 were scheduled. This reduction in race days reflects the continuing struggle to obtain an adequate supply of horses. In an effort to attract more horses to compete with other jurisdictions Assiniboia Downs has implemented a number of purse increases during this period and the Horsemen's Benevolent and Protective Association and the Canadian Thoroughbred Horse Society continue to work diligently to increase the number of horses available to improve the live racing season.

Standardbred Racing

In 1999 the Manitoba Great Western Harness Racing Circuit raced 28 days with no extended meet. The extended meet which had raced 11 days in the past was consolidated into the Manitoba Great Western Harness Racing Circuit. In 1998, the last season of combined Manitoba Great Western Harness Racing Circuit and the extended meet, the total number of race days was 34 days (23 and 11 respectively). Wagering continues to be a problem with the average daily handle on the circuit declining from \$8,761 per day in 1998 to \$7,845 in 1999.

Quarter Horse Racing

Quarter Horse Racing in Manitoba continues to struggle. The Rossburn Race Meet got both scheduled days in in 1999, but wagering declined from a total of \$7,635 in 1998 to \$6,634 in 1999. The Manitoba Quarter Horse Racing Association and Assiniboia Downs continue to work together to try to increase the number of races at Assiniboia Downs.

Security

The mandatory drug and alcohol testing programs conducted at Assiniboia Downs coupled with the educational and rehabilitation programs available have continued to show positive results. Accordingly incidences of drug or alcohol impairment in the workplace have almost been totally eliminated and the Commission in cooperation with

the Horsemen and the Track Operators continue to offer a work environment safe from the threat of injury to human or animals as a result of substance abuse occurrences.

Rulings, Fines and Appeals

During the 1999 Thoroughbred race meeting at Assinboia Downs the Board of Stewards issued 93 rulings involving fines of \$7,175.00 and 10 rulings involving suspensions. There were 96 claims for a total of \$445,563.00.

During the 1999 Harness racing season the Board of Judges issued 3 fines totaling \$250.00 and 11 suspensions. There was 6 claims for a total of \$13,125.00.

SCHEDULE A

Assiniboia Downs

Thoroughbred Live Racing Season

	<u>1999</u>	<u>1998</u>
Thoroughbred Handle – Live	7,283,381	8,031,942
Simulcast Handle	<u>10,908,157</u>	<u>10,097,730</u>
Total Handle	\$ 18,191,538	\$ 18,129,672
* Number of Race Days (Live & S.Cast)	148	148
Average Daily Handle (ASD)	122,916	122,498
Gross Purses	4,099,489	3,231,135
Number of Races (Live)	617	601
Per Race Purse Average	6,644	5,376

Simulcast Racing Season

	<u>1999/00</u>	<u>1998/99</u>
<u>Pari-Mutuel Handle</u>	\$ 16,101,102	\$ 15,526,799
Number of race days	217	217
Average Daily Handle	74,199	71,552

SCHEDULE B**Standardbred Racing – Rural Circuit**

	<u>Racing Days</u>		<u>Amount Wagered</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
Dauphin	2	2	\$ 29,256	\$ 30,978
Deloraine	4	2	17,954	11,119
Glenboro	4	2	24,489	15,346
Holland	4	2	26,066	11,967
Killarney	4	4	36,412	45,704
Minnedosa	2	1	20,294	14,460
Portage	2	4	14,167	31,012
Wawanesa	4	2	33,168	19,757
Miami	2	2	17,873	14,802
Morris	<u>0</u>	<u>2</u>	<u>0</u>	<u>6,369</u>
	<u>28</u>	<u>23</u>	<u>\$ 219,679</u>	<u>\$ 201,504</u>
Extended	<u>0</u>	<u>11</u>	<u>0</u>	<u>\$ 55,875</u>
TOTALS	<u>28</u>	<u>34</u>	<u>\$ 219,679</u>	<u>\$ 257,379</u>

Other Comparative Statistics

	<u>1999</u>	<u>1998</u>
Gross Purses	\$ 342,276	\$ 355,871
Per Race Purse Average	\$ 1,301	\$ 1,116

Provincial Support Programs

	<u>1999</u>	<u>1998</u>
Purse Supplements	\$ 239,150	\$ 146,063
Breeders/Owners Incentives	<u>246,950</u>	<u>190,037</u>
TOTALS	<u>\$ 486,100</u>	<u>\$ 336,100</u>

SCHEDULE C

Quarter Horse Racing

	<u>1999</u>	<u>1998</u>
Pari-Mutuel Handle Rossburn	\$ 6,634	\$ 7,635
Racing Days Rossburn	2	2
Provincial Support Program Breeders/Owners Incentives	\$ <u>20,600</u>	\$ <u>22,000</u>

SCHEDULE D

MANITOBA HORSE RACING COMMISSION

Occupational Licenses and Registrations for the year ending
March 31, 2000

<u>Licenses</u>	<u>Thoroughbred</u>	<u>Standardbred</u>
Owner	653	75
Owner/Trainer	128	23
Trainer	30	3
Assistant Trainer	13	1
Owner/Trainer/Driver	0	18
Owner/Driver	0	2
Jockey (1/4 & Amateur incl.)	21	0
Apprentice Jockey/Exercise Rider	41	0
Driver	0	5
Driver/Trainer	0	1
Jockey Agent	7	0
Officials	14	1
Backstretch	186	16
Sponsored Person	137	0
Quarter Horse	147	0
Occ 1 (Assoc., Kitchen, etc.)	140	1
Occ 2 (Press, etc.)	4	0
Occ 3 (Tradesmen, etc.)	26	1
Occ 5 (Veterinarians, etc.)	<u>5</u>	<u>0</u>
TOTAL LICENSES ISSUED:	<u>1,552</u>	<u>147</u>

<u>Registrations</u>	<u>Thoroughbred</u>
Partnerships	224
Stable Names	154
Colours	18
Leases	11
Authorized Agents	177
Open Claims	15

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with the accounting policies stated in Note 2 to the financial statements. 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 Provincial Auditor is to express an independent professional opinion as to whether the financial statements are presented fairly, in all material respects. The Provincial Auditor's report is included in the annual report.



W.R. ANDERSON
Chairman



ISER KAY, C.M.A.
Comptroller

Date: May 5th, 2000

**The Horse Racing Commission
Financial Statements**

March 31, 2000

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Office of the Provincial Auditor

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0G4

AUDITORS' REPORT

To The Legislative Assembly and
The Directors of The Horse Racing Commission

We have audited the balance sheet of The Horse Racing Commission as at March 31, 2000 and the statements of operating revenue and expenditure and fund balances and general fund operating expenditure 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 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 Commission as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

A handwritten signature in black ink, appearing to read "Larry Unryn". The signature is written in a cursive, flowing style.

Larry Unryn, CA
for the Provincial Auditor

Winnipeg, Manitoba
May 5, 2000

THE HORSE RACING COMMISSION


Exhibit A

Balance Sheet
as at March 31, 2000
 (with 1999 figures for comparison)

Assets	Restricted Funds					Total	
	General Fund	Pari-mutuel Levy Fund	H.B.P.A. Fund	C.T.H.S. Fund	General Support Fund	Year ended March 31 2000	1999
Current assets:							
Cash on hand and in bank	\$ 271,152	\$ -	\$ 37,332	\$ 241,773	\$ -	\$ 550,257	\$ 647,699
Due from General Fund	-	-	-	-	51,305	51,305	20,183
Pari-mutuel levy receivable	-	31,297	-	-	-	31,297	15,370
Pari-mutuel distribution receivable	3,219	-	22,086	5,992	-	31,297	15,370
	<u>274,371</u>	<u>31,297</u>	<u>59,418</u>	<u>247,765</u>	<u>51,305</u>	<u>664,156</u>	<u>698,622</u>
Long - term funding commitments							
Province of Manitoba	206,594	-	-	-	-	206,594	178,273
	<u>\$ 480,965</u>	<u>\$ 31,297</u>	<u>\$ 59,418</u>	<u>\$ 247,765</u>	<u>\$ 51,305</u>	<u>\$ 870,750</u>	<u>\$ 876,895</u>
Liabilities							
Current liabilities:							
Accounts payable accrued liabilities	\$ 44,035	\$ -	\$ 59,418	\$ 247,765	\$ 51,305	\$ 402,523	\$ 392,480
Deferred revenue	1,964	-	-	-	-	1,964	1,307
Due to C.T.H.S. Fund	-	5,992	-	-	-	5,992	2,896
Due to General Fund	-	3,210	-	-	-	3,219	1,596
Due to General Support Fund	51,305	-	-	-	-	51,305	8,668
Due to H.B.P.A. Fund	-	22,086	-	-	-	22,086	10,878
Due to M.S.S. & B.A. Fund	-	-	-	-	-	-	11,515
	<u>97,304</u>	<u>31,297</u>	<u>59,418</u>	<u>247,765</u>	<u>51,305</u>	<u>487,089</u>	<u>429,340</u>
Long term liability:							
Provision for employee pension benefits	206,594	-	-	-	-	206,594	178,273
	<u>303,898</u>	<u>31,297</u>	<u>59,418</u>	<u>247,765</u>	<u>51,305</u>	<u>693,683</u>	<u>607,613</u>
Restricted fund balances end of year, Exhibit B	-	-	-	-	-	-	32,700
Unrestricted fund balance end of year, Exhibit B	177,067	-	-	-	-	177,067	236,582
	<u>177,067</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>177,067</u>	<u>269,282</u>
	<u>\$ 480,965</u>	<u>\$ 31,297</u>	<u>\$ 59,418</u>	<u>\$ 247,765</u>	<u>\$ 51,305</u>	<u>\$ 870,750</u>	<u>\$ 876,895</u>

APPROVED BY THE COMMISSION


 Chairman


 Comptroller

THE HORSE RACING COMMISSION

Exhibit B

Statement of Operating Revenue and Expenditure and Fund Balances for the year ended March 31, 2000 (with 1999 figures for comparison)

	Restricted Funds						Total	
	General Fund	Pari-mutuel Levy Fund	H.B.P.A. Fund	C.T.H.S. Fund	General Support Fund	M.S.S. & B.A. Fund	Year ended March 31 2000	1999
Revenue:								
Fees, licenses and fines (Note 4)	\$ 104,775	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,775	\$ 100,117
Grant from the Government of the Province of Manitoba	36,500	-	-	-	-	-	36,500	124,500
Grant from The Horse Racing Commission	-	-	-	-	5,600	-	5,600	-
Grant from the Manitoba Lotteries Distribution System	-	-	-	-	501,100	-	501,100	351,100
Interest	12,037	-	2,668	8,250	-	735	23,690	26,641
Pari-mutuel levy	-	3,272,391	-	-	-	-	3,272,391	3,205,745
Pari-mutuel levy fund distribution	342,977	-	2,322,149	607,265	-	-	3,272,391	3,205,745
Long term funding commitments - Province of Manitoba	28,321	-	-	-	-	-	28,321	1,308
	<u>524,610</u>	<u>3,272,391</u>	<u>2,324,817</u>	<u>615,515</u>	<u>506,700</u>	<u>735</u>	<u>7,244,768</u>	<u>7,015,156</u>
Expenditure:								
General Fund expenditures, Exhibit C	584,125	-	-	-	-	-	584,125	497,707
Nomination payments (Net)	-	-	-	-	-	11,515	11,515	645
Overnight purse support thoroughbred	-	-	2,324,817	-	-	-	2,324,817	2,278,449
Owners/breeders incentive thoroughbred	-	-	-	615,515	-	-	615,515	601,074
Pari-mutuel levy fund distribution	-	3,272,391	-	-	-	-	3,272,391	3,205,745
Quarter Horse owner/breeders incentive	-	-	-	-	20,600	-	20,600	22,000
Standardbred rural	-	-	-	-	-	-	-	-
Overnight purse support	-	-	-	-	239,150	-	239,150	146,063
Owner/breeders incentive	-	-	-	-	246,950	21,920	268,870	190,037
	<u>584,125</u>	<u>3,272,391</u>	<u>2,324,817</u>	<u>615,515</u>	<u>506,700</u>	<u>33,435</u>	<u>7,336,983</u>	<u>6,941,720</u>
(Deficiency) excess of revenues over expenses	(59,515)	-	-	-	-	(32,700)	(92,215)	73,436
Fund balances, beginning of year	236,582	-	-	-	-	32,700	269,282	195,846
Fund balances, end of year	<u>\$ 177,067</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,067</u>	<u>\$ 269,282</u>

THE HORSE RACING COMMISSION

Exhibit C

Statement of General Fund Operating Expenditure for the year ended March 31, 2000 (with 1999 figures for comparison)

	<u>2000</u>	<u>1999</u>
Expenditure:		
Advertising and promotion	\$ 550	\$ 300
Commissioners' per diem and honoraria	58,763	83,986
Drug, alcohol and security	6,935	10,043
Employee benefits	36,905	53,826
Equipment and office furniture	31,550	600
Equipment rentals	3,676	3,298
Memberships and dues	4,605	4,624
Office	10,200	5,150
Pension costs	31,215	4,778
Professional fees	82,392	40,521
Recruiting costs	222	175
Repairs and maintenance	6,644	3,919
Research grant	5,000	5,000
Salaries		
Administration	55,829	52,606
Security	28,245	27,458
Stewards and judges	126,024	120,164
Veterinarian services	42,379	41,663
Sundry	505	116
Support grant	5,600	
Telephone	6,659	5,445
Travel	40,227	34,035
	<u>\$ 584,125</u>	<u>\$ 497,707</u>

THE HORSE RACING COMMISSION

Notes to the Financial Statements for the year ended March 31, 2000

1. Nature of operations

The objectives of the Commission are 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. 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 Manitoba Horse Racing Commission are reported in the General Fund.

Effective April 1, 1997, Pari-mutuel Levy and Consequential Amendments Act (the "Act") was enacted. The act provides for the establishment of a 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.

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 and Consequential Amendments Act based on the Plan For Distribution approved by the minister.

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 and Consequential Amendments Act based on the Plan For Distribution approved by the minister.

General Support Fund is used for funding of the rural circuit as well as funding for the Quarter Horse Meet. Funding for the General Support Fund is provided through the Manitoba Lotteries Distribution System.

During the year, the Commission discontinued administration of the Manitoba Standardbred Sires and Breeders Association (M. S. S. & B. A.) Fund, which is used for future stake races on the rural circuit, as well as nomination payments held in trust. The association assumed responsibility for administering these funds.

THE HORSE RACING COMMISSION

Notes to the Financial Statements for the year ended March 31, 2000

2. Significant accounting policies

A) Revenue from the Province of Manitoba

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

B) Pension costs

These consists of the employer's share of pension benefits paid to retired employees, as well as the increase in unfunded pension liabilities during the fiscal year. This liability is determined actuarially every three years with the balances for the intervening years being determined by formula provided by the actuary. The most recent valuation was completed as at December 31, 1998.

The commission follows generally accepted accounting principles with the exception of:

A) Capitalization and depreciation

The costs of building renovations and purchases of equipment and office furniture, which are immaterial in amount, are charged directly to operations. Accordingly, depreciation is not provided for in the accounts.

3. Change in method of accounting for pension liability and expenses

Effective April 1, 1999, the Commission changed to the accrual method of accounting for its unfunded pension liability. In prior years the expense was charged to earnings when incurred.

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 terms of repayment for this receivable.

The March 31, 1999 figures have been restated to provide comparative information for the provision for the employee pension benefits, the corresponding receivable from the Province of Manitoba, and pension costs.

THE HORSE RACING COMMISSION

Notes to the Financial Statements
for the year ended March 31, 2000

4. <u>Fees, licenses and fines</u>	<u>2000</u>	<u>1999</u>
Assinibolia Downs		
Daily licenses	\$ 51,660	\$ 52,250
Fees and licenses	36,825	33,607
Fines	<u>10,465</u>	<u>5,810</u>
	<u>98,750</u>	<u>91,667</u>
 Rural Circuit		
Daily licenses	3,500	2,875
Fees and licenses	2,150	1,225
Fines	<u>375</u>	<u>4,350</u>
	<u>6,025</u>	<u>8,450</u>
	<u>\$ 104,775</u>	<u>\$ 100,117</u>