



HORSE RACING ALBERTA
2015 Annual Report

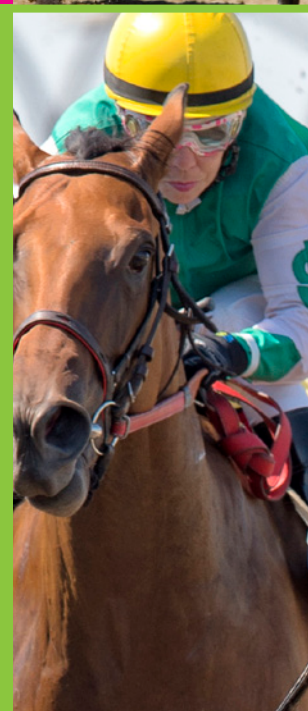




Table of Contents

Vision, Mandate, Mission, Core Business	2
Message from the Chairman and the CEO	3
Governance	5
Operations	6
Regulatory and Appeals	9
Features	10
Industry and Government Relations	13
Marketing	14
Human Resources and Development	15
Animal Welfare	16
2015 Award Winners	17
Financial Statements	19



Vision

Alberta will be recognized internationally for premier horse racing, breeding and quality entertainment.

Mandate

1. To govern, direct, control, regulate, manage, market and promote horse racing in any or all of its forms.
2. To protect the health, safety and welfare of racehorses and, with respect to horse racing, the safety and welfare of racing participants and racing officials.
3. To safeguard the interests of the general public in horse racing.

Mission

To be a governing body whose role is to promote and facilitate the growth, integrity and economic contribution of the Alberta horse racing and breeding industry. This shall be done by providing quality entertainment, employment, economic and value-added agricultural opportunities within a unified, viable, progressive, accountable and self-regulated industry environment.

Core Business

To stabilize, enhance and ensure the growth and integrity of the Alberta horse racing and breeding industry.

Message from the Chairman and the CEO

Alberta's horse racing industry got back on track in 2015, enjoying a major injection of energy with the opening of Century Downs Racetrack and Casino in Balzac. The response to the new track made it apparent that an eight year absence of horse racing in Calgary had not dampened enthusiasm for the sport in the area.

The addition of Century Downs generated additional revenue that enabled the Board to re-invest more money in purses, and increase funding for key industry supports like breed development, marketing and backstretch human resources.

HRA officials held discussions with the new government regarding replacement of the current funding agreement, which expires in April, 2016. Given the positive tone of these discussions with the Minister and his staff, we are confident a new, long-term agreement between industry and the province will be in place before the deadline.

Amendments to the *Horse Racing Alberta Act*, approved in 2014, were not proclaimed in 2015. This meant anticipated changes to Board membership did not take place. Similarly, HRA is waiting for government appointments to replace two of three Appeal Tribunal members who retired in late 2014. This resulted in 14 of 15 ruling appeals made in 2015 not being heard.

No race days at Alberta Downs led to a combined reduction in the total number of races across the province to keep purses healthy, and only a few more total racing days in 2015. An overall reduction in the number of races contributed to a decline in handle from 2014. However, HRA and industry recognize other factors affect handle strength and came together in December to discuss ways to combat what's become a negative trend over the past several years. A Strategic Growth Committee was formed to study and recommend strategies that will drive attendance and increase handle.



In 2015, Century Downs was investigating the formation of a Racing Club at its track. Racing Clubs are popular with fans because the Club manages all racehorse training and care, leaving fans to focus on cheering on their horses from the grandstand.

Increased investment dollars in HRA marketing went largely to drive more interest in horse racing among a younger demographic. The strategy focused on social media and digital marketing to reach and interest 18-34-year-olds, while showcasing how horse racing and breeding benefits Albertans.

Recruiting backstretch workers continues to be a major challenge for the industry, in large part because of Canada's restrictive foreign worker policies. In addition to helping owners and trainers secure foreign workers, HRA and Olds College stepped up its efforts to encourage more people to enroll in the College's Exercise Rider, Jockey and Groom School. HRA is a major funder of the program, which has proven to produce outstanding graduates now working in the industry.

Bob Giffin and Norm Kennedy left the Board in 2015 as their terms had expired. Both men made significant contributions to the Board. Bill Andrew and Norm Castiglione joined the Board in 2015 to fill the vacancies. We thank Norm and Bob and say hello to Bill and Norm. Chris Roberts left the board in September and was replaced by Tim Reid, President and CEO of Northlands Park. We also thank others who have worked so hard to keep horse racing in Alberta a viable industry. 2015 netted very positive outcomes and we look forward to exciting growth in the years ahead.



A blue ink signature of Rick LeLacheur.

Rick LeLacheur
Chairman, HRA Board of Directors

A blue ink signature of Shirley McClellan.

Shirley McClellan
HRA Chief Executive Officer

Governance

Horse Racing Alberta is a not-for-profit corporation governed by individuals who represent various racetracks and breed organizations, the general public and two provincial government departments (these positions are non-voting members).

Board Directors provide a multifaceted and balanced approach to industry issues. They are responsible for ensuring decisions are made with the knowledge and awareness of industry benefits and impacts. A three year business plan is approved by the Board each year based on industry input, research and analysis and its mandated responsibilities under the *Horse Racing Alberta Act*.

Board restructuring expected in 2015 following the passage of amendments to the *Horse Racing Alberta Act* did not occur. However, there were three changes to the Board. Tim Reid, President

and CEO of Northlands, replaced Chris Roberts in the fall of 2015 as an 'A' circuit representative.

Two Directors left the Board because their terms had ended. Bob Giffin, who represented the Horsemen's Benevolent and Protective Association for many years, also served as chair of the Breed Improvement Committee since 2012. Norm Kennedy also invested a considerable amount of time to HRA over the years as representative for the Alberta Standardbred Horse Association.

The HRA Board thanks all three men for their time and valuable contribution. Bill Andrew, owner of Meridian Farms in High River, took over Mr. Kennedy's position on the Board and replaced Mr. Giffin as chair of the Breed Improvement Committee.

2015 Board of Directors

Rick LeLacheur	Chairman
Jim Rhodes	Alberta Standardbred Horse Association representative (Breeders)
Norm Kennedy/ Bill Andrew	Alberta Standardbred Horse Association representative (Horsemen)
Bob Giffin/ Norm Castiglione	Horsemen's Benevolent and Protective Association of Alberta
Brian Alexander	Canadian Thoroughbred Horse Society representative (Breeders)
Chris Roberts/ Tim Reid	"A" Circuit representative
Erwin Haitzmann	"A" Circuit representative
Max Gibb	"B" Circuit representative
Martin West	Other Breeds representative
Dale Leschiutta	Public representative
John Brennan	Public representative
Gill Hermanns	Treasury Board and Finance representative (non-voting)
Jamie Curran	Alberta Agriculture and Rural Development representative (non-voting)
Shirley McClellan	Chief Executive Officer (non-voting)



2015 HRA Committee Chairs

Brian Alexander	Governance and Compensation Committee
Bob Giffin/Bill Andrew	Breed Improvement Committee
John Brennan	Audit and Finance Committee
Dale Leschiutta	Strategic and Sustainable Development Committee
Jim Rhodes	Regulatory and Licensing Committee



Operations

As expected, the opening of Century Downs Racetrack and Casino in Balzac made a significant increase to HRA's revenues in 2015.

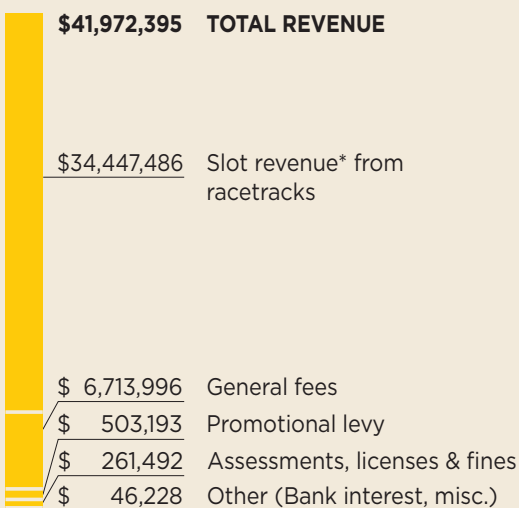
While overall income was up 49% compared to 2014, expenses were also significantly higher related to running a second 'A' track. However, the major injection of new revenue enabled the HRA Board to make significant reinvestments in all program areas after years of financial austerity.

Funding was restored to marketing, much of the additional resources being invested to attract a younger demographic to racetracks. An additional half a million dollars was allotted to encourage industry breed improvement and backstretch human resources was provided more funding to strengthen its valued programs.

Despite operating for only nine months in 2015, Century Downs slot revenue of \$26.8M nearly matched that of the other Alberta 'A' track at Northlands Park. While slot revenue at Rocky Mountain Turf Club remained relatively unchanged, Evergreen Park and Northlands Park saw their slot revenues decline six and three per cent respectively.

Overall, the handle declined by two per cent in 2015, most of which came from a \$3.3M drop in foreign simulcast revenue. Live handle was up five per cent while the Alberta simulcast revenue stayed relatively the same.

WHERE THE MONEY CAME FROM: 2015



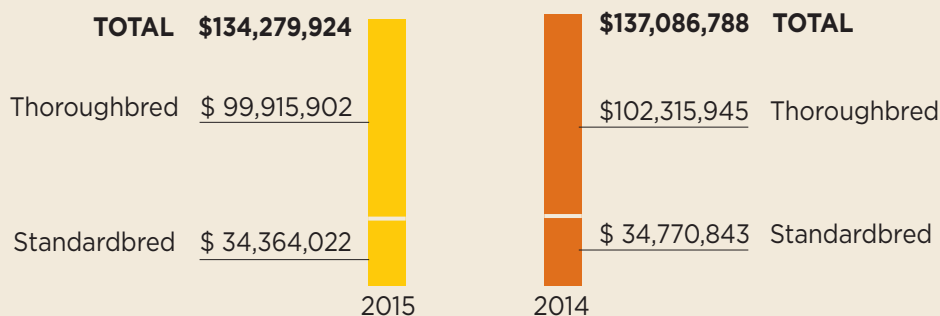
* Represents 51.66% of total slot revenue.

WHERE THE MONEY WENT: 2015

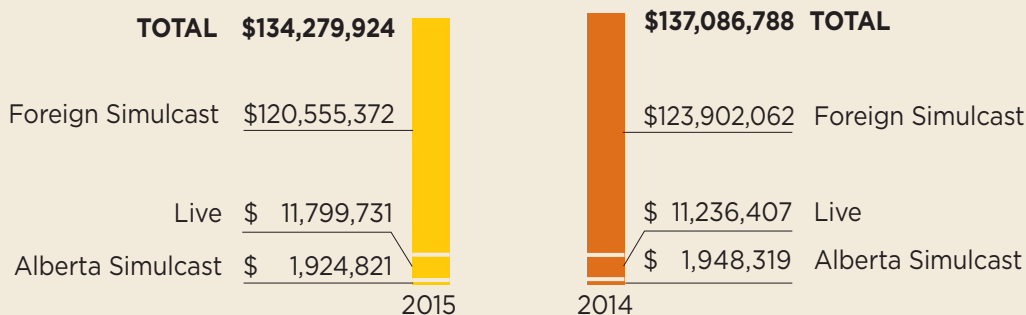


** Racetrack grants are comprised of a percentage of Racing Entertainment Centres revenue and additional industry support.

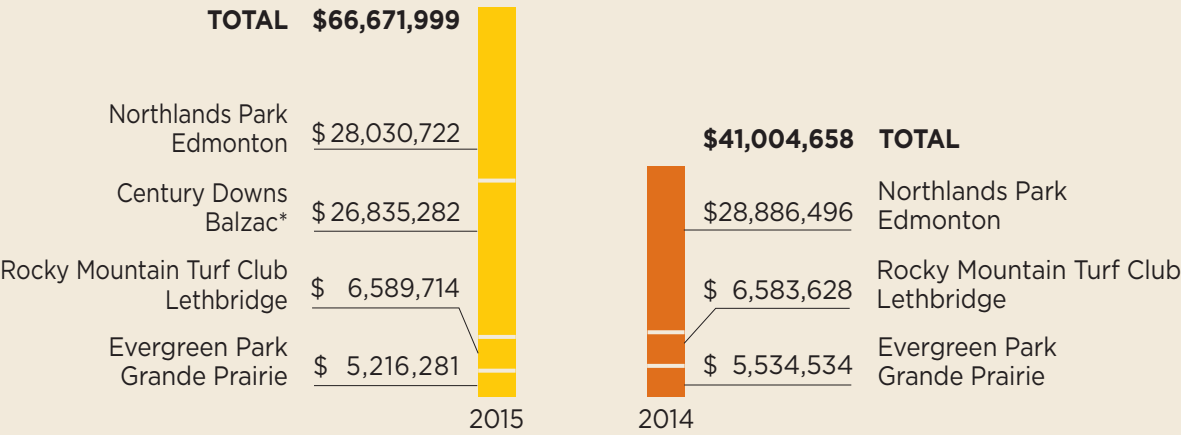
HANDLE (BY BREED)



HANDLE (BY TYPE)

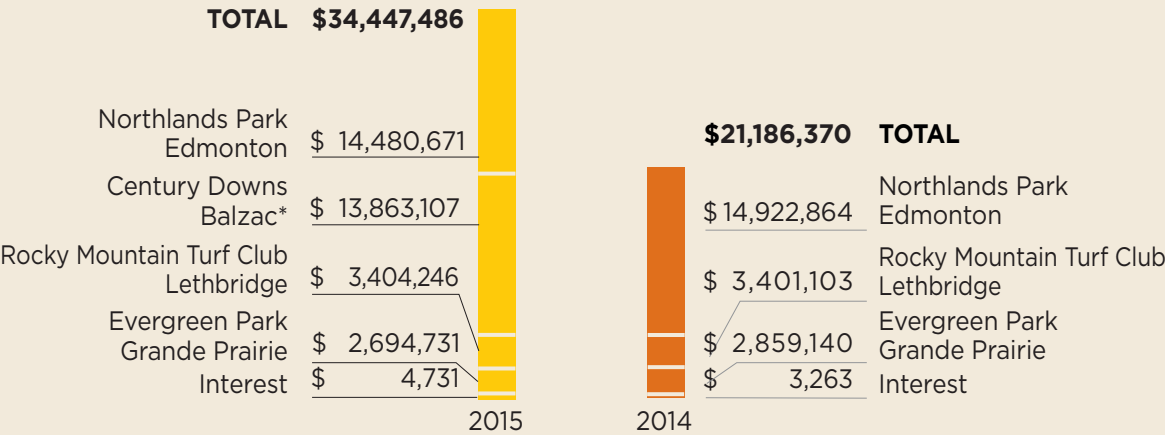


SLOT REVENUE: FROM RACING ENTERTAINMENT CENTRES



Under a 2002 Government of Alberta agreement called the Racing Industry Renewal Initiative HRA receives 51.66% of all slot revenue. In 2015, this amounted to \$34.45M. The Alberta Lottery Fund took in \$22.22M (33.33%) while Racing Entertainment Centre operators retained 15% or \$10M.

SLOT REVENUE: HRA'S PORTION



* Nine months of operation





Regulatory and Appeals

The quasi-judicial, impartial and objective Appeals Tribunal exists to hear appeals of decisions made by a track judge or steward.

Its authority is entrenched in the *Horse Racing Alberta Act* and its members are appointed by the President of Alberta Treasury Board and Finance.

In late 2014, Appeals Tribunal members Dr. Maggie Fulford and Kelly Budge retired, leaving Gordon Graydon as the sole member. Through

2015, no appointments to the Tribunal were made by the Government of Alberta, causing a backlog of 14 appeals waiting to be heard. Retired members were brought back to hear one appeal in April due to extenuating circumstances.

A total of 224 rulings were made in 2015, down 13% from the year before. In total, there were 248 racing days in 2015, with just four days cancelled. Average rulings per day were less than one.

SUMMARY OF 2015 RULINGS

	Rulings	Race Days	Average Per Day
Thoroughbred Stewards	68	74	0.92
Standardbred Judges	99	106	0.93
Community Circuit Judges and Stewards	57	68	0.84
TOTAL	224	248	0.90

SUMMARY OF APPEALS HEARD IN 2014

Standardbred			
Date	Ruling	Decision	Outcome
April 29	None	Appeal reheard regarding unfair start	Appeal denied

Exercise Rider Boot Camp

an Eye Opener for a Veteran Horse Racing Writer

By Julie Brewster

What happens when a middle aged woman gets an opportunity to follow a dream and cross something off the bucket list? She takes it!

I wanted to work at the track when I left high school, but never did. I've spent a lot of hours at racetracks since then, and I have always wished that I had taken a summer and worked in a race barn. I was thrilled to be invited to participate in the Exercise Rider Boot Camp at Olds College so I could tell the story via social media.

The racetrack programs at Olds College are in cooperation with and funded by Horse Racing Alberta. Both the Race Horse Groom Training and Exercise Rider & Jockey Training courses are accredited by Learning Alberta for students who are interested in a career in the horse racing industry. I had a lengthy list of potential liabilities (for starters, I'm too old to be learning to be an exercise rider!) but I had one very solid asset - my retired race horse named Bender.

A key component of the racetrack programs is the horses. They are provided to be four legged instructors and living, breathing textbooks. Bender has been part of the program for the last few years so, although I was nervous, he'd been at the track and at the College before!

Boot Camp is a five day, intensive horsemanship course for riders who need a little extra coaching before the regular courses begin. During the five days, I was part of a chore team and had daily classroom and riding instruction. In our classroom time we analyzed both horse and rider biomechanics and covered some of the basics of the racing industry. We learned a lot in five days about horse handling and barn management.



I've always had total admiration for backstretch workers. At every track there is an army of people who keep the horses fed and watered, groomed and tacked or harnessed, exercised and bathed, walked and bandaged, cared for and happy. It's these people who can make or break a race barn, because from dawn until dark they provide the hours and hours of hands-on care for the horses. The work they complete in a few hours of morning training is staggering.

Although the hands-on portion is critical for grooms and exercise riders, I was pleasantly surprised at the curriculum that the students go through during their class time. Equine evolution, detailed anatomy, equine health and wellness evaluations, preventative and emergency health care, history of horse racing, roles of people and organizations within the racing industry (from owners and trainers to various associations), personal and business finances (bookkeeping, invoicing, record keeping), healthy living strategies for fitness and injury prevention, ethics, professionalism and marketing, and race horse physiology and training are all covered.

Each and every week of the program there are written tests on the core course material, as well as practical tests on all aspects of horse care, barn management and specific skills like bandaging. Students are also graded on the skills they will need as they move from the barn to the arena to the racetracks at Century Downs, Evergreen Park, Northlands Park, Rocky Mountain Turf Club or training centres in the province. There are a lot of components to the backstretch and the racetrack, and the students learn about all aspects of the industry.

I am a passionate fan of racing and there is nothing more beautiful than a horse in full flight who wants to win. I have always felt that there is no better (nor addictive) place than the winner's circle beside a horse with flared nostrils and perked ears.

Because of my week at boot camp, I now understand why so many people start their racetrack days in the dark. To watch the sun rise over the track. To breathe in the smells and sights and sounds of race horses in their stalls.

To participate in the rhythm of the shed row. All these things must be as addictive as being the owner in the winner's circle.

I participated for five days and I'm more than a little envious of the class of students. Their journey towards a career in the racing industry is just starting, and the skills they will learn during their 15 weeks at Olds College will get them off on the right foot with a solid foundation.

Alumni of Olds College's racetrack programs have had a tremendous amount of success. Groom students have moved on to be Stakes winning trainers, and exercise rider students have moved on to be Sovereign and Eclipse Award winning jockeys. Horse Racing Alberta and Olds College should be very proud of these graduates and their growing list of achievements.

I'll be watching the students I studied with, because I know they will be assets to the industry when they graduate. I'm so grateful to have participated in Exercise Rider Boot Camp. If these courses had existed in Alberta 25 years ago, I'd have been the first in line!



A Lifetime of Industry and Community Contributions

In 2015, William (Bill) Andrew was awarded Standardbred Canada's Cam Fella Award and was nominated for the O'Brien Awards Armstrong Breeder of the Year.

Also in 2015, his Meridian Farms hit a major milestone, making the top 15 in North America for foal earnings with 241 wins and over \$1.4M in earnings. This is fairly remarkable since Meridian Farms, located in Alberta and Prince Edward Island, only has two per cent of the 2,900 standardbred racing broodmares in Canada.

Andrew's lifelong passion for standardbred racing has led to his becoming a Canadian Standardbred industry legend and Meridian Farms a racing empire. But perhaps as remarkable is Andrew's charitable efforts and promotion of the sport he loves.

In 2010, with the help of ASHA Executive Director Fred Gillis, he began Fun for Fans Stable. Each year, a horse from Meridian Farms is chosen to race for charity. The horse's winnings are given to a different charity each month. Meridian Farms covers all of the expenses. Since winning a horse race is no sure thing, the charity is guaranteed to receive at least \$1,000. If the stable horse makes more than that, the excess is given to the charity.

The concept has been a tremendous success, not only for the charities but for the sport as well since charities and their supporters often come out to cheer their horse, exposing hundreds of new fans to the sport. This concept was replicated in Prince Edward Island in 2014 and Nova Scotia in 2015.

In 2014, Andrew began a 'Name the Foal' contest for children under 16 years of age. Children are invited to name a Meridian Farms foal and prizes are awarded for best name, best letter and best drawing. When sold as a yearling, the proceeds are donated to charity. The 2014 foal named Pickles on Top sold as a yearling for \$24,500. In addition to his charitable contributions, Andrew is also well known for financially supporting trotting events, racetracks and yearly sales.



Andrew is humble, soft spoken and unassuming, but he smiles broadly and his eyes sparkle when he talks about the horses he has raced and raised, the fans of the standardbred industry and the ways his horses have been able to give back to the communities where they race. He believes that the racing industry needs to create touchstone moments for fans, and he is devoted to promoting the sport to new fans.

Andrews inherited his interest in racing from his grandfather and father. He purchased his first yearling in Alberta in 1990, and has raced horses ever since. His concentration moved from racing to breeding in 2003, and his Meridian Farms quickly grew. Congratulations to Bill Andrew on behalf of the Alberta horse racing and breeding industry.

Industry and Government Relations

In 2014, amendments to the Horse Racing Alberta Act restructured the HRA Board. This restructuring called for six public members and five from industry with a public member as chair. However, the Act has not yet been proclaimed so the Board changes anticipated in 2015 did not take place.

The change in government in May required briefing new Ministers and their staff regarding HRA's funding agreement with the province. Set to expire in April, 2016, HRA spent a considerable amount of time ensuring key decision-makers were well informed. Discussions to date have been positive and there is confidence a new Memorandum of Understanding will be signed before the current agreement expires.

As in previous years, HRA sat down with industry in Red Deer and Leduc to discuss strategic planning, issues and opportunities. Emerging from these discussions was the formation of a Strategic Growth Committee and several key initiatives:

- Encourage horse ownership and Racing Clubs to grow more interest in the industry.
- Establish and promote seeded/guaranteed pools to grow the handle.
- Institute a pick six wager offer at Century Downs.
- Explore developing a pick eight at the Fall Classic Alberta Bred Day.
- Grow the Alberta Derby in Grande Prairie.

Alberta purses grew substantially for the first time in many years thanks to the opening of Century Downs in 2015. Increased slot revenues enabled HRA to increase its purse grant by \$4.7M and inject another \$421,000 into the Breed Improvement Program.



Xtreme Denigray, second from the rail, went on to win the very successful 2015 Alberta Derby, held for the first time in Grande Prairie.

ALBERTA PURSES

	HRA Grant		Breed Improvement Program*		Total Purses (provided by HRA)	
	2015	2014	2015	2014	2015	2014
Thoroughbred	5,414,240	3,888,117	2,061,070	1,863,520	7,475,310	5,751,637
Standardbred	5,274,500	2,720,142	1,195,340	997,542	6,469,840	3,717,684
Community Circuit	3,011,260	2,405,324	409,410	383,310	3,420,670	2,788,634
Totals	\$13,700,000	\$9,013,583	\$3,665,820	\$3,244,372	\$17,365,820	\$12,257,955

* Estimated money available from the 2015 Breed Improvement Program. Total program investment was \$4.3M.

Marketing

Marketing of the Alberta Horse Racing and breeding industry reports to the Strategic and Sustainable Development Committee.

Marketing for 2015 focused on a strategic, tactical target marketing/digital campaign in an effort to raise the profile of live horse racing across the province including the opening of the new Calgary area racing facility at Century Downs.

The digital target marketing campaign was aimed directly at 18 to 34-year-olds in an effort to drive interest among a younger demographic for live horse racing events. Effective media placements and creative messages were executed in nightclubs, movie theatres, fitness locations and restaurant/bars in an effort to persuade the socially active younger market to make their next outing to an Alberta racing facility. The campaign also included on-line search tactics and the introduction of an aggressive social media campaign.

HRA added social media channels to the marketing mix in 2015. Using a combination of self-promotion, testimonials, humour, story-telling, photos, videos, info-graphics and commentary HRA is building relationships and creating a valuable network of supporters who will “like”, “love” and then “defend” horse racing in Alberta. New accounts on Facebook, Twitter, Instagram and Periscope add ways to send industry messages and enabled us to tell stories about Alberta horses and horsemen.

The use of social media platforms helps to build, engage, inform and entertain horse racing stakeholders, and promote events and activities throughout the year. Casual fans, horseplayers and horsemen are being reached by real time videos on Periscope, instant feedback via comments, industry updates through shares and retweets, and regular features during the racing calendar on race horses, breeders, trainers, owners and backstretch workers.

An industry first in 2015 was the live broadcast on CTV Alberta of the Ralph Klein and Brad Gunn Memorial from Century Downs in Calgary.



The 86th running of the Canadian Derby was also broadcasted live from Northlands Park. Both shows received a favorable audience across Alberta.

The Canadian Derby Broadcast won a Rosie Award from the Alberta Media Production Industries Association for Best Live Sports Event Production. It was also named a finalist by the Jockey Club of Canada for best broadcast in Canadian thoroughbred racing. Horse Racing Alberta has been a finalist for the prestigious Sovereign Award every year since 2003, and has won the award five times.

The 2015 Public Service Announcement campaign continued to educate Albertans in understanding the contributions and economic impact that the horse racing and breeding industry contributes across the province. New in 2015 was the creation and distribution of an industry FACT card emphasizing how Alberta Horse Racing benefits Albertans.

The industry website continued to deliver to racing fans and industry stakeholders racing information, regulatory activities, board and committee information, key industry documentation, horse and people profiles, and regional racing reports.

The industry participated in and sponsored various events with traditional and non-traditional partners. Sponsorships included Canadian Finals Rodeo (barrel racing), the Innisfail Rodeo, the Caritas Hospital, the Whitemud Equine Learning Centre (Hoofbeats & Heartbeats Gala), and Project Smile at the Tim Horton's International Children's Festival, an outreach program designed to bring smiles, sounds and laughter of the festival to local hospitals for patients to enjoy.

Human Resource Development and Welfare

In 2015, Horse Racing Alberta continued its re-investment in backstretch programs to improve supports and quality of life for grooms, exercise riders, jockeys and others. Funding for backstretch programs increased 11% in 2015 and 20% over the past two years.

The Learning Centre, located on the backstretch at Northlands Park continues to be a popular spot for backstretch personnel, with a total of 1,276 visits in 2015. The nearly 20% decrease in visits from 2014 can be attributed to fewer new backstretch employees from foreign countries. Nevertheless, the Learning Centre was kept busy filling needs like faxing, photocopying, Internet access, assistance in computer literacy, English as a Second Language training, General Equivalency Diploma tutoring, and many other services.

In addition to HRA program support, the HRA Backstretch Foundation provides a variety of services to those in need to improve backstretch quality of life. These include benevolence to the sick and injured, counseling to those who suffer from substance abuse, memorial services to those who have lost a loved one, and social events to build a sense of community.

HRA's sponsorship of the Exercise Rider, Jockey and Groom School at Olds College continued with nine people graduating from the Exercise Rider program and two from the Groom program in 2015. A testimony to the quality of the program is the awarding of the 2014 Sovereign Award as outstanding apprentice rider to Sheena Ryan, a 2014 graduate, and nomination of former Olds College student Isabelle Wenc for the 2015 Sovereign Award in the same category.

Canada's foreign worker program continues to present major challenges, severely handicapping HRA's ability to help trainers and owners recruit and retain much needed backstretch workers from other countries. Application fees of \$1,000 per person and stringent acceptance conditions resulted in securing only eight foreign workers for the 2016 racing season. In contrast, there were more than 100 foreign workers in the horse racing industry in 2014.



Animal Welfare

Regular testing of horses prior to or immediately after a race is part of the standards HRA employs to ensure horse racing is a level playing ground and horse health is protected.

Despite more racing days, there were slightly fewer medication tests conducted in 2015 (37 less) when compared to 2014. However, the number of medication positives was down substantially, from 20 in 2014 to seven in 2015. In total, 442 TCO2, Cobalt, Clenbuterol, Out-of-Competition or EPO tests were given. They were all negative.

Cobalt was a new drug tested in 2015 because it was considered to be an issue in other jurisdictions in North America. Upon request from the standardbred industry, HRA joined the pilot project initiated by the Canadian Pari-Mutuel Agency and cobalt was added for standardbred testing. Cobalt testing will be done on all breeds when cobalt becomes part of the schedule of drugs.

Breed improvement continues to be a focus for HRA. In addition to total purse money won by Alberta-bred horses, yearling sales are a good indication of breed quality and value.



BREEDING

AVERAGE YEARLING SALE PRICES

	2015	2014	2013
Thoroughbred	\$11,370	\$ 11,117	\$ 8,342
Standardbred	\$ 7,974	\$11,970	\$10,027
Quarter Horse	\$ 4,685	\$ 2,366	\$ 3,636

BREED IMPROVEMENT PROGRAM INVESTMENTS

	2015	2014	2013
Thoroughbred	\$2,386,070	\$2,170,720	\$2,273,990
Standardbred	\$1,435,340	\$1,182,542	\$1,258,776
Quarter Horse	\$ 478,590	\$ 445,200	\$ 440,000
Total	\$4,300,000	\$3,798,462	\$3,972,766

ANIMAL TESTING - 2015

	Medication		TCO2		Cobalt		Clenbuterol		Out-of-Competition		EPO	
	Tests	Positives	Tests	Positives	Tests	Positives	Tests	Positives	Tests	Positives	Tests	Positives
Thoroughbred	1,192	0	199	0	0	0	32	0	0	0	0	0
Standardbred	1,625	2	42	0	77	0	0	0	31	0	10	0
Community Circuit	739	5	51	0	0	0	0	0	0	0	0	0
Total	3,556	7	292	0	77	0	32	0	31	0	10	0

2015 Award Winners

CANADIAN THOROUGHBRED HORSE SOCIETY ALBERTA AWARDS

Category	Winner
Champion Claimer	BlameitontheKnight
Champion Sprinter	Killin Me Smalls
Champion Two-Year-Old Filly	Bootleggers Wife
Champion Two-Year-Old Colt	Awesome Slate
Champion Three-Year-Old Filly	Hero's Amor
Champion Three-Year-Old Colt	Blue Dancer
Champion Older Mare	Rock and Glory
Champion Older Horse	Killin Me Smalls
Horse of the Year	Killin Me Smalls
Leading Jockey	Rico Walcott
Leading Breeder	Highfield Stock Farm Ltd.
Leading Trainer	Greg Tracy
Champion Alberta-Bred	For Cash
Leading Owners	Riversedge Racing Stables Ltd.



SOVEREIGN AWARDS Champion Three-Year-Old Female

Woodbine Archivist Tom Cosgrove (holding trophy left), presents the Champion three-year-old Female Sovereign Award to the owners of Academic. Danny Dion, owner of Bear Stables, accepts the trophy on behalf of Riversedge Racing Stables Ltd. Trainer Reade Baker is standing far left.

ALBERTA STANDARD BRED ASSOCIATION

Award Category	Winner	Owner
Two-Year-Old Alberta Sired Filly	Divas Dragonfly	Meadowlark Farms
Two-Year-Old Filly	Divas Dragonfly	Meadowlark Farms
Two-Year-Old Alberta Sired Colt/Gelding	Wrangler Cash	Kelly Hoerd, Blair Corbeil, Dr. M Stewart
Two-Year-Old Colt/Gelding	Blue Star Jet	Lorne Duffield, Rod Hennessy
Three-Year-Old Alberta Sired Filly	Fire Watch	Travis Cullen, Ron Cullen, Dwayne Taylor
Three-Year-Old Filly	Thats Extra	Blair & Erna Corbeil, Kelly Hoerd
Three-Year-Old Alberta Sired Colt/Gelding	Johnny Gun	Don Richardson
Three-Year-Old Colt/Gelding	First Class Horse	Robert Jones, Doris McDougall
Aged Horse	Who Doesnt	Travis Cullen, Ken & Jeanne Cullen, Jodie Cullen
Aged Mare	Sing Like An Angel	Keith & Margaret Hannah, Jodie Cullen, Travis Cullen
Claimer Fillies/Mares	Gottaluckydeal	Cory Manning
Claimer Colts/Geldings	Raging Fingers	Travis Cullen, Keith Hannah
Fastest Girl	Feelin Flush	Travis Cullen, Ken Hanson
Fastest Boy	Ghost Pine	Blair Corbeil, Kelly Hoerd
Horse of the Year	First Class Horse	Robert Jones, Doris McDougall
Rising Star	Preston Shaw	
Horseperson of the Year	Travis Cullen	
Caretaker of the Year	Kaitlin Haining Danielle Schedlosky	
Trainer of the Year	Travis Cullen	
Trainer of the Year under 200 Starts	Marjorie Dumont	
Driver of the Year	Travis Cullen	
Driver of the Year under 200 Starts	J F Gagne	
Owner of the Year	Kelly Hoerd, Blair Corbeil	
Breeder of the Year	Meridian Farms, Bill Andrew	
Breeders Award of Recognition	Pieter Besselink	
Ron McCleod Award	Rod Hennessy	

ALBERTA COMMUNITY THOROUGHBRED RACING ASSOCIATION

Category	Winner	Owner
Alberta Bred Two-Year-Old Filly	Georgi Girl's Kiss	RMTC Stable
Alberta Bred Two-Year-Old Male	Falls Session	Marie Nebuhr
Alberta Bred & ACTRA Three-Year-Old Filly	She's It Again	RMTC Stable
Alberta Bred & ACTRA Three-Year-Old Male	Why Not Live	Type One to Type None Stable & RMTC Stable
Alberta Bred Older Female	Smile Lee	Raymond Fikiforuk
ACTRA Older Female	IBegYerPardon	William Leech
Alberta Bred Older Male	Keene on Demand	Tom Rycroft & Lewis Mailer
ACTRA Older Male	General Gabe	Rick & Mason Bassett & Jeff Baker
Alberta Bred Aged Mare	Smile Lee	Raymond Nikiforuk
Alberta Bred Aged Male	Again and Gone	Dale & Brenda Johnson
Alberta Bred Claiming Female	The Little Gene	RMTC Stable
ACTRA Claiming Female	Hope Faith Gold	Teagan Oulton
Alberta Bred Claiming Male	Again and Gone	Dale & Brenda Johnson
ACTRA Claiming Male	General Gabe	Rick & Mason Bassett & Jeff Baker
Alberta Bred Champion Female	Smile Lee	Raymond Nikiforuk
Alberta Bred Champion Male	Why Not Live	Type One to Type None Stable & RMTC Stable
Alberta Bred Breeder	Max G. Gibb	
Sprint Female	Smile Lee	Raymond Nikiforuk
Sprint Male	General Gabe	Rick & Mason Bassett & Jeff Baker
Distance Horse	Bobby Handy	Tom Rycroft
High Point Female	Smile Lee	Raymond Fikiforuk
High Point Male	Brudda Clyde	Cory Rumsey
RMTC Lethbridge Spring Meet	Lyle Magnuson (Trainer), Larris Allen (Jockey)	
RMTC Lethbridge Fall Meet	Lyle Magnuson (Trainer), Trevor Simpson (Jockey)	
Evergreen Park Grande Prairie	Riley Rycroft (Trainer), Trevor Simpson (Jockey)	
Most Supportive Trainer	Lyle Magnuson	
Trainer of the Year	Lyle Magnuson	
Jockey of the Year	Larris Allen	
Apprentice Jockey	Brandon Duchaine	
Champion Horse of the Year	Brudda Clyde	

ALBERTA QUARTER HORSE RACING ASSOCIATION

Category	Horse/Person	Owner
Champion Two-Year-Old	Flybye 109	Buckey Stockwell
Reserve Champion	Living is Sweet	The Albertans
Champion Three-Year-Old	Cruisinfourabruisin	Barry & Janice Sather
Reserve Champion	Streaken Timber	Shirley Laczó
Champion Aged	Tiny Flying Corona	Charles Stojan
Reserve Champion	Bugs Lil Magic	Ralph Danard/K Glenn Wills/Shawn Jeffrey
Grand Champion Running Horse	Cruisinfourabruisin	Barry & Janice Sather
Champion Alberta Bred Two Year Old - Gelding (<i>three-way tie</i>)	Better Knickers	Lewis Mailer
	Perpetual SLS	Bugle Hill Farms
	SLS River High	Bugle Hill Farms
Champion Alberta Bred Two Year Old - Filly	Flybye 109	Buckey Stockwell
Champion Alberta Bred Three Year Old - Gelding	Cruisinfourabruisin	Barry & Janice Sather
Champion Alberta Bred Three Year Old - Filly (<i>two-way tie</i>)	Bitterroot Corona	K. Glenn Wills
	Shez Double Quick	Buckey Stockwell
Champion Alberta Bred Aged - Gelding	Glittering Blue	Ken Williams Jr.
Champion Alberta Bred Aged - Mare	Bugs Lil Magic	Ralph Danard/K Glenn Wills/Shawn Jeffrey
Champion Alberta Bred Reserve Champion	Cruisinfourabruisin	Barry & Janice Sather
	Flybye 109	Buckey Stockwell
Champion Trainer	William Leech	
Champion Percentage Trainer	Michael Braun	
Champion Jockey	Ricardo Moreno	
Champion Sire	First Timber	Wesley Oulton
Champion Owner (<i>three-way tie</i>)	Bugle Hill Farms	
	Barry & Janice Sather	
	Charles Stojan	
Champion Breeder	Barry & Janice Sather	
Champion Distance Horse	Glittering Blue	Ken Williams Jr.
Champion Claiming Horse	Wind River Jess	Michael Braun

HORSE RACING ALBERTA

Financial Statements

Year ended December 31, 2015





KPMG LLP
Chartered Accountants
 Commerce Place
 10125-102 Street
 Edmonton, Alberta T5J 3V8
 Canada

Telephone (780) 429-7300
 Fax (780) 429-7379
 Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Members of Horse Racing Alberta

We have audited the accompanying financial statements of Horse Racing Alberta, which comprise the statement of financial position as at December 31, 2015, the statements of operations, changes in net assets (deficiency) and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Horse Racing Alberta as at December 31, 2015, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Accountants
April 26, 2016
Edmonton, Canada

Statement of Financial Position

December 31, 2015, with comparative information for 2014

	December 31, 2015	December 31, 2014
Assets		
Current assets:		
Cash	\$ 41,369	\$ 176,214
Accounts receivable (note 2)	563,812	753,501
Receivable from the Province of Alberta (note 3)	2,714,908	1,624,860
Prepaid expenses	125,125	42,887
Current portion of loans receivable (note 4)	130,316	123,838
	3,575,530	2,721,300
Loans receivable (note 4)	115,741	203,189
Capital assets (note 5)	9,456	11,474
	\$3,700,727	\$ 2,935,963
Liabilities and Net Assets (Deficiency)		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 904,916	\$ 687,123
Racetrack grants payable	3,031,742	1,744,187
	3,936,658	2,431,310
Net assets (deficiency)		
Invested in capital assets	9,456	11,474
Unrestricted	(245,387)	493,179
	(235,931)	504,653
Commitments (note 9)		
	\$3,700,727	\$ 2,935,963

See accompanying notes to financial statements.

On behalf of the Board:



Chair of the Board



Chair of the Audit and Finance Committee

Statement of Operations

Year ended December 31, 2015, with comparative information for 2014

	2015 Budget	2015 Actual	2014 Actual
Revenues			
General fees	\$ 9,034,371	\$ 7,217,189	\$ 7,376,606
Racing Industry Renewal Initiative revenues (note 3)	34,237,370	34,447,486	21,186,370
Other racing revenues	276,725	261,492	220,958
Interest	30,000	25,641	35,346
Other revenues	12,000	20,587	16,772
	43,590,466	41,972,395	28,836,052
Expenditures			
Purse Support Grants			
Thoroughbred	5,414,240	5,414,240	3,888,117
Standardbred	5,274,500	5,274,500	2,720,142
Community	3,011,260	3,011,260	2,405,324
	13,700,000	13,700,000	9,013,583
Breed Improvement Program			
Thoroughbred	2,386,070	2,386,070	2,170,720
Standardbred	1,435,340	1,435,340	1,182,542
Community	478,590	478,590	445,200
	4,300,000	4,300,000	3,798,462
Racetrack funding, Schedule 1	19,715,359	19,704,416	11,172,111
Marketing and promotion, Schedule 2	1,500,000	1,579,494	708,822
Regulatory and administration, Schedule 3	3,456,590	3,036,120	2,975,156
Backstretch human resource development	406,900	371,949	334,215
Emergent projects and programs	300,000	-	-
Animal welfare	25,000	21,000	21,000
	25,403,849	24,712,979	15,211,304
	43,403,849	42,712,979	28,023,349
Excess (deficiency) of revenues over expenditures	\$ 186,617	\$ (740,584)	\$ 812,703

See accompanying notes to financial statements.

Statement of Changes in Net Assets (Deficiency)

Year ended December 31, 2015, with comparative information for 2014

	Invested in capital assets	Unrestricted	Total 2015
Balance, beginning of year	\$ 11,474	\$ 493,179	\$ 504,653
Deficiency of revenues over expenditures	(4,130)	(736,454)	(740,584)
Investment of capital assets	2,112	(2,112)	-
Balance, end of year	\$ 9,456	\$(245,387)	\$(235,931)

	Invested in capital assets	Unrestricted	Total 2014
Balance, beginning of year	\$ 14,299	\$ (322,349)	\$ (308,050)
Excess (deficiency) of revenues over expenditures	(3,735)	816,438	812,703
Investment of capital assets	910	(910)	-
Balance, end of year	\$ 11,474	\$ 493,179	\$ 504,653

See accompanying notes to financial statements.

Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash flow from operating activities:		
Cash received:		
General fees	\$ 7,406,878	\$ 8,160,069
Racing Industry Renewal Initiative	33,357,438	21,012,166
Other racing renewal	261,492	220,958
Interest and other revenue	20,587	52,118
Cash paid:		
Purse support grants	(13,700,000)	(9,013,583)
Breed improvement program	(4,300,000)	(3,798,462)
Racetrack funding	(18,416,862)	(12,781,378)
Marketing and promotion	(1,579,494)	(708,822)
Regulatory and administration	(2,896,428)	(3,286,871)
Other operating expenses	(386,344)	(355,215)
	(232,733)	(499,020)
Investing:		
Purchase of capital assets	(2,112)	(910)
Repayment of loan receivable	100,000	114,665
	97,888	113,755
Decrease in cash	(134,845)	(385,265)
Cash, beginning of year	176,214	561,479
Cash, end of year	\$ 41,369	\$ 176,214

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended December 31, 2015

Nature of operations:

Horse Racing Alberta (the “Entity”) was created as a Provincial Corporation on June 25, 2002 by the Horse Racing Alberta Act, Chapter H-11.3, Revised Statutes of Alberta, 2000. The Entity is a non-profit organization as defined in Section 149(1)(I) of the Income Tax Act and is exempt from income taxes. The Entity is responsible for the regulation of the horse racing industry in the Province in any or all of its forms, and for the facilitation of long-term racing industry renewal.

1. Significant accounting policies:

(a) Basis of presentation:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

(b) Capital assets:

Capital assets are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Entity’s ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful life
Office equipment and furniture	3-10 years
Computer hardware and software	3 years
Leasehold improvements	Term of lease

(c) Revenue recognition:

The Entity follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight line basis, at a rate corresponding with the amortization rate for the related capital assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are recognized. Unrestricted investment income is recognized as revenue when earned.

Revenue from fees is recognized when the services are provided.

Notes to Financial Statements (continued)

Year ended December 31, 2015

1. Significant accounting policies (continued):

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and investments in equities quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Entity determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Entity expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(e) Use of estimates:

The preparation of the financial statements 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 revenue and expenses during the year. Actual results could differ from those estimates.

2. Accounts receivable:

	2015	2014
Trade receivables	\$ 554,493	\$ 672,437
GST receivable	9,318	81,064
	\$ 563,812	\$ 753,501

Notes to Financial Statements (continued)

Year ended December 31, 2015

3. Receivable from the Province of Alberta:

Flow-through amounts represent resources received and receivable from the Province of Alberta which are subject to external restrictions as follows:

	2015	2014
Deferred revenue, beginning of the year	\$ -	\$ -
Flow-through amounts from the Province of Alberta during the year	34,442,755	21,183,007
Interest received on deferred revenue	4,731	3,363
Amount recognized as Racing Industry Renewal Initiative revenues in the year	(34,447,486)	(21,186,370)
Deferred revenue, end of period	\$ -	\$ -

The Entity has an agreement with the Province of Alberta, as represented by the Minister of Finance, to assist in long-term industry renewal with monies derived from the flow-through portion of net revenue from electronic gaming terminals at licensed horse racing tracks. This agreement expires March 31, 2026.

The receivable from the Province of Alberta at December 31, 2015 is \$2,714,908 (2014-\$1,624,860).

4. Loans receivable:

	2015	2014
Grande Prairie Regional Agricultural & Exhibition Society, non-interest bearing and unsecured	\$ 246,057	\$ 327,027
Less current portion	(130,316)	(123,838)
	\$ 115,741	\$ 203,189

When issued in March 2006, the loan was \$1,000,000 at 0% interest. The fair value of the loan on that date was \$656,838 based on a rate of 8% interest discounting the future contractual cash flow repayments. The loan is measured at amortized cost.

In 2011, the Entity approved amendments to the loan agreement regarding repayments based on a sliding scale contingent on Evergreen Park slot revenue performance. As a result, principal repayments of the loan could vary from year to year, ranging from \$50,000 to a maximum of \$150,000. Any yearly payment received less than the expected \$150,000 is an adverse change in the expected timing of future cash flows indicating that the fair value of the loan is impaired.

Notes to Financial Statements (continued)

Year ended December 31, 2015

4. Loans receivable (continued):

In 2015, the sliding scale contingency resulted in a reduction of the payment received to \$100,000 from \$150,000 and the \$50,000 was added to repayments in 2017 resulting in an impairment of \$6,605.

Interest revenue includes \$25,641 (2014 - \$35,346) related to the amortization of the fair value discount.

	Total receivable	Unamortized discount and valuation allowance	Principal due
2016	150,000	19,684	130,316
2017	125,000	9,259	115,741
	\$275,000	\$ 28,943	\$246,057

5. Capital assets:

			2015	2014
December 31, 2015	Cost	Accumulated amortization	Net book value	Net book value
Office equipment and furniture	\$ 194,324	\$ 185,467	\$ 8,857	\$ 10,633
Computer hardware and software	77,251	77,251	-	157
Leasehold improvements	18,914	18,315	599	684
	\$ 290,489	\$281,033	\$9,456	\$11,474

Amortization for the year was \$4,130 (2014 - \$3,735).

6. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$21,800 (2014 - \$21,518), which includes amounts payable for payroll related taxes.

Notes to Financial Statements (continued)

Year ended December 31, 2015

7. Compensation:

Year ended December 31, 2015						
	Positions	Base salary (1)	Other cash benefits (2)	Other non-cash benefits (3)	Total 2015	Total 2014
Chair	1	\$ 60,000	\$ 7,956	\$ 6,834	\$ 74,790	\$ 75,895
CEO	1	210,000	42,687	(2,233)	250,454	248,179
CFO	1	170,201	13,928	11,979	196,108	191,620
Board of Directors	12	-	22,602	-	22,602	33,852
Managers:						
Racetrack and administration	3	307,493	1,300	66,204	374,998	359,791
Non-managers:						
Racetrack	14	552,478	3,617	89,572	645,668	628,409
Administration	3	53,870	-	21,111	74,982	100,904
	35	\$ 1,354,042	\$ 92,090	\$ 193,467	\$ 1,639,602	\$ 1,638,650

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include bonuses, vacation payments, honoraria, overtime and lump sum payments including severance.

(3) Other non-cash benefits include the Entity's share of all employee benefits and contributions made on behalf of the employees including health and dental, life, accidental death & dismemberment, weekly indemnity and long term disability insurances, CPP and EI contributions, WCB, car allowances and RRSP contributions.

Compensation of \$53,300 (2014 - \$31,300) is included in Backstretch human resource development expenditures.

Notes to Financial Statements (continued)

Year ended December 31, 2015

8. Trust funds:

The Entity collects and disburses trust funds related to the simulcast handle in the Calgary market area on behalf of Alberta Standardbred Horse Association (ASHA). As the trust funds are not owned by the Association, they have been excluded from these financial statements.

At December 31, 2015 the Entity held \$0 (2014 - \$75,780) of cash in trust for ASHA under a one year agreement effective January 1, 2010 between Rocky Mountain Turf Club (RMTC), ASHA and the Entity. The funds are disbursed at the sole discretion of ASHA. The agreement has been renewed yearly since ratification, but the account was closed during the year.

9. Commitments:

The Entity rents office premises in Edmonton, expiring March 31, 2018. The Entity is responsible for its proportionate share of property taxes and building operating costs for the leased premises. The Entity also has automotive and office equipment under operating leases through to 2019 as well as a contract with Teleview Racing Patrol of Canada through to March 2017.

Annual payments are as follows:	
2016	371,417
2017	170,066
2018	45,099
2019	2,749
2020	775
2021	-
	\$ 590,106

10. Financial risks and concentration of risk:

(a) Liquidity risk:

Liquidity risk is the risk that the Entity will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Entity manages its liquidity risk by monitoring its operating requirements. The Entity prepares a budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2014.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Entity is exposed to credit risk with respect to the accounts receivable and loan receivable. The Entity has 55% (2014 - 54%) of its trade accounts receivable outstanding with one counterparty operating in the gaming and horse racing industry. The Entity assesses, on a continuous basis, accounts receivable and loan receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

Schedule 1 – Racetrack Funding

Year ended December 31, 2015, with comparative information for 2014

	2015 Budget	2015 Actual	2014 Actual
Century Downs:			
Racetrack funding	\$ 7,338,581	\$ 7,715,144	\$ -
Discretionary project funding	1,000,000	1,000,000	-
Northlands Park:			
Racetrack funding	8,290,484	8,058,832	7,748,843
Discretionary project funding	500,000	379,285	-
Rocky Mountain Turf Club	1,623,862	1,647,428	1,206,779
Grande Prairie Regional Agricultural Society	932,432	873,727	968,543
Millarville	30,000	30,000	20,000
Lacombe	-	-	1,227,946
	\$19,715,359	\$19,704,416	\$11,172,111

Schedule 2 – Marketing and Promotion

Year ended December 31, 2015, with comparative information for 2014

	2015 Budget	2015 Actual	2014 Actual
Internal marketing, public and media relations	730,000	724,693	530,254
Live race broadcasting	300,000	344,081	178,568
Direct marketing and promotion	470,000	510,720	-
	\$1,500,000	\$1,579,494	\$ 708,822

Schedule 3 – Regulatory and Administration

Year ended December 31, 2015, with comparative information for 2014

	2015 Budget	2015 Actual	2014 Actual
Compensation (note 7)	\$ 1,766,710	\$ 1,639,602	\$ 1,638,650
Contractors	356,000	407,616	336,078
Photo finish and video patrol	304,200	250,077	238,887
Office and administration	186,785	163,344	134,377
Office rent and operating costs	187,800	152,337	151,267
Travel	243,800	142,679	172,825
Legal, consulting and audit fees	179,750	131,075	139,955
Other	39,300	37,409	25,928
Telephone	48,490	33,328	36,010
Insurance	36,420	27,035	27,373
Memberships	24,000	18,393	17,731
Toxicology	13,350	8,912	8,716
Appeal tribunal	42,550	6,612	36,982
Loan impairment (note 4)	-	6,605	-
Meetings and seminars	8,375	5,494	6,642
Amortization	7,000	4,130	3,735
Committee expenses	12,060	1,472	-
	\$ 3,456,590	\$3,036,120	\$ 2,975,156

Photo Credits

- **Photos by Ryan Haynes:**
Front cover right top and bottom, 6, 9, 13, 14 and 19 bottom.
- **Photos by Dave Landry:**
Front cover left, inside front cover, table of contents, 2, 4, 5, 15, 16 and back cover.
- **Photo by Coady Photo:**
Front cover centre
- **Photos by Mark Shannon:**
Pages 3, 8, 19 centre and inside back cover



