



2009 annual report

HORSE RACING ALBERTA

[VISION]

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

[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.

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HORSE RACING ALBERTA IS CREATING OPPORTUNITIES FOR GROWTH IN THE INDUSTRY BY:

Gathering input from stakeholders to ensure all areas of horse racing have the opportunity to grow and prosper.

Supporting new racetrack activities, such as live racing at Alberta Downs in Lacombe.

Encouraging and funding breeding programs to enhance the quality of Alberta racehorses.

Marketing horse racing with industry partners in a way that encourages Albertans to experience the thrill of live horse racing.

Creating a regulatory environment that sets ethical conduct as the foundation for Alberta horse racing.

Supporting the well-being, education and training of individuals working in horse racing.

Encouraging continuous improvement in the care and treatment of the racehorses who are the core of our success.

Governance

Horse Racing Alberta (HRA) is governed by a Board Chair, eight Directors representing the various breed organizations and racetracks, three Directors representing the public and two government-appointed ex-officio (non-voting) members.

HRA is accountable to the horse racing industry:

- > By actively listening to the issues raised and working collaboratively to address these issues;
- > By seeking input on industry needs and opportunity for growth; and,
- > By regularly communicating the overall direction being pursued.

BOARD OF DIRECTORS - 2009/2010

MRS. SHIRLEY MCCLELLAN	Chair
MR. PETER BIDLOCK	Vice-Chair and Public Member
MR. BILL ANDREW	Standardbred Horse Association, Breeders
MR. GARY BELECKI, QC	Public Member
MR. DON BUCHANAN	Canadian Thoroughbred Horse Society
DR. DAVID CHALACK	“A” Racetracks
MR. HOWARD DIXON	Other Breed Organization
MR. KEN DRYSDALE	“B” Racetracks
MR. BOB GIFFIN	Horsemen’s Protective and Benevolent Association
MR. NORM KENNEDY	Alberta Standardbred Horse Association
MR. KEN KNOWLES	“A” Racetracks
MR. CARL ROYAN	Government Appointee (ex-officio)

**There is one vacant board position for a public member*

OUTGOING BOARD DIRECTORS

MR. JIM BAUER	Government Appointee (ex-officio)
MS. SUE BOHAICHUK	Government Appointee (ex-officio)
MR. ERNIE CARON	Alberta Standardbred Horse Association
MR. RICK CARTER	“A” Racetracks
MR. DON GETTY	Outgoing Vice-Chair and Public Member
MR. JIM MCFADYEN	Horsemen’s Protective and Benevolent Association
MR. HAROLD SILBERNAGEL	Other Breed Organizations



Chair's Message

THE GOALS OF HRA ARE TO BUILD HORSE RACING IN A WAY THAT PROVIDES OPPORTUNITIES FOR ALL BREEDS TO RACE THROUGHOUT ALBERTA.

Horse racing in Alberta has a long and esteemed reputation. Beginning in the early 1900s with key races such as the Millarville Canada Day races and the Canadian Derby, these early days of racing set a solid foundation for an industry that has continually grown through times of prosperity as well as challenging times. The spirit of horsemen in Alberta, working together to build the industry, is needed as much today as it was needed over 100 years ago.

There are challenges facing the horse racing industry today – and although these challenges are not insignificant, we have the right people and the right strategies in place to ensure the stability and growth of horse racing in Alberta. As an agricultural-based entertainment industry, horse racing continued to be impacted by the North American economic downturn. Coupled with delays in the opening of the Calgary area racetrack and a reduced number of racing days, horse racing in Alberta has struggled to keep horsemen and the industry strong and vibrant during these challenging times.

However, these challenges are not insurmountable. They are merely opportunities to be creative in our approach and drive forward with greater vigour and tenacity than ever before. As the voice of the horse racing industry, Horse Racing Alberta has worked to bring together our stakeholders to provide input and direction from the grassroots of the industry. In November, the HRA Board of Directors, representing all stakeholders, came together for a strategic planning session. This session clearly showed that although HRA is working towards building the industry, each stakeholder group has valid concerns about their particular interests. Each breed association and racetrack has their own needs and their own expectations of how Horse Racing Alberta represents them. HRA firmly believes in the value of each stakeholder as part of the horse racing spectrum and our primary challenge is to develop strategies that address individual stakeholder concerns while making sound decisions about the horse racing industry as a whole. It is only through working together towards common goals that individual needs will be met.



The goal of HRA is to build horse racing in a way that provides opportunities for all breeds to race throughout Alberta. The current disparity in southern Alberta is a particular concern for HRA. The lack of an “A” track and only one “B” track servicing southern Alberta has resulted in higher costs of racing and reduced handle. Until the issues resolving the United Horsemen of Alberta racetrack are concluded, HRA must continue to focus on strategies that will encourage growth in the industry. The opening of the Alberta Downs racetrack in Lacombe and the imminent licensing for the Medicine Hat Exhibition and Stampede are just two examples of this growth. Through development of new tracks, there is renewed interest in racing in new locations and new opportunities for horse breeders and owners.

The financial sustainability of horse racing is becoming less dependent on live racing and more dependent upon slot revenue. The revenues generated at Racing Entertainment Centres have become the mainstay of the industry. Although the revenue generated through slot machines provides funds for community programs and the horse racing industry, we must continue to draw fans to our racetracks and off track betting facilities to demonstrate the viability and value of this important industry that is deeply rooted in Alberta’s agricultural and entertainment sectors.

Horse racing in Alberta has the right strategies and the right people in place to make this industry one of the strongest in North America. Through hard work, perseverance and continued collaboration of all partners – from racetrack operators, racehorse owners, trainers, backstretch staff, horsemen’s associations, breeders and government – we can continue to grow this industry on the strong foundation that already exists in Alberta.

A handwritten signature in black ink, reading "Shirley McClellan". The signature is fluid and cursive, with a large initial 'S' and 'M'.

Shirley McClellan
HRA BOARD CHAIR

THE VALUE OF HORSE RACING IN ALBERTA:

The horse industry buys more hay than the dairy industry and is a primary consumer of oats grown in the province.

The majority of feed stuffs for racehorses come from local farmers and supplies from local businesses.

Breeding farms and training stables contribute nearly \$900 million to the rural economy in the province.*

Alberta produces approximately 500 Thoroughbred foals per year and 400 Standardbred foals, with approximately 900 Thoroughbred and 600 Standardbred mares bred.

Alberta produces 35% of the horses in Canada, which is more than twice that of any other Province.

Over 7,500 people are employed in agricultural, entertainment and racing activities that support horse racing.

Over 1.5 million people attended live horse racing in Alberta in 2009.

Olds College has the only Groom/Jockey School in North America. This school is setting the new standard for training people for backstretch and racing endeavours.



* *The Economic Impacts of Horse Racing, Raising and Breeding in Alberta - Serecon Management Consulting (2007).*

Operational Review

OPERATING EXPENSES

Horse Racing Alberta has a unique responsibility compared to other racing jurisdictions in North America. We are responsible for the regulation of horse racing, as well as breeding, promotion, human resource development and racing programs. HRA has developed strategies to encourage long-term growth and sustainability and worked closely with industry stakeholders to develop and implement strategies that support all racing breeds – Thoroughbreds, Standardbreds, Quarter Horses and other breeds.

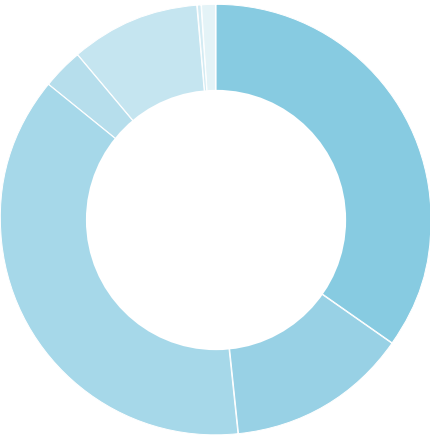
2009 was a challenging year for Horse Racing Alberta. The delays in the development of a Southern Alberta racetrack created financial challenges impacting the pari-mutuel handle and Racing Entertainment Centre (REC) revenues, which sustain the majority of HRA programs. As part of the Southern Alberta racetrack transition plan, HRA had reserved funds to ensure purses and key programs were sustained and key programs were enhanced to support industry growth. HRA began drawing on these funds as Stampede Park began winding down racing activities. In 2007 there was a surplus of over \$5 million for the 2008 transition period. That surplus was budgeted for and spent in 2008 leaving a cumulative surplus of \$1M going into 2009. These reserve funds have decreased, requiring reductions in funding to all HRA areas of operation.

Reductions to program areas were based on strategic objectives and the influence on the industry as a whole. To deal with the decline in revenues or surplus dollars, a strategy was implemented in 2009 to bring purses back in line with available revenues. As a result, purses were reduced by \$5 million (28%) from 2008. Breed Improvement Programs were also reduced by over \$1.4 million (22%). A portion of the Breed Improvement money is allocated towards purses for Alberta-bred races. As the purse structure was realigned, the funding for this program was reduced accordingly.

2009 saw a realignment and reduction in the HRA organization, including the elimination of the position of Chief Executive Officer and four other positions. The increase in expenses for Regulatory and Administration reflects the mandatory compensation for employees that left the organization.

In 2006, HRA loaned the United Horsemen of Alberta (UHA) \$2.5 million to support the development of the Calgary-area racetrack. In September, 2009 UHA applied for and was granted creditor protection under the Companies’ Creditors Arrangement Act (CCAA). As of February 17, 2010, UHA remains under creditor protection and the matter is still before the court.

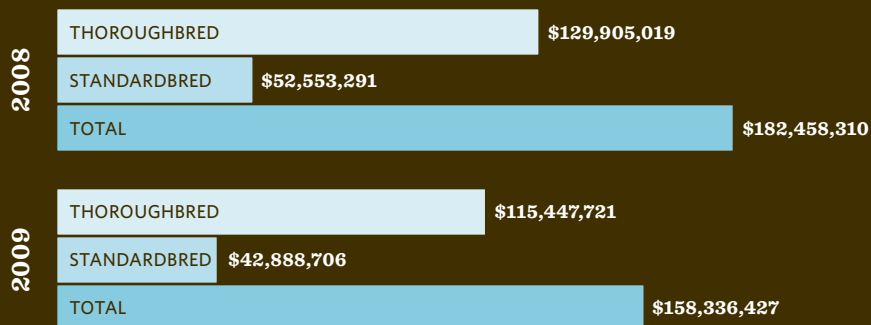
OPERATING EXPENSES



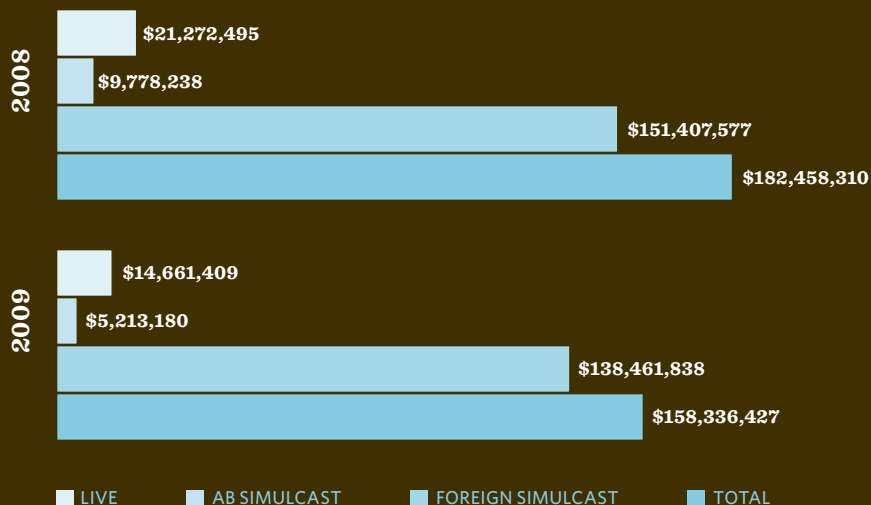
- PURSE SUPPORT GRANTS \$13,274,279
- BREED IMPROVEMENT \$5,094,191
- *RACETRACK GRANTS \$13,902,315
- MARKETING/PROMO \$1,134,318
- REGULATORY/ADMIN \$3,768,858
- ANIMAL WELFARE \$26,293
- HUMAN RESOURCES/ \$322,649
BACKSTRETCH

* Racetrack grants are comprised of a percentage of Racing Entertainment Centres revenue, pari-mutuel handle and additional industry supports.

HANDLE (by breed)



HANDLE (by type)



PARI-MUTUEL HANDLE

Pari-mutuel handle, or monies wagered at racetracks, is often considered the thermometer of the industry — providing insight into the level of fan participation in live horse racing.

Alberta has consistently ranked among the highest in Canada for total handle. 2009 marked the first year since 2000 that Alberta has not outperformed the national handle. The overall Canadian handle decreased from 2008 statistics, likely as a result of the economic slow-down. Alberta's handle decreased likely as a result of fewer Thoroughbred and Standardbred race days and the lack of a racetrack in Southern Alberta.

There is a growing trend of increased foreign simulcast wagering and a reduced amount of wagering on the live Alberta racing product. In 2009, live Alberta handle accounted for 9.3% of handle, Alberta simulcast accounted for 3.3% and foreign simulcast accounted for 87.4% of total handle. HRA will continue to focus on developing world-class Alberta-bred racehorses to enhance the quality of live racing and to make the Alberta racing product more marketable to capitalize on the simulcast opportunities within Alberta and throughout the world.



RACING ENTERTAINMENT CENTRE REVENUE

Horse racing in Alberta has a unique funding mechanism that was established by the Racing Industry Renewal Initiative (RIRI) in 2002. This initiative allowed HRA licensed racetracks to operate slot machines in their Racing Entertainment Centres (REC) as a mechanism to generate funds for both the industry and for government programs.

As part of the RIRI agreement, the net win (the amount of net sales after prizes and lease costs) is distributed by 15% to the REC facility licensee, 51.66% to Horse Racing Alberta for industry programs and the remaining 31.66% is retained by the Government of Alberta to support community programs.

RACING ENTERTAINMENT CENTRE REVENUE

	Northlands Park Edmonton	Rocky Mountain Turf Club Lethbridge	Stampede Park Calgary	Evergreen Park Grande Prairie	TOTAL	Racing Industry Renewal Initiative
2008	20,561,254	3,830,554	8,931,629	2,623,278	35,946,715	36,037,738*
2009 Total REC Revenue	37,022,499	6,602,988	7,897,388	4,425,288	55,948,163	
2009 HRA Portion	19,125,823	3,411,104	2,895,182*	2,286,104	27,718,213	27,725,065*

* annotating includes interest

NOTE: In 2009, Stampede park generated REC revenues until March 31, 2009. The net win for this facility was distributed by 15% to the Casino facility licensee, 15% to the licensed charity, 36.67% to HRA through the RIRI and 33.33% to the Government of Alberta.

Industry and Government Relations

ACT AS A SINGLE VOICE FOR THE ALBERTA RACING INDUSTRY,
KEEPING INDUSTRY AND GOVERNMENT AWARE OF DEVELOPMENTS
AND CHAMPIONING ISSUES IMPORTANT TO THE ATTAINMENT OF
HRA'S MISSION AND GOALS.

In 2007, the Government of Alberta began reviewing all Crown Corporations and government-funded programs. As part of this review, HRA participated in an extensive study with George Cuff and Associates to identify challenges and opportunities within our industry. The report was released in 2009, outlining 13 recommendations. These recommendations included; changes to HRA's Board of Directors composition, including staggered terms to ensure continuity; increased public member representation on the Board of Directors; changes to Board committee structures to streamline activities and decision making and; actively involve stakeholders in developing principles and processes regarding race days and purse allocations. To date, changing the committee structure governance to reflect that committees are chaired by public members, is the only recommendation left outstanding and is scheduled to be completed in 2010.



PERFORMANCE MEASURES

Reporting on performance measures is a part of Horse Racing Alberta's responsibility to the Government of Alberta. Pari-mutuel handle, racetrack attendance and Yearling Sale prices are considered to be the most accurate measures of determining growth and sustainability of the horse racing industry. There is also a performance measure to determine confidence in the horse racing industry. HRA will continue to monitor and assess both stakeholder and public confidence in the horse racing industry through cost-effective methods.

RACETRACK ATTENDANCE

Racetrack attendance reflects on the success of marketing as well as the ability to compete as a major multifaceted entertainment option for the public. It is difficult to accurately reflect the mix of fans attending the racing venues versus the other aspects of the facilities.

PARI-MUTUEL HANDLE

	2006 ACTUAL	2007 ACTUAL	2008 ACTUAL	2009 TARGET	2009 ACTUAL	2010 TARGET
AB Racing Handle	41,297,125	36,877,066	31,050,733	19,704,872	19,874,589	20,919,300
TOTAL	171,196,862	180,308,474	182,458,310	156,914,872	158,336,427	162,417,822

RACETRACK ATTENDANCE

	2006 ACTUAL	2007 ACTUAL	2008 ACTUAL	2009 TARGET	2009 ACTUAL	2010 TARGET
Northlands	1,434,968	1,497,839	1,497,924	1,497,924	1,400,000	1,497,924
Calgary	197,423	154,085	63,779	0	0	N/A
Lethbridge	66,689	69,820	74,025	74,025	67,104	74,025
Grande Prairie	29,800	29,800	23,200	23,200	28,500	23,200
Millarville	5,000	5,000	5,000	5,000	5,000	5,000
Lacombe	0	0	0	<i>no data</i>	3,840	3,840
TOTAL	1,733,880	1,686,544	1,663,928	1,600,149	1,504,444	1,600,149

YEARLING SALE PRICES *(average)*

	2006 ACTUAL	2007 ACTUAL	2008 ACTUAL	2009 TARGET	2009 ACTUAL	2010 TARGET
Thoroughbreds	11,143	11,016	9,300	10,000	8,138	8,138
Standardbreds	6,692	6,632	7,527	8,000	6,425	6,425
Quarterhorses	5,484	4,268	3,314	4,000	3,530	4,000

Racetrack Licensing

TO PROMOTE THE DEVELOPMENT OF HIGH QUALITY OFF-TRACK
BETTING FACILITIES AND RACETRACKS FOR HORSES, FANS,
OWNERS AND RACING PERSONNEL.

High quality racing facilities are essential for the industry to optimize its potential. The opening of The Horses at Alberta Downs in Lacombe is a welcome addition to horse racing in Alberta. This innovative track features a one mile all-weather dirt track and a 7/8 mile turf track, as well as beautiful facilities, barns and grandstand. Over 3800 people attended the 12 racing days held at the racetrack in 2009.

Medicine Hat Exhibition and Stampede applied for a racetrack license in 2009. The HRA Board is in the process of reviewing this application.

HRA continued to work with Northlands Park to develop strategies to support all breeds racing at Alberta's only "A" racetrack. In 2010, HRA will work with horsemen's groups and racetracks to ensure the model used for commission and revenue sharing from the wagering handle is fair and appropriate.



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**ONE MUST BE PATIENT IN EVERYTHING YOU DO. THINGS WILL NOT
HAPPEN OVERNIGHT AND IT WILL TAKE TIME TO LEARN. IF YOU
TAKE THE TIME TO PRACTICE, LISTEN AND BE OPEN-MINDED, YOU
CAN HAVE A VERY SUCCESSFUL LIFE.**

ONE STEP AT A TIME

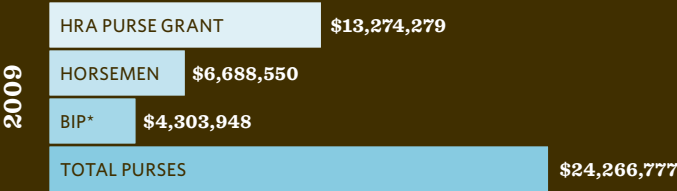
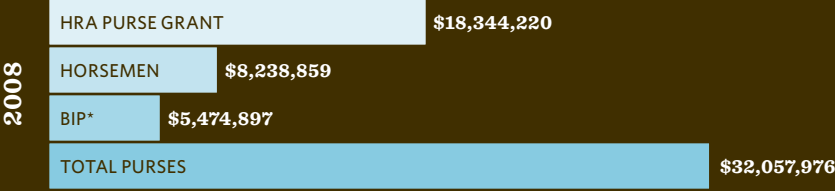
There is a huge leap between the war-ravaged country of El Salvador and the vast, pristine prairies of Alberta. When Omar Moreno was just seven years old, he came to Edmonton — a young refugee who had ventured from Central America with his father and siblings to find peace and opportunity.

Drive and determination was readily apparent in Omar's early days as a three-time junior national boxing champion. When a shoulder injury ended his boxing career, Moreno looked for a new challenge. At just five feet tall and a mere 106 pounds, Moreno was told he'd be perfect jockey material. The fact that he'd never been on a horse, much less gone to the racetrack that was minutes from where he'd lived, made no dent in Moreno's interest. Moreno quickly enrolled in the Exercise Rider/Jockey Program at Olds College. He had to take riding lessons to be accepted into the program, but his natural talent and ability were obvious from the beginning. "When I started the program, I didn't know anything about how to tack or ride a horse. The instructors gave me the encouragement to pursue and continue when I had doubts. It made the whole experience easier."

Moreno finished the program and began working at Northlands racetrack as a groom. "I found the Alberta horsemen around me were very helpful. They were very supportive and helped me with techniques I needed to practice". His quick smile and patient nature were well-known around the track, but even more so was his persistent attitude. Soaking up the industry from the ground up, Moreno was a sponge for information that would help him realize his goals. Within two years of graduating from the program, Moreno had moved up from groom, to gallop boy, then apprentice jockey. By 2008, Moreno was racing at Northlands and catching the interest of horsemen in Alberta and throughout Canada.

In 2009, Moreno was honoured with the Sovereign Award for Apprentice Jockey of the Year. Coupled with his 54 wins and over \$1.1 million in purses, Moreno is just at the beginning of what will be an illustrious career. "One must be patient in everything you do. Things will not happen overnight and it will take time to learn. If you take the time to practice, listen and be open-minded, you can have a very successful life."

PURSE ALLOCATIONS



* a portion of Breed Improvement Program (BIP) funds are allocated towards purses

ALBERTA PURSES (2009)

	HRA GRANT	INDUSTRY CONTRIBUTION	TOTAL PURSES
Thoroughbred	5,693,625	4,622,952	10,436,577
Standardbred	2,324,300	1,918,389	4,184,489
Community	5,256,354	147,209	5,341,763
TOTALS	13,274,279	6,688,550	19,962,829

Purses

MANAGE AND MAXIMIZE PURSES, BASED ON REVENUES AVAILABLE, TO STIMULATE THE OVERALL ACTIVITY AND INVESTMENT IN THE INDUSTRY.

To create a more vibrant horse breeding and racing industry in Alberta, HRA implemented a strategy of enhancing purses using annual surpluses to encourage growth in the industry. This strategy proved to be an effective method of enhancing the quality of the field at races as well as the quality of Alberta-bred racehorses. However, in 2008, it became apparent that although effective, this strategy was not sustainable for the long-term. As there was no live horse racing at Stampede Park in 2009 and related REC revenue ceased on March 31, 2009, the amount of revenue available for purses was also reduced. HRA determined the size of purses to align with available race days and existing operating revenue. As part of this realignment, monies allocated to purses dropped from \$18.3 million in 2008 to \$13.3 million in 2009.

RACE DAYS

In Alberta, it is mandated that “A” racetracks offer at least 100 days of live racing and community racetracks to run a minimum of 50 days of racing. Race days dropped significantly in 2009. This is due in part to the lack of an “A” racetrack in Southern Alberta, as well as the purse realignment. HRA worked diligently with Northlands Park and all community racetracks to ensure Thoroughbreds and Standardbreds had sufficient days of racing. Community racetracks expanded their racing schedules to provide additional days for Standardbreds. In 2009, there were 260 race days. Thoroughbreds ran 161 days, of which 89 were held at Northlands Park. There were 99 days of Standardbred racing, of which 41 days were held at Northlands Park.

HRA will continue to work with industry stakeholders to establish a range for race dates for A tracks (i.e. between 50-120 days) and a realistic minimum number of dates to be made available for all racing breeds. The number of race days scheduled for 2010 is 283.



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**THERE'S NO GREATER SATISFACTION THAN BUYING OR RAISING
A YEARLING, THEN RACING HER AGAINST YOUR COMPETITORS.
AND BEATING THEM. I DON'T THINK THERE'S ANYTHING MORE
SATISFYING.**

[A SPECIAL LADY]

The Battle of Alberta Super Finals card at Northlands Park featured six stakes for \$500,000 – Alberta’s richest race for Alberta-sired pacers. Regardless of the fact that on December 5 the windchill hovered close to -20°C and the winds were kicking up, the field of Standardbreds were wily and ready to race.

In the Western Filly Pace, the favourite was “A Special Lady”, owned by Gordon Rumpel, Gord Remmen and Dr. Maurice Stewart. This beautiful Alberta-sired three-year filly is named in honour of Gordon Rumpel’s own special lady, his wife Illa, who suffers from Alzheimer’s. The Rumpel’s have bred racehorses for nearly 50 years. “We’ve had some good horses and we’ve had some great horses. My grandfather had a horse and buggy and Illa’s dad had a horse and buggy. It was just a natural thing for us.”

A Special Lady is nearly a perfect size filly with a strong gait. Trainer Jeff McLeod sees the potential of this young racehorse saying “She could be a special horse. She might be aptly named. She has a good chance to be a great racehorse.”



The Battle of Alberta Western Filly Pace boasted a field of eight pacers, each vying for the \$100,000 purse. Although the pack gave her a good run for the money, “A Special Lady” took home the prize. Rumpel says “there’s no greater satisfaction than buying or raising a yearling, then racing her against your competitors. And beating them. I don’t think there’s anything more satisfying.”

Breeding

FACILITATE THE GROWTH OF THE BREEDING INDUSTRY AND THE
QUALITY OF RACEHORSES BRED IN ALBERTA.

The breeding of Alberta mares and/or Alberta-sired foals is a strong indicator of confidence in the horse racing industry. The Yearling Sale price is a good indicator of horsemen's confidence in the industry. The current delays in developing the new "A" racetrack in Southern Alberta has impacted the breeding of Alberta horses, as there is uncertainty in the future opportunities for racehorse owners. The Yearling Sales are a strong indicator of the stability of the industry and future racing opportunities. In 2009 the Thoroughbred Select Sale was down 12.5% from 2008 to an average price of \$8,138, while the Quarterhorse Sale saw continued strength in the breed with an increase of 6% to \$3,530. Standardbreds saw a dramatic decline after a very strong sale in 2008.

Alberta's Breed Improvement Program is the envy of racing jurisdictions and has been duplicated by other racing jurisdictions as an example of innovative programs to encourage locally bred racehorses. This program encourages owners to purchase quality breeding stock and rewards Alberta-bred horses for outstanding performance. In 2009, over \$5 million was invested in this innovative program.

HRA provides purse contributions of key races for Alberta bred racehorses, such as the Alberta Fall Classic and the Western Filly Pace. These races offer Alberta bred horses the opportunity to race for rich purses against a competitive field. In 2009, Alberta bred horses earned nearly \$4 million dollars in gross purses, with Standardbreds earning over \$2.3 million, as Alberta breeds some of Canada's most competitive Standardbreds.

Marketing

ACTIVELY MARKET AND PROMOTE ALBERTA HORSE RACING.

HRA's marketing strategy underwent significant changes in 2009 due to budgetary constraints. The industry was forced to make some tough cuts in marketing while identifying which initiatives returned the most for the investment. Attention quickly shifted to other opportunities such as the industry website. These activities resulted in an overwhelming fan response, with www.thehorses.com obtaining over 27 million hits in 2009. The site provides video postings, live racing, regional racing reports, industry profiles, and links to on line betting, Canadian Derby live draws and other key industry highlights. The website represents a partnership between HRA and Northlands Park.

The number of scheduled live horse racing television shows was reduced from five to two in 2009. The Standardbreds were featured on CTV Alberta, while for a first time the Canadian Derby was presented nationally on TSN. A wagering Horse Player Interactive (HPI) incentive was initiated with the Canadian Derby show resulting in the online wagering component doubling over the previous year.

The industry's feature on the amazing horse Tajma Hall was honored by winning for the second straight year the North American Hervey Award for Broadcasting as voted on by the United States Harness Writers Association and Standardbred Canada's Media Excellence Award for Broadcasting. The Canadian Derby telecast was also a finalist for a sixth straight year in the broadcast category of the Sovereign Awards.



WHEN I ENTERED THE GROOM SCHOOL I HADN'T REALIZED JUST HOW MUCH I WOULD ENJOY THE WORK. THE COURSE INTRODUCED ME TO AN INDUSTRY THAT MAY SEEM EASY ENOUGH TO GET IN TO, BUT IS CHALLENGING TO STAY IN OVER TIME.

DEVOTION

At 19 years old, Kim Scott could be easily underestimated. But her work ethic and hard work have earned her well-deserved recognition as Alberta's top groom. In 2007, Scott entered the Olds College Groom Training Program. "When I entered the groom school I hadn't realized just how much I would enjoy the work. The course introduced me to an industry that may seem easy enough to get in to, but is challenging to stay in over time. So many people don't realize the devotion it takes to be successful in this industry."

The Olds College program is the only one of its kind in Canada and is renowned for the excellent education and training it provides to new students. Scott describes her education as extensive and to the point. "Every piece of information explained I have used to my advantage throughout my career so far. This information was delivered in such a manner that it was embedded in the back of my mind, never to be forgotten."

Working for the Jamie Gray Stables, Kim Scott started at the Lacombe racetrack in the spring of 2009. At the ripe old age of 19, Kim was the oldest groom and the defacto team leader in the barn. Organizing everything from who went on the track first in the morning to making sure the horses racing had their correct equipment before it was loaded on the trailer, she quickly assumed control of the barn activities. "I relied heavily on what I had learned in groom school to manage the chaos that usually ensued in the early days. The pressure however was not a negative, it pushed me to my breaking point at times but it made me a better groom. It pushed me to be better, faster, more involved," said Scott. That involvement turned to passion, and pressure turned to routine.

In 2009, the Alberta Standardbred Horse Association named Kim Scott as Groom of the Year. A well deserved award, which she quickly shares with the rest of her team. "I just kept pushing ahead without any looking back. I would not have won if it was not for my teammates. Together, we are as strong as any stable out there." Of the team, two are groom school graduates and the third was taught by an Olds College graduate. Says Scott, "it puts us all on the same page when it comes to procedures and allows us to work efficiently as a team. The Olds College groom training changed my life by allowing me to be passionate about what I do for a living."



Human Resources/Backstretch

FACILITATE THE EDUCATION, TRAINING AND WELL BEING OF
INDIVIDUALS INVOLVED IN ALBERTA'S HORSE RACING INDUSTRY.

At the heart of the horse racing industry are the backstretch workers who are responsible for the care, support and exercise of the equine athlete. HRA has the responsibility to provide programs to support and educate over 300 people that work directly in the horse racing industry, including over 220 people that live on-site in the dormitories on the backstretch at Northlands Park.

The Learning Centre is the heart of the backstretch, providing English as a Second Language (ESL) courses, computer skills and training and social events. The Learning Centre logged 3,481 visits in 2009.

Olds College and HRA have developed a strong partnership in supporting and training grooms, exercise riders and jockeys. These programs are renowned throughout North America for their innovative approach to training backstretch workers and jockeys. The 2008/09 college programs proved to be a success in spite of weather and scheduling issues with a combined total of 26 students in the groom and exercise rider programs. The Groom Training Program is in its 8th year with successful graduates working in all areas of the racing industry. The program has both in-class and practicum learning opportunities to provide education and experience in both harness and flat racing procedures.



Animal Welfare

PROMOTE AND ENCOURAGE CONTINUOUS IMPROVEMENT IN THE INDUSTRY'S ANIMAL WELFARE PRACTICES.

The care and well-being of the equine athlete is critical for everyone involved in the horse racing industry. The quality and maintenance of track surfaces, dietary requirements and medication use and testing are of key importance to HRA. Horse Racing Alberta continues to develop new programs and initiatives to ensure the safety, health and well-being of these graceful animals at the heart of our industry.

Horse Racing Alberta's Animal Welfare Committee has been very active in the successful lobbying to ensure the humane transportation of slaughter horses. The Alberta Horse Welfare Report, authored by Alberta Farm Animal Care in 2008, provided recommendations regarding this practice. HRA supported this report's recommendation that horses should only be transported in vehicles designed with adequate head room for equines which was accepted throughout the horse and transport industries in 2009.

The Animal Welfare Committee also made two recommendations regarding horse immunization and testing. The committee endorsed veterinary recommendations that horses continue to be immunized against Strep Equine (strangles) as scientific evidence shows that this disease can have life-threatening impacts to horses. There was also a recommendation made to extend the allowable timeframe for Equine Infectious Anemia (EIA) testing of racehorses. The deadline for EIA testing – also known as Swamp Fever – was extended by one month to April 30, 2010 to allow for racehorses to be tested at regulated facilities, alleviating the costs of veterinary farm calls.

SUMMARY OF RULINGS - 2009

RULINGS

Thoroughbred

Thoroughbred Steward Rulings	76
Live race days	89
Rulings per race day	.85

Standardbred

Standardbred Judges Rulings	60
Live race days	99
Rulings per race day	.6

Community Circuit

Judges/Stewards Rulings	83
Live race days	72
Rulings per race day	1.11

SUMMARY OF TESTS - 2009

MEDICATION TESTING

<i>Thoroughbred</i>	
Number of tests	1542
Number of positives	0
Percentage occurrence	0
<i>Standardbred</i>	
Number of tests	1900
Number of positives	0
Percentage occurrence	0
<i>Community Circuit</i>	
Number of tests	826
Number of positives	0
Percentage occurrence	0

TCO₂ TESTING

<i>Thoroughbred</i>	
Number of tests	496
Number of positives	0
Percentage occurrence	0
<i>Standardbred</i>	
Number of tests	719
Number of positives	1
Percentage occurrence	.13
<i>Community Circuit</i>	
Number of tests	262
Number of positives	0
Percentage occurrence	0

EPO TESTING

<i>Thoroughbred</i>	
Number of tests	545
Number of positives	0
Percentage occurrence	0
<i>Standardbred</i>	
Number of tests	719
Number of positives	0
Percentage occurrence	0
<i>Community Circuit</i>	
Number of tests	262
Number of positives	0
Percentage occurrence	0

Regulatory

ENHANCE AND FOSTER INTEGRITY AND ETHICAL CONDUCT AS A
FOUNDATION FOR ALL ASPECTS OF THE HORSE RACING INDUSTRY
IN ALBERTA.

APPEALS TRIBUNAL

Established by the Horse Racing Alberta Act, the Appeal Tribunal adjudicates appeals by racing participants who appeal decisions made by Judges and Stewards. The Appeals Tribunal is an independent body, with all members appointed to the Tribunal by the Alberta Minister of Public Safety and Solicitor General. The Tribunal has the power to subpoena witnesses and otherwise conduct its affairs as outlined in the Horse Racing Alberta Act.

The members of the Appeals Tribunal are:

MR. JAMES BUTLIN, CHAIR *Term expired March 23, 2009*

DR. MAGGIE FULFORD, CHAIR *May 14, 2009 – November 30, 2011*

DR. DARREL FLORENCE *Term expires November 30, 2010*

MR. MORRIS TAYLOR *Term expired July 19, 2009*

MR. DARRYL TRUEMAN *Term expires November 30, 2011*

APPEALS HEARD

THOROUGHBRED

No appeals heard in 2009

STANDARD BRED

Ruling #61 (Pt.1) - November 14, 2008

Issue - appealing penalty imposed

Decision - Board of Judges decision
- UPHELD

Ruling #61 (Pt.2) - November 14, 2008

Issue - appealing decision of the
Board of Judges re: disqualification

Decision - Board of Judges decision
- UPHELD

Ruling #61 (Pt.3) - November 14, 2008

Issue - appealing the decision re: the
scratching of a horse

Decision - Board of Judges decision
- UPHELD

Ruling #62 - November 15, 2008

Issue - appealing decision of the
Board of Judges

Decision - Board of Judges decision
- UPHELD

Ruling #35 - August 19, 2009

Issue - appealing penalty imposed

Decision - appeal was allowed and
the suspension lifted.

COMMUNITY CIRCUIT

Ruling #20 - June 14, 2009

Issue - appealing a disqualification
and placing

Decision - decision of Board of
Stewards - UPHELD

Ruling #23 - June 22, 2009

Issue - appealing a disqualification
and placing

Decision - appeal is granted

Ruling #32 - July 5, 2009

Issue - jockey suspension imposed

Decision - suspension reduced

Ruling #50 - August 1, 2009

Issue - fine imposed

Decision - appeal allowed and
penalty lifted.

FINANCIAL STATEMENTS OF
HORSE RACING ALBERTA
Year ended December 31, 2009



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AUDITORS' REPORT

To the Members of Horse Racing Alberta

We have audited the statement of financial position of Horse Racing Alberta (the "Corporation") as at December 31, 2009 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A stylized, handwritten-style signature of 'KPMG LLP' in black ink. The letters are bold and slanted, with a long, horizontal, slightly wavy line underneath the text.

Chartered Accountants

Edmonton, Canada
February 17, 2010

STATEMENT OF FINANCIAL POSITION

December 31, 2009, with comparative figures for 2008

	2009	2008
ASSETS		
CURRENT ASSETS:		
Cash (note 3)	\$ 645,225	\$ 1,556,535
Accounts receivable (note 3)	2,825,056	1,975,485
Contributions receivable from the Government of Alberta	1,594,754	2,556,058
Prepaid expenses and deposits	63,322	59,839
Current portion of loans receivable (note 4)	2,501,933	2,001,790
	7,630,290	8,149,707
Loans receivable (note 4)	598,907	1,100,839
Capital assets (note 5)	52,125	67,279
	\$ 8,281,322	\$ 9,317,825
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 1,481,582	\$ 1,212,328
Amounts due to ASHA and HBPA (note 3)	866,820	1,076,411
Racetrack grants payable	5,625,141	5,964,231
	7,973,543	8,252,970
NET ASSETS:		
Invested in capital assets	52,125	67,279
Unrestricted	255,654	997,576
	307,779	1,064,855
Commitments (note 9)		
	\$ 8,281,322	\$ 9,317,825

See accompanying notes to financial statements.

On behalf of the Board:


Chair of the Board


Chair of the Audit Committee

STATEMENT OF OPERATIONS

Year ended December 31, 2009, with comparative figures for 2008

	2009 BUDGET (Unaudited)	2009 ACTUAL	2008 ACTUAL
REVENUE			
General fees	\$ 9,269,783	\$ 8,518,178	\$ 9,821,721
Racing Industry Renewal Initiative revenues (note 6)	28,710,000	27,725,065	36,037,738
Other racing revenues	290,000	230,632	322,712
Interest and other revenues	155,000	291,952	532,857
	38,424,783	36,765,827	46,715,028
EXPENSES			
Purse Support Grants:			
Thoroughbred	6,048,000	5,693,625	7,556,931
Standardbred	2,600,000	2,324,300	6,643,667
Community	5,125,000	5,256,354	4,143,622
	13,773,000	13,274,279	18,344,220
Breed Improvement Program:			
Thoroughbred	2,930,000	2,492,781	3,126,425
Standardbred	2,088,808	2,074,410	2,634,458
Community	536,362	527,000	759,124
	5,555,170	5,094,191	6,520,007
	19,328,170	18,368,470	24,864,227
Schedule A - Racetrack Grants	13,566,020	13,902,315	18,787,395
Schedule B - Marketing and Promotion	1,525,000	1,134,318	3,720,565
Schedule C - Regulatory and Administration	3,649,500	3,768,858	3,868,401
Human resource development	275,000	322,649	351,710
Animal welfare	50,000	26,293	20,382
	19,065,520	19,154,433	26,748,453
	38,393,690	37,522,903	51,612,680
ASHA and HBPA Simulcast - Calgary Area (note 3)	-	1,922,026	863,950
Contributions to ASHA and HBPA Purse (note 3)	-	(1,922,026)	(863,950)
		-	-
Excess of revenue over expenses (expenses over revenue)	\$ 31,093	\$ (757,076)	\$ (4,897,652)

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31, 2009, with comparative figures for 2008

			2009	2008
	INVESTED IN CAPITAL ASSETS	UN- RESTRICTED	TOTAL	TOTAL
Balance, beginning of year	\$ 67,279	\$ 997,576	\$ 1,064,855	\$ 5,962,507
Excess of expenses over revenue	(18,392)	(738,684)	(757,076)	(4,897,652)
Purchase of capital assets	3,238	(3,238)	-	-
Balance, end of year	\$ 52,125	\$ 255,654	\$ 307,779	\$ 1,064,855

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

Year ended December 31, 2009, with comparative figures for 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received:		
Racing operations	\$ 8,099,829	\$ 10,482,451
Racing Industry Renewal Initiative program	28,686,369	36,346,100
ASHA and HBPA Simulcast - Calgary Area	1,837,925	902,113
Interest received	27,762	261,059
Other revenue	99,489	233,555
Cash paid:		
Purse support	(13,274,279)	(18,344,220)
Breed improvement	(5,094,191)	(6,520,007)
Racetrack grants	(14,241,405)	(18,556,998)
Marketing and promotion	(1,134,318)	(3,720,565)
Administrative expenses	(3,484,694)	(4,861,049)
Other operating expenses	(348,942)	(372,092)
Interest paid	-	(709)
Contributions to ASHA and HBPA Purse	(2,131,617)	(35,011)
NET CASH USED BY OPERATING ACTIVITIES	(958,072)	(4,185,373)
CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of obligation under capital lease	-	(26,453)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Repayment of loan receivable	50,000	50,000
Purchase of capital assets	(3,238)	(26,251)
	46,762	23,749
Decrease in cash	(911,310)	(4,188,077)
Cash, beginning of year	1,556,535	5,744,612
Cash, end of year	\$ 645,225	\$ 1,556,535

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2009

1. Authority and purpose of the Corporation:

Horse Racing Alberta (the “Corporation”) 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 Corporation is a non profit organization as defined in Section 149(1)(l) of the Income Tax Act and is exempt from income taxes. The Corporation 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.

2. Significant accounting policies:

(a) Capital assets:

Capital assets are recorded at cost. Capital assets are amortized on the straight line basis over their estimated useful lives as follows:

ASSET	RATE
Office equipment and furniture	3 - 10 years
Computer hardware and software	3 years
Leasehold improvements	Term of lease

(b) Revenue recognition:

The Corporation follows the deferral method of accounting for contributions. Unrestricted contributions are recognized when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions and interest earned thereon are recognized as revenue in the year in which the related expenses are incurred.

Assessments, fines, levies and interest on unrestricted funds are recognized as revenue when earned and collection is reasonably assured.

(c) Financial instruments:

Financial instruments are initially recorded at fair value.

The Corporation has designated cash as a held for trading financial asset. All other financial assets are classified as loans and receivables. All liabilities are classified as other financial liabilities.

Transaction costs are recognized immediately in the statement of operations. Financial instruments are recorded on a trade date basis. The Corporation has elected to exclude

the application of Section 3855 of the CICA Handbook for contracts to buy or sell non financial items and embedded derivatives within these contracts and for embedded derivatives within lease and insurance contracts.

The fair values of the Corporation's financial instruments do not differ significantly from their carrying values unless otherwise noted.

(d) Risk management and fair value:

The risks that arise from transacting financial instruments include credit risk, liquidity risk, and price risk. Price risk arises from changes in interest rates, foreign currency exchange rates and market prices. The Corporation does not use derivative financial instruments to alter the effects of these risks. The Corporation manages these risks through the use of prudent risk management policies and practices.

Changes in interest rates and credit ratings are the main cause of change in the fair value of Corporation's loans and receivables resulting in a favourable or unfavourable variance compared to book value. Credit risk is mitigated by dealing with counterparties that it believes are creditworthy. The accounts receivable are concentrated with parties in the horse racing industry. Interest rate risk effecting cash flow is mitigated by using fixed rates and payment frequency.

(e) Capital management:

The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern, so that it can continue to provide service to stakeholders, including its members, to continue to promote and assist in the development of horse racing in Alberta.

The Corporation sets out the sufficiency of capital to maintain the service needs of the stakeholders and makes adjustments to its budget to respond to potential changes in economic conditions. In order to maintain a sufficient capital structure, management looks forward to future needs and will recommend increased fees or decrease in program and grant expenditures.

(f) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 year. Actual results could differ from those estimates.

3. ASHA and HBPA:

The Corporation is responsible for holding and disbursing all funds remitted by Rocky Mountain Turf Club (RMTC) under an agreement between RMTC, Alberta Standardbred Horse Association (ASHA) and Horsemen’s Benevolent Protective Association of Alberta (HBPA) and the Corporation for the distribution of the simulcast handle in the Calgary area. The Corporation records the amounts received and receivable as ASHA and HBPA Simulcast Calgary Area revenue of \$1,922,026 (2008 - \$863,950) and records Contributions to ASHA and HBPA Purse expense of \$1,922,026 (2008 - \$863,950).

At December 31, 2009 the Corporation held \$463,046 (2008 - \$867,102) in cash and \$72,675 (2008 - \$209,309) in accounts receivable on behalf of the ASHA and HBPA under an interim agreement which expired on December 31, 2009. It also held \$110,364 in cash and \$220,735 in accounts receivable relating to January to April 2009 under an agreement with RMTC, ASHA and the Corporation for January 1 to December 31, 2010. The Corporation is responsible for ensuring that the funds are appropriately calculated and remitted under the agreements. The funds are disbursed at the sole discretion of ASHA and HBPA.

The Corporation holds amounts on behalf of ASHA and HBPA as follows:

	2009	2008
Cash	\$ 573,410	\$ 867,102
Accounts receivable	293,410	209,309
Amounts due to ASHA and HBPA	866,820	1,076,411

4. Loans receivable:

	2009	2008
Grande Prairie Regional Agricultural & Exhibition Society, non interest bearing, unsecured, maturing December 31, 2015 (face value of \$800,000 less \$199,160 discount using an 8% interest rate) (2008 - face value of \$850,000 less \$247,371 discount using an 8% interest rate)	\$ 600,840	\$ 602,629
United Horseman of Alberta Inc. (UHA), 8% secured note, principal plus interest, due on demand	2,500,000	2,500,000
	3,100,840	3,102,629
Less current portion	2,501,933	2,001,790
	\$ 598,907	\$ 1,100,839

The Grande Prairie Regional Agricultural & Exhibition Society has agreed to repayments of \$50,000 in 2010, and \$150,000 in each of years 2011 to 2015. The Corporation has committed to advance \$500,000 for Phase 2 of Grande Prairie’s grandstand project. Interest revenue includes \$48,211 (2008 - \$48,343) related to the amortization of the fair value discount.

The interest bearing loan to UHA is secured by a mortgage on land owned by UHA. The loan was demanded on December 31, 2008. On September 16, 2009 UHA applied for and was granted creditor protection under the Companies’ Creditors Arrangement Act (CCAA). At this date the loan was considered impaired and the Corporation stopped accruing interest. Accrued interest receivable on the UHA loan to September 16, 2009 is \$316,667 (to December 31, 2008 - \$200,000). UHA remains under creditor protection as at February 17, 2010. The matter is still before the court.

The estimated principal receivable for each of the next five years and thereafter is as follows:

2010	\$	2,501,933
2011		102,087
2012		110,254
2013		119,075
2014		128,601
Thereafter		138,890
	\$	3,100,840

5. Capital assets:

			2009	2008
	ACCUMULATED COST	AMORTIZATION	NET BOOK VALUE	NET BOOK VALUE
Office equipment and furniture	\$184,384	\$ 143,525	\$ 40,859	\$ 51,783
Computer hardware and software	73,747	69,121	4,626	7,050
Leasehold improvements	18,058	11,418	6,640	8,446
	\$276,189	\$224,064	\$ 52,125	\$ 67,279

6. Deferred contributions from the Government of Alberta:

Deferred contributions represent unspent resources received and receivable from the Government of Alberta which are externally restricted. Changes in the deferred contributions balance are as follows:

	2009	2008
Balance, beginning of year	\$ -	\$ -
Contributions during the year	27,718,213	35,946,715
Interest received on deferred contributions	6,852	91,023
Amount recognized as Racing Industry Renewal Initiative revenue in the year	(27,725,065)	(36,037,738)
Balance, end of year	\$ -	\$ -

The Corporation has a grant agreement with the Government of Alberta to assist in long term industry renewal with monies derived from slot revenue from racing entertainment centres. This agreement expires March 31, 2016.

The reduction in Racing Industry Renewal Initiative revenue in 2009 is due to the loss of the Calgary area racing entertainment centres' contributions for nine months and an overall decrease in slot revenues.

7. Licensing:

The Racing Industry Renewal Initiative revenue received from the license of Calgary Exhibition and Stampede expired on March 31, 2009. A ten year provisional license was issued to United Horseman of Alberta for the Calgary area which expires on December 31, 2016.

A horse racing license was granted to Rocky Mountain Turf Club for the Lacombe area, effective April 1, 2009.

8. Compensation:

		BASE	OTHER CASH	OTHER		
		SALARY (1)	BENEFITS (2)	NON-CASH	2009	2008
POSITIONS				BENEFITS (3)	TOTAL	TOTAL
Chair (4)	1	\$ 130,000	\$ 10,000	\$ 12,588	\$ 152,588	\$ 18,096
CEO (4, 5)	1	130,000	212,373	13,939	356,312	229,516
President						
and COO	-	-	-	2,046	2,046	145,426
CFO	1	91,928	32,209	9,979	134,116	-
Board of						
Directors	13	-	50,000	1,484	51,484	63,094
Managers:						
Racetrack and						
administration	3	243,678	43,000	28,809	315,487	399,692
Non managers:						
Racetrack	16.5	803,349	14,291	99,821	917,461	902,453
Administration	4.5	157,560	521	41,763	199,844	209,136
	40	\$1,556,515	\$362,394	\$ 210,429	\$2,129,338	\$1,967,413

- (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 paid include the Corporation'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, vacation pay, car allowances and RRSP contributions.
- (4) Effective September 1, 2008 the position of Chair and Chief Executive Officer was filled by two employees.
- (5) Effective July 15, 2009 the position of Chief Executive Officer was terminated.

9. Commitments:

The Corporation rents office premises in Edmonton, expiring March 31, 2013 and in Calgary, expiring December 31, 2010. The Corporation is responsible for its proportionate share of property taxes and building operating costs for the leased premises. The Corporation also has automotive and office equipment under operating leases through to 2014.

Annual payments are as follows:

2010	\$	305,417
2011		275,434
2012		190,476
2013		54,072
2014		1,509
	\$	826,908

10. Comparative figures:

Certain 2008 comparative figures have been reclassified to conform with the financial presentation adopted per the current year.

SCHEDULE A - RACETRACK GRANTS

Year ended December 31, 2009, with comparative figures for 2008

	BUDGET (Unaudited)	2009	2008
Northlands Park	\$ 10,375,853	\$ 10,795,961	\$ 9,338,058
Calgary area	399,000	337,997	6,799,935
Rocky Mountain Turf Club	986,073	924,427	1,019,577
Grande Prairie Regional Agricultural & Exhibition Society	1,109,087	1,048,610	985,180
Millarville	20,000	20,000	20,000
Lacombe	375,000	375,000	-
Alberta racetrack capital fund grants	301,007	400,320	624,645
	\$ 13,566,020	\$ 13,902,315	\$ 18,787,395

SCHEDULE B - MARKETING AND PROMOTION

Year ended December 31, 2009, with comparative figures for 2008

	BUDGET (Unaudited)	2009	2008
Branding	\$ 500,000	\$ 428,738	\$ 1,498,682
Marketing grants to racetracks	-	-	877,542
Live race broadcasting	770,000	379,852	828,385
Internal and other marketing initiatives	255,000	325,728	515,956
	\$ 1,525,000	\$ 1,134,318	\$ 3,720,565

SCHEDULE C - REGULATORY AND ADMINISTRATION

Year ended December 31, 2009, with comparative figures for 2008

	BUDGET (Unaudited)	2009	2008
Compensation (note 8)	\$ 1,932,946	\$ 2,129,338	\$ 1,967,413
Legal, consulting and audit fees	320,000	412,640	370,787
Travel	330,000	358,606	392,842
Contractors	241,854	236,824	290,888
Committee expenses	90,000	6,099	117,522
Office and administration	177,200	156,812	176,457
Office rent and operating costs	196,500	197,855	177,355
Racetrack licensing expense	90,000	41,843	103,590
Amortization	55,000	18,392	49,797
Telephone	53,500	43,828	50,695
Other	50,000	45,960	47,631
Toxicology	38,000	33,347	33,472
Memberships	20,000	22,504	20,728
Insurance	35,500	32,177	33,624
Meetings and seminars	10,000	10,228	25,272
Appeal tribunal	9,000	22,405	9,619
Interest on capital lease obligation	-	-	709
	\$ 3,649,500	\$ 3,768,858	\$ 3,868,401

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