

HORSE RACING ALBERTA

2002 Annual Review

THE HORSES™



ACKNOWLEDGEMENTS

SPECIAL THANKS TO:

Alberta Agriculture Food & Rural Development
Alberta Gaming & Liquor Commission
The Alberta Standardbred Horse Association
The Alberta Quarter Horse Racing Association
Calgary Exhibition and Stampede
Canadian Pari Mutuel Agency
The Canadian Thoroughbred Horse Society (Alberta Division)
Coady Photo Services Ltd.
Grande Prairie Racing Association
The Horsemen's Benevolent and Protective Association of Alberta
Millarville & District Agricultural & Racing Society
Northlands Park
Rocky Mountain Turf Club
Standardbred Canada
The United States Trotting Association



HORSE RACING ALBERTA
www.thehorses.com



Corporate Office

Street/Mailing Address

720, 9707 - 110 Street
Edmonton, Alberta
T5K 2L9

Phone: 780-415-5432
Fax: 780-488-5105
Toll Free: 1-888-553-7223

Calgary Office

Street Address

602 Sloane Square
5920 - 1A Street
Calgary, AB

Phone: 403-543-8951
Fax: 403-543-8950

Mailing Address

Box 5684
Postal Station A
Calgary, AB
T2H 1Y1



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CHAIRMAN'S REPORT

This was a year of transition. It saw Alberta Racing Corporation cease its operations and, with the passage of the new Horse Racing Alberta Act, Horse Racing Alberta was charged with revitalizing the industry. Fourteen outstanding individuals, representing various sectors of the racing and horse breeding community, track operators, public and government came together to form a Board of Directors. These individuals have transformed Horse Racing Alberta from a collection of independent organizations to a respected and solidified voice of the industry, facing the significant challenges with energy and integrity. It saw resolution of some major issues affecting live horse racing. Unquestionably, 2002 was a year of positive transition.

Having served on the Industry Working Committee, and now as Chairman of Horse Racing Alberta, I have witnessed a coming-together of the individual stake holders and the evolution of a sound plan for the industry's future. I have observed powerful behind the scenes activity, individuals who had faith in the industry and who were committed to shaping its future. I have endeavoured to ensure an ongoing and positive relationship with the Alberta Government. I reiterate that, a sound plan, a unified voice and a positive relationship with government are the key features in the current and future successes of Horse Racing Alberta.

I believe the most significant accomplishment made in 2002 was the signing of the revenue agreement with Alberta Gaming and subsequently the track licensing contracts. This has ensured a timely cash flow to the industry via Horse Racing Alberta. It provides accountability and sustainability to Alberta's racing industry.

The newly formed Marketing Committee will position us for growth. It addresses the vital issues of fan base and public perception. Its sub-committee on technology will address the future. The Breed Development Committee has faced our blood stock crisis issue head on and has evolved a substantial program to keep breeders in the industry, encourage the purchase and racing of Alberta breds and improve the quality of our mares and stallions. These latter committees reflected our early priorities.

Edmonton's Northlands Park was granted the opportunity to possess a 10-year license and Calgary's Stampede Park a two year extension in an effort to stabilize the 'A' circuit. Westerner Park in Red Deer was offered a 10-year 'B' track licenses with an anticipated opening of their racing entertainment facility in 2004. Congratulations to those involved in these lengthy and intense negotiations. Developing an adequate infrastructure for our industry is a challenge within our financial resources and will take several years to come to fruition.

Horse Racing Alberta's committee structure reflects the Working Committee's 13 strategic initiatives which were identified and developed to address relevant issues in the horse racing industry.

CHAIRMAN'S REPORT

As a result, there is a new and re-energized feeling among the stakeholders and a new willingness to support the initiatives of the organization. We have a number of key performance measures which must be met, if not exceeded, and with the input and guidance from our members, I am confident we will surpass those expectations. I thank those stakeholders, grooms, jockeys, trainers, owners, breeders and the racetrack executive and management who believe in Horse Racing Alberta's ability to bring our industry to a new level of competency and prosperity.

The year 2002 also saw some significant financial highlights which included an increase for the seventh year in a row of gross purses. Purses are derived from racing handle and slot revenues. The overall provincial handle increased from \$147 million in 2001 to \$153 million wagered in 2002 and there was a 36 per cent increase in slot revenues at racing entertainment centres.

The synergy that has developed among members of various organizations, members of government and other stakeholders is one of which we should be proud. As industry representatives, we have experienced a complete transition in the way we interact. We are moving from perceived adversaries to business partners. With that transition, a mutual respect for each other's needs for future growth has transpired. For example, in conjunction with Olds College, a Certified Groom Training Program is now being offered to satisfy the growing demand for skilled equine workers. The need for this program was identified by the Horsemen's Benevolent and Protective Association of Alberta and was supported by the Alberta Standardbred Horse Association, the Calgary Exhibition and Stampede and Northlands Park.

As I look to the future of Horse Racing Alberta, I am full of optimism and pride in the knowledge that we can and will meet the challenges that face our industry. All the necessary committees are in place and are working tirelessly in each respective area to develop their critical paths towards our goals. We will endeavour to communicate more effectively with all sectors of the racing industry, from our grassroots members to representatives of the Provincial Government. Central to all our efforts is ensuring that live horse racing and breeding in Alberta remain vibrant and viable.

I would like to thank the Provincial Government, Board of Directors, the staff of Horse Racing Alberta and the many stakeholders in our industry for their support and in making my first few months as Chairman a positive experience.



Dr. David C. Reid

MISSION STATEMENT & OBJECTIVES

OUR EVOLVING MISSION

MISSION STATEMENT

The following is the Mission Statement adopted by Horse Racing Alberta:

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 / OVERARCHING GOAL

The Core Business of HRA is Horse Racing, Race Horse Breeding and the Regulation of Horse Racing in Alberta with an overarching goal of:

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

OBJECTS OF THE CORPORATION

In accordance with the HRA Act, the mandated objects of HRA are:

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; and
3. To safeguard the interests of the general public in horse racing.

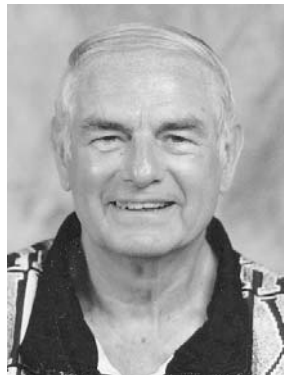
To accomplish its mandate, HRA, working with industry stakeholders, will (provincially and inter-jurisdictionally) endeavour to:

1. Be an independent body that always acts with integrity in the best overall interest of the Alberta racing and breeding industry;
2. Will always consider the public interest, customer (racing fans) needs and requirements and animal welfare as a basis for decision-making;
3. Be an advocate, champion and single voice for the industry;
4. Work collaboratively with all Alberta horse racing and breeding organizations, governments and other agencies in the execution of its mandate;
5. Be an energetic, enlightened and innovative agency that embraces new technology;
6. Will demonstrate professional leadership to and for the Alberta racing and breeding industry. It will expeditiously respond to the strategic needs of the industry and continuously undertake strategic planning where and when required;
7. Seek out the most appropriate individuals and organizations to contribute to the success of HRA and the Alberta horse racing and breeding industry;
8. Will encourage open dialogue on how the industry can maximize its enormous economic, entertainment and social potential;
9. Will operate with fiscal responsibility and accountability to the industry and government.

BOARD OF DIRECTORS

VICE-CHAIR – DONALD R. GETTY *(2003)

A former Premier of Alberta, Mr. Getty has a 30+ year involvement in horse racing in the province. He was appointed to the Alberta Racing Corporation Board in September 1997 as a public member and continues to serve on the Board of Horse Racing Alberta.



DIRECTOR – GARY BELECKI, Q.C. *(2004)

Mr. Belecki, Q.C. has worked in criminal law since 1970 and currently serves as a Crown Prosecutor with the Alberta Justice Department. He has been involved in the breeding and ownership of both standardbred and thoroughbred racehorses for the last seven years and also served as Chair of the Alberta Horse Racing



Appeal Tribunal for five years.

DIRECTOR – JERRY BOUMA *(2005)

As the Director of Racing and Gaming, Mr. Bouma represents A-circuit Northlands Park on the Horse Racing Alberta Board. He has 25 years experience in marketing and business management in the agri-business sector and is a partner in Toma & Bouma Management Consultants - a specialized agri-food consulting firm.



DIRECTOR – PAT BRENNAN *(2005)

Well-established in his equine veterinary practice, Dr. Brennan has been involved in the horse racing industry for over 30 years. In 1996, he joined the Alberta Racing Corporation board and sat as Chairman of the organization from 1997 to September 2002. At that time, Dr. Brennan was then reappointed to the Horse Racing Alberta board as a public member.



DIRECTOR – GEORGE BROOKMAN *(2005)

Mr. Brookman is President and owner of West Canadian Industries Inc. and is a majority shareholder in Commonwealth Legal Inc., based in Calgary and Toronto respectively. He is Vice President of the Calgary Exhibition and Stampede and has been a Director of Horse Racing for A-circuit Stampede Park over the past five years.



DIRECTOR – BRIAN BYGRAVE *(2005)

Mr. Bygrave, a prominent Alberta thoroughbred owner and Director of Golf at Kananaskis Country Golf Course was appointed to the ARC Board in October of 1996 to represent the interests of thoroughbred horsemen and the Horsemen's Benevolent and Protective Association of Alberta. He continues to serve on the Board of Horse Racing Alberta.



** Terms expire September 30th of year indicated.*

BOARD OF DIRECTORS

DIRECTOR—JOHN MACLEOD *(2003)

Mr. MacLeod, a Running Quarter Horse breeder, owner and trainer of 35 years, was appointed to represent the community circuit horsemen on the Horse Racing Alberta Board of Directors in September 2002. He has served as director, president and past president of the Alberta Quarter Horse Racing Association. Currently, Mr. MacLeod operates a mixed farm and ranch with his family in Southeastern Alberta.



DIRECTOR – NEIL MALLOCH *(2005)

Originally from Nova Scotia, Mr. Malloch has been an Alberta owner and breeder of standardbreds for the past 10 years. He is an active member of the Alberta Standardbred Horse Association, specifically in racing and breeding. Mr. Malloch is an insurance broker in Wetaskiwin, is very active with his church and community, and enjoys golf, racquetball, hunting, fishing and of course, horseracing.



DIRECTOR – GEORGE SEARS *(2003)

Mr. Sears has been a long time owner and breeder of standardbred racehorses and has served in a number of capacities with the Alberta Standardbred Horse Association. He was appointed in August 1997, as a representative of the standardbred industry on the ARC Board and he continues to serve on the Horse Racing Alberta Board.



DIRECTOR – MICHAEL SECKER *(2004)

Mr. Secker was appointed in October 2000 representing the thoroughbred breeding industry interests in Alberta. He has an extensive 34 year history in thoroughbred racing and breeding (Paddockhurst Stables Ltd) and is an active member of the Canadian Thoroughbred Horse Society - Alberta Division.



DIRECTOR – MAX GIBB *(2005)

Mr. Gibb has been a long time sport administrator and promoter, initiating and being the CEO of the Alberta Sport Council for nearly two decades. He has been a bush track jockey, a recreational trainer and presently operates a horse breeding farm and Equestrian Centre as well as being the CEO of a very successful B-Circuit Lethbridge Racing Entertainment Centre



DIRECTOR – GIBSON HANNA *(2005)

Mr. Hanna is a Member of the Alberta Agriculture, Food and Rural Development's Policy Secretariat. He was Chair of the Alberta Horse Racing Industry Review Working Committee from February, 2001 to June, 2002, and was appointed by the Minister of Agriculture, Food and Rural Development as a non-voting member of the HRA Board in March, 2003.

DIRECTOR – ANN HAMMOND *(2005)

Ms. Hammond, the Assistant Deputy Minister of Alberta Gaming, was appointed as a non-voting member of the Horse Racing Alberta Board in June, 2002 by the Minister of Gaming. She is a chartered accountant and has 15 years experience as a public servant in Alberta.

** Terms expire September 30th of year indicated.*

ALBERTA
RACING INDUSTRY
ACTIVITIES AND STATISTICS



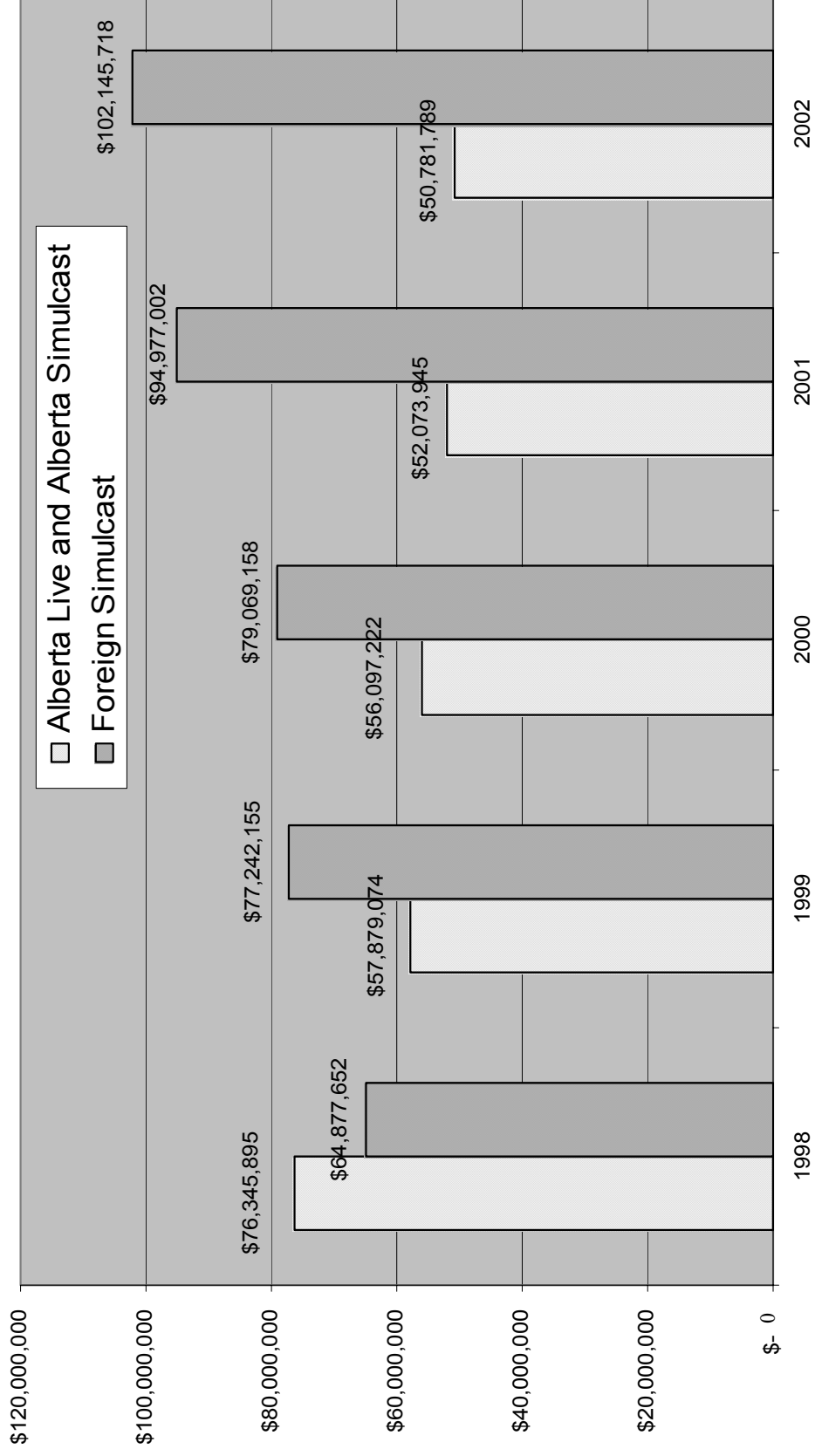
ALBERTA 2002 PARIMUTUEL WAGERING STATISTICS

Association	Thoroughbred				Standardbred				Total			
	Alberta Live	Alberta Simulcast	Foreign Simulcast	Total Thoroughbred	Alberta Live	Alberta Simulcast	Foreign Simulcast	Total Standardbred	Alberta Live	Alberta Simulcast	Foreign Simulcast	Total
Edmonton Northlands Park	\$9,355,805	\$2,153,449	\$21,754,454	\$33,263,708	\$6,140,854	\$1,962,309	\$10,463,043	\$18,566,206	\$15,496,659	\$4,115,758	\$32,217,497	\$51,829,914
	\$2,266,598	\$1,183,249	\$9,528,865	\$12,978,712	\$1,785,811	\$1,098,754	\$8,739,057	\$11,623,622	\$4,052,409	\$2,282,003	\$18,267,922	\$24,602,334
	\$0	\$2,287,575	\$3,498,785	\$5,786,360	\$0	\$2,238,670	\$5,377,856	\$7,616,526	\$0	\$4,526,245	\$8,876,641	\$13,402,886
Edmonton Total	\$11,622,403	\$5,624,273	\$34,782,104	\$52,028,780	\$7,926,665	\$5,299,733	\$24,579,956	\$37,806,354	\$19,549,068	\$10,924,006	\$59,362,060	\$89,835,134
Calgary Stampede Park	\$4,615,895	\$2,208,133	\$13,526,948	\$20,350,976	\$3,088,099	\$2,113,131	\$5,333,665	\$10,534,895	\$7,703,994	\$4,321,264	\$18,860,613	\$30,885,871
Calgary OTB	\$744,161	\$1,978,359	\$11,210,102	\$13,932,622	\$647,584	\$1,175,735	\$6,946,241	\$8,769,560	\$1,391,745	\$3,154,094	\$18,156,343	\$22,702,182
South ATN	\$0	\$1,254,767	\$2,048,839	\$3,303,606	\$0	\$1,150,431	\$2,482,992	\$3,633,423	\$0	\$2,405,198	\$4,531,831	\$6,937,029
Calgary Total	\$5,360,056	\$5,441,259	\$26,785,889	\$37,587,204	\$3,735,683	\$4,439,297	\$14,762,898	\$22,937,878	\$9,095,739	\$9,880,556	\$41,548,787	\$60,525,082
Lethbridge Whoop Up Downs	\$406,314	\$321,521	\$998,949	\$1,726,784	\$103,028	\$219,962	\$205,512	\$528,502	\$509,342	\$541,483	\$1,204,461	\$2,255,286
Grande Prairie Evergreen Park	\$182,637	\$20,521	\$9,618	\$212,776	\$0	\$4,205	\$20,792	\$24,997	\$182,637	\$24,726	\$30,410	\$237,773
Millarville	\$74,232	\$0	\$0	\$74,232	\$0	\$0	\$0	\$0	\$74,232	\$0	\$0	\$74,232
TOTAL	\$17,645,642	\$11,407,574	\$62,576,560	\$91,629,776	\$11,765,376	\$9,963,197	\$39,569,158	\$61,297,731	\$29,411,018	\$21,370,771	\$102,145,718	\$152,927,507

Notes

1. Alberta Live is on-track betting.
2. Edmonton OTB is Off Track Betting locations in the Edmonton urban region which receive their electronic signals from Northlands Park.
3. Calgary OTB is Off Track Betting locations in the Calgary region which receive their electronic signals from Stampede Park.
4. Alberta Simulcast is betting on electronically sent signals originating in Alberta.
5. Foreign Simulcast is betting on electronically sent signals originating outside of Alberta.
6. North ATN is Alberta Teletheatre Network locations in northern Alberta which receive their electronic signals from Northlands Park.
7. South ATN is Alberta Teletheatre Network locations southern Alberta which receive their electronic signals from Stampede Park.
8. Lethbridge, Grande Prairie and Millarville provide fields of mixed runner horses (Quarterhorse, Arabians, etc., as well as Thoroughbreds).

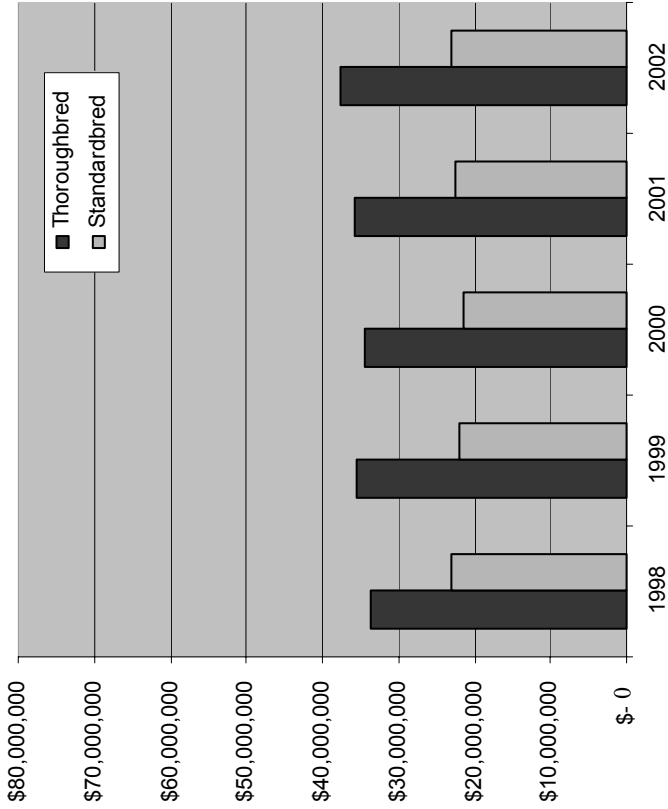
PROVINCIAL LIVE & FOREIGN SIMULCAST HANDLE



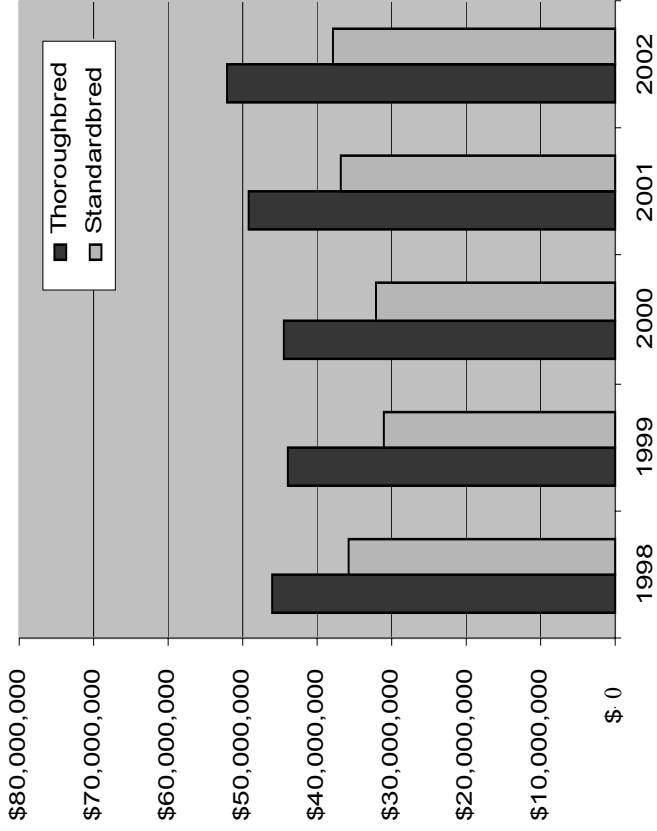
SUMMARY OF "A" CIRCUIT PARI-MUTUEL HANDLE

STAMPEDE PARK																	NORTHLANDS PARK																	TOTAL	
	Thoroughbred		Standardbred		Thoroughbred		Standardbred		Thoroughbred		Standardbred		Thoroughbred		Standardbred		Thoroughbred		Standardbred		Grand Total														
1998	\$	33,733,892	\$	23,058,755	\$	46,083,254	\$	35,820,205	\$	79,817,146	\$	58,878,960	\$	138,696,106																					
1999	\$	35,545,654	\$	22,114,346	\$	43,822,270	\$	30,946,519	\$	79,367,924	\$	53,060,865	\$	132,428,789																					
2000	\$	34,331,425	\$	21,432,201	\$	44,537,971	\$	32,122,542	\$	78,869,396	\$	53,554,743	\$	132,424,139																					
2001	\$	35,736,093	\$	22,526,797	\$	49,312,775	\$	36,868,895	\$	85,048,868	\$	59,395,692	\$	144,444,560																					
2002	\$	37,587,204	\$	22,937,878	\$	52,028,780	\$	37,806,354	\$	89,615,984	\$	60,744,232	\$	150,360,216																					

Stampede Park

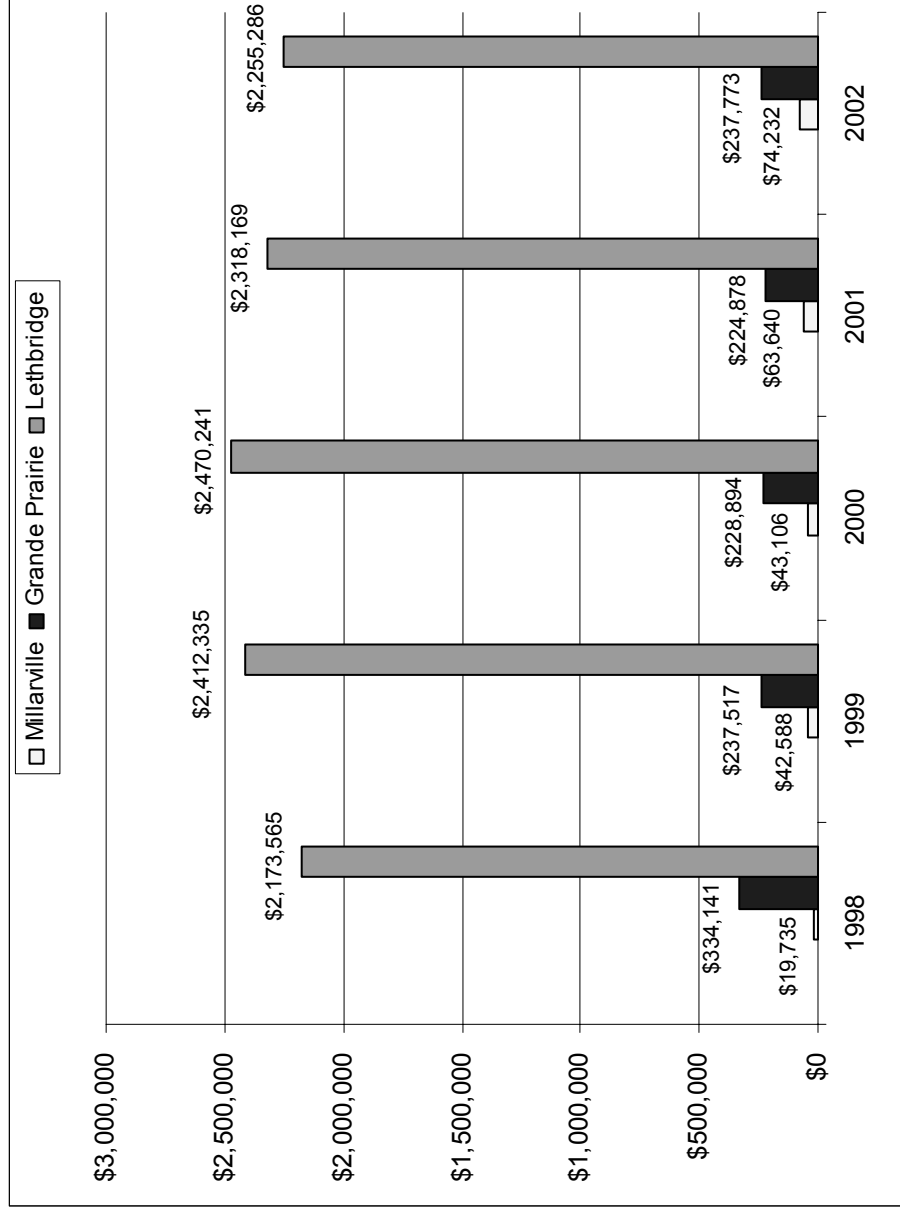


Northlands Park



COMMUNITY CIRCUIT PARIMUTUEL HANDLE

COMMUNITY CIRCUIT					
	Millarville	Grande Prairie	Lethbridge	Total	# of Days
1998	\$19,735	\$334,141	\$2,173,565	\$2,527,441	49
1999	\$42,588	\$237,517	\$2,412,335	\$2,692,440	64
2000	\$43,106	\$228,894	\$2,470,241	\$2,742,241	65
2001	\$63,640	\$224,878	\$2,318,169	\$2,606,687	73
2002	\$74,232	\$237,773	\$2,255,286	\$2,567,291	69



ALBERTA THOROUGHBRED SUMMARY



2002 LEADING HORSES BY EARNINGS (ALBERTA)

	Name of Horse	Starts	Wins	2nds	3rds	Earnings
1.	Sixthirtyjoe	10	5	1	2	\$146,015
2.	Sweet Monarch	7	3	2	0	126,900
3.	Taiaslew	4	4	0	0	112,770
4.	Tyko Tycoon	10	5	0	1	106,809
5.	A Ray of Magic	12	4	4	4	101,079
6.	Lady Shari	1	1	0	0	94,500
7.	Raylene	6	4	1	0	94,220
8.	Lord Shogun	2	2	0	0	88,200
9.	Miki Bleu Eyes	9	3	2	1	88,135
10.	Viva Ruckus	9	5	2	0	86,610

2002 LEADING TRAINERS BY WINS (ALBERTA)

	Name of Trainer	Starts	Wins	2nds	3rds	Earnings
1.	Smith, R.K.	258	52	39	41	\$664,289
2.	Grieves, R.	212	43	31	31	531,697
3.	Saunders, D.L.	264	40	40	42	580,684
4.	Petrowski, J.	278	34	30	34	424,613
5.	Haynes, R.	259	33	32	39	415,783
6.	Greenwood, D.	219	32	25	23	462,078
7.	Hedge, R.	177	30	27	16	376,935
8.	Gilkyson, D.	166	29	30	24	424,729
9.	Arthur, F.M.	173	29	28	32	419,692
10.	Simon, S.	197	29	27	17	327,082

2002 LEADING STALLIONS BY EARNINGS (ALBERTA)

	Name of Horse	Starts	Wins	2nds	3rds	Earnings
1.	Regal Remark	491	64	72	63	\$876,996
2.	Weekend Guest	166	20	37	23	341,987
3.	Brass Minister	244	30	29	32	337,193
4.	Highland Ruckus	154	21	24	19	294,465
5.	Temptor	177	21	23	24	229,085
6.	Candid Cameron	182	23	29	23	219,841
7.	Exclusive Era	140	19	17	14	202,572
8.	Free At Last	122	14	15	15	163,212
9.	Pole Position	106	11	14	9	152,026
10.	Katahoola County	31	7	3	4	147,851

** Source: The Alberta Thoroughbred (March/April 2003)

2002 LEADING BREEDERS BY EARNINGS (ALBERTA)

	Name of Breeder	Earnings	Leading Earner (\$)
1.	Shewchuk, J.P	\$281,769	C D Cool (\$76,156)
2.	Noren, A.& B.	265,424	My Birthday Boy (\$44,862)
3.	Kapchinsky, David & Ptns.	248,921	Miki Bleu Eyes (\$88,135)
4.	Hrycuik, V.& D.	241,888	Tyko Tycoon (\$106,809)
5.	Smith, R.K. & Ptns.	187,681	Dowhatuthinksright (\$74,955)
6.	Sunrise Farms	171,941	Tahquitz Pride (\$30,644)
7.	Hudy, S.	170,233	King Me (\$59,449)
8.	Triple K Stable	165,358	Callforme Cheyenne (\$46,697)
9.	Davies, D.	158,296	Sixthirtyjoe (\$146,015)
10.	Underwood, C.	155,212	Jiffyjimmygee (\$76,063)

2002 LEADING JOCKEYS BY WINS (ALBERTA)

	Name of Jockey	Earnings	Starts	Wins	2nds	3rds
1.	Welch, Q.	\$1,742,003	745	139	129	63
2.	Walcott, R.	1,573,434	739	127	132	94
3.	Winters, P.	1,076,095	587	84	83	83
4.	Simard, R.	1,121,678	614	76	76	89
5.	Heiler, S.	973,408	503	74	69	64
6.	Trotman, A.	849,203	635	70	87	81
7.	Hamel, R.	784,876	483	65	52	50
8.	Martinez, O.	604,097	389	52	47	46
9.	Painter, L.	568,075	520	57	63	72
10.	Wong, P.	518,623	412	45	49	60

2002 LEADING OWNERS BY EARNINGS (ALBERTA)

	Name of Owner	Starts	Wins	2nds	3rds	Earnings
1.	Bar None Ranches & Ptns.	136	31	16	15	\$374,594
2.	Red Ron Farms & Ptns.	143	25	24	21	257,238
3.	Gilkyson, D. & M. & Ptns.	83	17	13	13	236,137
4.	Calmar Stables & Ranch	59	10	11	5	186,155
5.	Champage Stable & Ptns.	82	10	11	7	171,741
6.	Davies, Deanne	15	6	2	3	152,270
7.	Tracy, Shelli & Ptns.	24	6	0	4	131,579
8.	Gray, I. & Ptns.	35	11	6	6	130,012
9.	Maple Lane Ranch	40	6	4	9	128,570
10.	Kerr, E. & D.	7	3	2	0	126,900

** Source: The Alberta Thoroughbred (March/April 2003)

TOP TEN TWO YEAR OLDS								
	Name of Horse	Sex	Starts	Wins	2nds	3rds	Earnings	
1.	Taiaslew	G	4	4	0	0	\$112,770	
2.	Raylene	F	6	4	1	0	94,200	
3.	Jiffyjimmygee	G	5	3	1	1	76,063	Alta-Bred
4.	Dowhatuthinksright	F	6	3	1	0	74,995	Alta-Bred
5.	Diablo Contento	G	7	2	1	2	33,970	
6.	Katahula Myst	G	4	2	0	2	30,010	Alta-Bred
7.	Marjan	C	4	1	2	1	28,020	
8.	Whataweekend	F	5	1	3	0	25,951	Alta-Bred
9.	Fuhr Ore	C	4	2	0	0	22,810	Alta-Bred
10.	Vying Rose	F	5	2	1	0	21,770	
TOP TEN THREE YEAR OLDS								
	Name of Horse	Sex	Starts	Wins	2nds	3rds	Earnings	
1.	Sweet Monarch	F	7	3	2	0	\$126,900	
2.	Lady Shari	F	1	1	0	0	94,500	
3.	Lord Shogun	G	2	2	0	0	88,200	
4.	Code's Decree	F	9	4	0	1	82,318	Alta-Bred
5.	Dark Fuse	C	9	3	3	0	78,850	
6.	Fancy Prancer	F	4	2	1	0	59,415	
7.	Go Go Tommy Joe	G	9	2	1	1	55,063	Alta-Bred
8.	Intore	G	10	4	2	1	47,573	
9.	Sly Lady	F	4	2	0	1	45,907	Alta-Bred
10.	Regal Ability	G	9	3	0	3	45,363	Alta-Bred
TOP TEN THREE YEAR OLDS AND UP								
	Name of Horse	Sex	Starts	Wins	2nds	3rds	Earnings	
1.	Sixthirtyjoe	G	10	5	1	2	\$146,015	Alta-Bred
2.	Tyko Tycoon	G	10	5	0	1	106,809	Alta-Bred
3.	A Ray of Magic	F	12	4	4	4	101,079	Alta-Bred
4.	Miki Bleu Eyes	C	9	3	2	1	88,135	Alta-Bred
5.	Viva Ruckus	F	9	5	2	0	86,610	Alta-Bred
6.	C D Cool	F	9	2	1	3	76,156	Alta-Bred
7.	Turbo Charger	G	10	3	2	3	75,978	Alta-Bred
8.	Bubblegum Kid	G	5	1	0	1	69,256	
9.	Tantoo	F	10	5	1	0	66,978	Alta-Bred
10.	Full Scream Ahead	F	3	2	1	0	65,400	

** Source: CTHS 2002 Statistical Review

2002 ALBERTA THOROUGHBRED AWARD WINNERS

CHAMPION 2 YEAR OLD COLT

Taiaslew

CHAMPION OLDER MARE

A Ray of Magic

CHAMPION 2 YEAR OLD FILLY

Raylene

CHAMPION OLDER HORSE

Sixthirtyjoe

CHAMPION 3 YEAR OLD COLT

Lord Shogun

CHAMPION SPRINTER

Tyko Tycoon

CHAMPION 3 YEAR OLD FILLY

Sweet Monarch

CHAMPION CLAIMER

King Me

CHAMPION ALBERTA BRED

Sixthirtyjoe

LEADING BREEDER

John Shewchuk

LEADING JOCKEY

Quincy Welch

LEADING TRAINER

R.K. (Red) Smith

SPECIAL APPRECIATION AWARD

Dr. Rod Cundy

BACKSTRETCH PERSON OF THE YEAR

Joanne Davis

HORSEPERSON OF THE YEAR

Joan Petrowski

HORSE OF THE YEAR

Sixthirtyjoe

ALBERTA STANDBRED SUMMARY



2002 LEADING PACERS BY EARNINGS (ALBERTA)

	Name of Horse	Starts	Wins	2nds	3rds	Earnings
1.	Rookies Choice *	24	11	8	3	\$214,405
2.	Landmark Hall	17	7	2	4	141,855
3.	Nazko Promise *	13	7	2	1	126,910
4.	G TS Jet *	24	7	5	3	103,639
5.	Del Norte *	22	4	1	5	103,608
6.	Lifesliltreasure	20	9	2	3	99,047
7.	Feverish Hanover	20	10	3	3	97,880
8.	Blue Star Treasure	17	9	2	4	95,410
9.	Pachobel Canon *	23	10	6	3	91,235
10.	Blue Star Breeze *	20	4	6	2	87,030

2002 LEADING OWNERS BY EARNINGS (ALBERTA)

	Name of Owner	Starts	Wins	2nds	3rds	4ths	5ths	Earnings
1.	Robert Murphy	441	109	68	48	47	46	\$698,458
2.	William Boden	232	27	21	38	26	41	302,045
3.	Gordon & Karin Bryan	229	39	46	22	24	20	290,039
4.	Keith Clark Altastables K W I Fuller Stable Verne Rea	24	11	8	3	1	1	214,405
5.	Dr. Fred Kruszelnicki	48	18	7	8	3	5	204,910
6.	Jamie Gray Samuel Taylor	134	28	20	14	11	14	202,386
7.	Serge Masse Lucy Raymond James Vinnell	28	8	5	7	3	2	180,271
8.	John Gillis Dr. Karen Hage Gladys Schmitke	90	13	16	23	12	6	177,039
9.	Keith Clark Doris Mcdougall	43	17	8	5	4	2	149,121
10.	Serge Masse James Vinnell	53	16	9	7	5	4	144,635

* Alberta Bred

** Source: Standardbred Canada

2002 LEADING BREEDERS BY EARNINGS (ALBERTA)

	Name of Breeder	Earnings		Name of Breeder	Earnings
1.	Altastables	\$214,405	6.	W Springtime Racing STB	99,047
2.	Walnut Hall Limited	141,855	7.	Hanover Shoe Farms	97,880
3.	Muriel Fornwald	126,910	8.	William Zaretsky	95,410
4.	Gerald & Terry & Marjorie McGinn	103,639	9.	Pacen Farms Sam Tascona	91,235
5.	Todd Beelby Bingo A B Stable	103,608	10.	William Zaretsky	87,030

2002 LEADING DRIVERS BY WINS (ALBERTA)

	Name of Driver	Starts	Wins	2nds	3rds	Earnings	URS*
1.	Keith Clark	776	154	122	108	\$1,256,964	.332
2.	William Tainsh	754	126	116	83	982,054	.289
3.	Bill Davis	447	117	69	54	811,798	.388
4.	John Chappell	655	94	106	92	840,584	.280
5.	Gerry Hudon	534	77	53	77	708,719	.247
6.	Jervis Clifton	625	76	72	76	648,734	.226
7.	Jean Francois Gagne	477	58	57	70	505,680	.237
8.	Kelly Hoerd	534	57	71	78	465,218	.229
9.	Jamie Gray	442	55	47	56	425,306	.226
10.	Serge Masse	249	50	40	28	445,364	.328

2002 LEADING TRAINERS BY EARNINGS (ALBERTA)

	Name of Trainer	Starts	Wins	2nds	3rds	Earnings	URS*
1.	Keith Clark	469	120	84	69	\$1,106,165	.404
2.	Gerry Hudon	492	69	48	71	674,700	.243
3.	Bill Davis	236	80	38	29	583,101	.469
4.	Serge Masse	223	51	41	31	534,283	.377
5.	Michael Hennessy	268	39	41	44	515,193	.285
6.	James Martin	305	30	47	55	455,482	.244
7.	Jamie Gray	443	54	49	56	436,723	.225
8.	Gordon Remmen	275	36	34	30	367,450	.236
9.	Kelly Hoerd	253	35	38	43	298,694	.278
10.	Donald Monkman	237	27	39	30	262,527	.248

* Universal Rating System

** Source: Standardbred Canada

2002 ALBERTA HARNESS TOP TEN

TOP TEN TWO YEAR OLDS (Alberta Earnings)						
	Name of Horse	Starts	Wins	2nds	3rds	Earnings
1	Inspire Tuwin *	7	4	1	1	\$71,490
2	Happy Spirit *	8	3	1	2	69,766
3	Freedoms My Style *	8	2	6	0	64,733
4	Chums By Chance *	7	4	0	1	47,139
5	Flavor Of The Day	5	4	1	0	40,175
6	Freedom Street *	7	2	4	0	39,080
7	Disagreement *	11	2	3	2	36,767
8	Western Rustler	5	3	1	1	36,269
9	Outlaw Cantcatchme*	8	2	2	1	34,798
10	Prairie Steel	5	1	3	0	33,100
TOP TEN THREE YEAR OLDS (Alberta Earnings)						
	Name of Horse	Starts	Wins	2nds	3rds	Earnings
1	Rookies Choice *	24	11	8	3	\$214,405
2	Landmark Hall	17	7	2	4	141,855
3	G TS Jet *	24	7	5	3	103,639
4	Lifesliltreasure	20	9	2	3	99,047
5	Pachobel Canon *	23	10	6	3	91,235
6	Blue Star Breeze *	20	4	6	2	87,030
7	The Cammissioner	2	2	0	0	80,000
8	Mattnifesto	17	4	5	4	74,041
9	Abouttolosecontrol	15	7	2	3	71,248
10	Westwood Ho	16	6	1	3	67,586
TOP TEN FOUR YEAR OLDS AND UP (Alberta Earnings)						
	Name of Horse	Starts	Wins	2nds	3rds	Earnings
1	Nazko Promise *	13	7	2	1	\$126,910
2	Del Norte *	22	4	1	5	103,608
3	Feverish Hanover	20	10	3	3	97,880
4	Blue Star Treasure	17	9	2	4	95,410
5	Bobby Brown	20	6	4	6	75,552
6	Mortified *	26	3	6	6	75,158
7	Tajma Hall	17	5	5	2	74,700
8	Outlawtouchthewind	22	10	3	4	72,969
9	Im Taylor Made *	28	4	6	5	63,664
10	Lotano Franco	21	11	4	3	63,487

* Alberta Bred

2002 ALBERTA HARNESS AWARD WINNERS

CHAMPION 2 YEAR OLD FILLY

Flavor Of The Day

CHAMPION 2 YEAR OLD COLT OR GELDING

Arts Scooter

CHAMPION 3 YEAR OLD FILLY

Lifesliltreasure

CHAMPION 3 YEAR OLD COLT OR GELDING

Abouttolosecontrol

CHAMPION 4 YEAR OLD ALBERTA SIRED MARE

Del Norte

CHAMPION AGED MARE

Lotana Franco

CHAMPION CLAIMER UNDER \$7,000

Sugar And Spice

CARETAKER OF THE YEAR

Tanis Klemke

HORSEMAN OF THE YEAR

Keith Clark

BREEDERS AWARD OF RECOGNITION

CHAMPION 2 YEAR OLD ALBERTA SIRED FILLY

Inspire Tuwin

CHAMPION 2 YEAR OLD ALBERTA SIRED COLT OR GELDING

Happy Spirit

CHAMPION 3 YEAR OLD ALBERTA SIRED FILLY

Rookies Choice

CHAMPION 3 YEAR OLD ALBERTA SIRED COLT OR GELDING

Pachobel Canon

CHAMPION 4 YEAR OLD ALBERTA SIRED HORSE

Nazko Promise

CHAMPION AGED HORSE

Nazko Promise

CHAMPION CLAIMER OVER \$7,000

Great Royal West

RISEING STAR

Mike Hennessy

BREEDER OF THE YEAR

Sam Johnson

Gerald, Marjorie and Terry McGinn

HORSE OF THE YEAR NAZKO PROMISE

ALBERTA QUARTER HORSE SUMMARY



QUARTER HORSE RACING STATISTICS

ALBERTA QUARTER HORSE RACING STATISTICS (1998-2002)									
TRACK	CITY	YEAR	# OF RACE DAYS	# OF RACES	# OF STARTERS	# OF START	TOTAL QH PURSES	ADDED MONEY	TOTAL PARI-MUTUEL QH HANDLE
GPR	Grande	2002	15	46	149	283	\$165,705	\$126,185	\$74,431
	Prairie	2001	15	38	133	234	138,172	102,662	64,688
		2000	15	45	150	284	138,050	107,605	76,168
		1999	15	38	137	257	85,020	64,245	58,039
		1998	14	36	123	226	84,675	43,640	55,123
LBG	Lethbridge	2002	37	95	270	655	\$488,765	\$348,275	\$130,234
		2001	38	91	268	632	432,738	311,740	134,548
		2000	36	98	295	677	390,039	287,173	140,094
		1999	33	97	267	676	350,493	271,053	154,219
		1998	18	63	193	425	232,501	140,975	102,448
MIL	Millarville	2002	1	4	30	30	\$15,700	\$13,800	\$29,230
		2001	1	1	8	8	3,300	1,500	7,649
		2000	1	2	14	14	4,000	4,000	10,920
		1999	1	3	16	16	5,740	5,740	3,000
		1998	1	1	5	5	1,400	1,400	4,262
NP	Edmonton	2002	2	6	30	38	\$54,500	\$49,500	\$80,232
		2001	2	6	39	43	47,248	31,900	77,206
Alberta Totals		2002	55	151	317	1,006	\$724,670	\$537,760	\$314,127
		2001	56	136	322	917	621,458	447,802	284,091
		2000	52	145	347	975	532,089	398,778	227,182
		1999	49	138	306	949	441,253	341,038	215,258
		1998	33	100	239	656	318,576	186,015	161,833

** Source: American Quarter Horse Racing Association

2002 LEADING JOCKEYS BY MONEY EARNED (EVERGREEN PARK)						
	Name of Jockey	Starts	Wins	2nds	3rds	Earnings
1.	Rory Noel	35	9	7	7	\$39,457
2.	Terri Landaker	42	12	11	5	34,880
3.	Scott Sterr	43	12	8	5	32,221
4.	Carl Hebert	34	9	3	9	17,959
5.	Sean Evans	34	1	7	6	13,031

2002 LEADING TRAINERS BY MONEY EARNED (EVERGREEN PARK)						
	Name of Trainer	Starts	Wins	2nds	3rds	Earnings
1.	William Leech	43	13	7	7	\$39,822
2.	Stan Webb	22	6	4	4	31,369
3.	Gerald Bonnett	12	2	5	1	15,233
4.	Bev Cleveland	21	6	4	5	12,751
5.	Bucky Stockwell	15	1	4	5	10,657

2002 LEADING JOCKEYS BY MONEY EARNED (WHOOOP-UP DOWNS)						
	Name of Jockey	Starts	Wins	2nds	3rds	Earnings
1.	Rory Noel	73	18	14	12	\$94,976
2.	Scott Sterr	84	17	10	12	72,068
3.	Terri Landaker	84	17	17	19	70,673
4.	Sean Evans	46	12	6	6	46,317
5.	John Dillon	56	6	11	9	30,759

2002 LEADING TRAINER BY MONEY EARNED (WHOOOP-UP DOWNS)						
	Name of Trainer	Starts	Wins	2nds	3rds	Earnings
1.	William Leech	105	23	14	16	\$127,267
2.	Stan Webb	55	13	11	13	89,416
3.	Kyle Schoeff	19	4	5	2	26,520
4.	Gerald Bonnett	12	2	4	2	21,308
5.	Bill Hoburg	5	1	2	1	18,834

**** Source: Alberta Quarter Horse Association**

2002 ALBERTA QUARTER HORSE AWARD WINNERS

2002 AWARD WINNERS		
AWARD	WINNER	OWNER
Grand Champion	Cleats Rockette	Garnet Leech
Champion Two –Year-Old	Wicked Pleasure	Kay Kaus
Runner-up Two-Year-Old	Barely Shaken	Howard & Toni Dixon
Champion Three-Year-Old	Cleats Rockette	Garnet Leech
Runner-up Three-Year-Old	Royal Quick Wind	Dixon/Asselin/Francis
Champion Aged	Destiny Rode	Cattle Connection
Runner-up Aged	Perks N Fun	Bucky Stockwell
Leading Owner	Gerald Bonnett	
Leading Trainer	William Leech	
Leading Percentage Trainer	Wes Oulton	
Leading Jockey	Scott Sterr	
Leading Sire	Terribly Wicked	Terribly Wicked Ptns.
Champion Alberta Bred	Wicked Pleasure	Kay Haus

** Alberta Quarter Horse Association

2002 LEADING HORSES BY EARNINGS (ALBERTA)							
	Name of Horse	YR	Starts	Wins	2nds	3rds	Earnings
1.	Dashs Rhythm *	2000	4	3	1	0	\$42,256
2.	JA Runaway Special *	2000	6	2	3	0	27,454
3.	Heza Hot Hit	1999	5	3	0	1	24,020
4.	Cleats Rockette	1999	11	4	3	1	20,917
5.	Barely Shaken *	2000	6	2	0	2	19,959
6.	Royal Quick Wind *	1999	6	4	0	1	18,221
7.	Wicked Pleasure *	2000	8	3	1	2	17,271
8.	Famous Malone	2000	4	3	0	0	17,124
9.	Destiny Rode *	1997	8	5	1	0	16,367
10.	Movin Meter	2000	2	1	1	0	15,159

* Alberta Bred

**Source Alberta Quarter Horse Association

2002 QUARTER HORSE STAKES RESULTS

Alberta Bred Futurity June 15, 2002 Whoop Up Downs, Lethbridge

1st: Barely Shaken
Owner: Howie and Toni Dixon
Trainer: William Leech
Jockey: Scott Sterr

2nd: Rare Burn
Owner: Andy and Frances Johnson
Trainer: William Leech
Jockey: Howie Solberg

3rd: Long Gone Jeanna Jean
Owner: Barry and Janice Sather
Trainer: William Leech
Jockey: Carl Hebert

Bonnett/Brodon Open Futurity July 27, 2002 Evergreen Park, Grande Prairie

1st: J A Runaway Special
Owner: Bonnetts Enterprises
Trainer: Gerald Bonnett
Jockey: Angelle Wilson

2nd: Fire N Passion
Owner: Pete Schoeler
Trainer: Buckley Stockwell
Jockey: Sean Evans

3rd: Wicked Pleasure
Owner: Kay Haus
Trainer: William Leech
Jockey: Scott Sterr

Prairie Gold Stallions Stakes Futurity August 18, 2002 Northlands Park, Edmonton

1st: Wicked Pleasure
Owner: Kay Haus
Trainer: William Leech
Jockey: Scott Sterr

2nd: Cash and Glitter
Owner: Bonnetts Enterprises
Trainer: Ernie Keller
Jockey: O.A Martinez

3rd: La Go Cash
Owner: Shirley Laczo
Trainer: Brant Laczo
Jockey: Perry Winters

Canada Quarter Horse Cup Futurity October 13, 2002 Whoop Up Downs, Lethbridge

1st: Dashes Rhythm
Owner: Dale Gibson
Trainer: Stan Webb
Jockey: Rory Noel

2nd: J A Runaway Special
Owner: Bonnetts Enterprises
Trainer: Gerald Bonnett
Jockey: Brooke Mellish

3rd: Blushing Grinch
Owner: Bee Gee Stables
Trainer: William Leech
Jockey: Ron D. Blinston

HORSE RACING ALBERTA SUMMARY

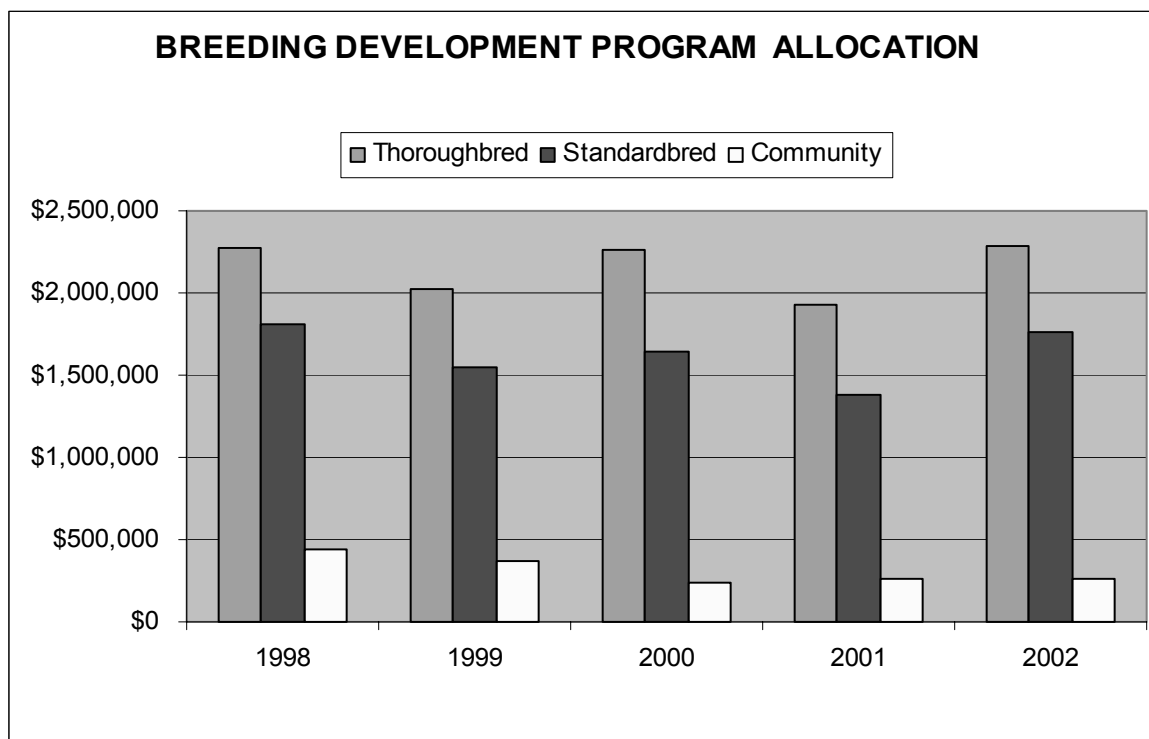


BREEDING DEVELOPMENT PROGRAM

	THOROUGHBRED	STANDARD BRED	COMMUNITY	TOTAL
1990	\$3,053,196	\$2,853,223	\$401,323	\$6,307,742
1991	3,124,273	3,286,497	704,262	7,115,032
1992	3,026,053	3,199,008	767,313	6,992,374
1993	2,857,020	3,181,034	822,726	6,860,780
1994	3,044,317	3,031,432	736,280	6,812,029
1995	3,231,693	2,743,664	541,797	6,517,154
1996	3,426,945	2,654,473	706,774	6,788,192
1997	2,660,270	1,869,602	441,891	4,971,763
1998	2,272,993	1,811,761	442,783	4,527,537
1999	2,022,742	1,548,873	363,745	3,935,360
2000	2,258,186	1,645,310	232,714	4,136,210
2001	1,923,359	1,381,629	266,373	3,571,361
2002	2,282,584	1,761,489	261,707	4,305,780

The Breeding Development Program's purpose is to facilitate the growth of the breeding industry and the quality of racehorses bred in Alberta. Originally introduced in the 70's as the Development Fund, the program encourages improvements in Alberta-bred horses through the provision by Horse Racing Alberta of: bonuses to owners and breeders of winning Alberta-bred racehorses; supplements to stakes races for Alberta-breds; grants to Alberta Horsemen's Associations; and special programs.

2002 saw the support to Alberta's Breeding sector increase to 1998 levels. The downward trend in funding experienced from 1990—2001 has been reversed. It is fully expected that as this trend continues and the industry moves forward in this period of growth that Alberta's breeding sector will have two or three years of modest growth followed by more vigorous expansion.



YEARLING SALES RESULTS

THOROUGHBRED COMPARISON YEARLING SALES				
	OFFERED	SOLD	GROSS	AVERAGE
1998				
EDMONTON YEARLING	124	98	\$676,500	\$6,903
EDMONTON MIXED	126	99	\$187,800	\$1,897
TOTAL	250	197	\$864,300	
1999				
EDMONTON YEARLING	141	108	\$840,000	\$7,778
EDMONTON MIXED	66	47	\$84,800	\$1,804
TOTAL	207	155	\$924,800	
2000				
EDMONTON YEARLING	154	120	\$737,400	\$6,145
EDMONTON MIXED	33	22	\$57,200	\$2,600
TOTAL	187	142	\$794,600	
2001				
EDMONTON YEARLING	170	145	\$1,165,600	\$8,039
EDMONTON MIXED	54	48	\$130,800	\$2,725
TOTAL	224	193	\$1,296,400	
2002				
EDMONTON YEARLING	185	143	\$1,019,150	\$7,126
EDMONTON MIXED	77	57	\$128,000	\$2,245
TOTAL	262	200	\$1,147,150	

** Source: CTHS Statistical Review

STANDARD BRED COMPARISON YEARLING SALES					
	1998	1999	2000	2001	2002
Number Sold	137	162	139	157	160
Total Value	\$809,800	\$926,050	\$814,550	\$759,000	\$851,000
Average Pricing	\$5,910.95	\$5,716.36	\$5,860.07	\$4,834.39	\$5,316.75
% of Change	37.59%	-3.29%	2.51%	-17.5%	+10.02%

** Source: Alberta Standardbred Horse Association

QUARTER HORSE ANNUAL CANADA CUP YEARLING SALE STATISTICS						
	AVERAGE	CONSIGNED	SOLD	WITHDRAWN	PASSOUT	HIGH SELLER
1998	\$3,268	50	43	4	3	\$20,000
1999	3,392	59	42	8	9	13,500
2000	3,823	53	34	4	15	20,000
2001	4,280	41	30	3	8	15,000
2002	2,745	90	42	9	39	15,000

** Source: Alberta Quarter Horse Association

PARI-MUTUEL DISCRETIONARY GRANT

Pari-mutuel discretionary grants are provided to racetrack operators by the HRA to enhance the development of live horse racing. This grant program is available to all licensed racetrack operators in Alberta who have met their live racing obligations in a calendar year. The discretionary grant is intended to offset the costs of:

- ▶ Racetrack Operations
- ▶ Racetrack Capital Maintenance and Upgrading
- ▶ Backstretch Capital Maintenance and Upgrading
- ▶ Capital Debt Repayment for Racetrack Facilities
- ▶ Special Uses as Approved by the HRA

HRA SCHOLARSHIP PROGRAM

Begun in 1996, the purpose of the *HRA Scholarship Program* is to support the educational efforts of children of licensed backstretch workers at Alberta racetracks. Present criteria provide for Scholarships of up to \$1,000 to be used by students at accredited Alberta Universities and Colleges. Applications close on September 30st of each calendar year.

The names of the 2002 HRA Scholarships are:

Jason Wong
Alexy Maddison
Kirsten Dudenhoeffer
Rebecca Gunderson
Jodie Watt
Charles Ibey
Nicole Saunders
Dallas Blommaert
Erin Burrell

HRA PERFORMANCE MEASURES 2002-2004

	2001 Actual	2002 Target	2002 Actual	2003 Target	2004 Target
Number of Live Race Dates					
"A" Circuit					
Thoroughbred	110	111	110	111	115
Standardbred	125	111	126	111	130
Community	73	71	69	71	90
Total	308	293	305	293	335
Racetrack Attendance					
	n/a	n/a	n/a	Benchmark to be established	10% Increase from 2003
Pari-mutuel Handle					
Alberta Racing Handle	\$52,074,145	\$53,150,613	\$50,781,787	\$55,808,144	\$60,323,212
Total Handle	\$147,051,410	\$150,142,975	\$152,927,507	\$157,749,858	\$170,404,553
Average # of Starters Per Race					
"A" Circuit					
Thoroughbred	7.36	7.57	7.81	7.78	8.00
Standardbred	7.89	7.89	8.19	7.89	7.89
Community	6.92	7.00	6.99	7.10	7.20
Provincial Average	7.52	7.61	7.83	7.70	7.79
Number of Mares Bred in Alberta					
Thoroughbred	800	850	850	900	925
Standardbred	488	510	480	550	550
Total	1,288	1,360	1,330	1,450	1,475
Alberta Foal Production					
Registered Thoroughbred Foals Alberta-bred	480	480	480	510	540
Registered Standardbred Foals Alberta-sired	299	310	272	325	350
Quarter Horses	115	135	120	185	220
Alberta Foal Prices					
Average Price at the Alberta Thoroughbred Yearling Sale	\$8,200	\$8,700 - \$9,300	\$7,200	\$9,100	\$9,500
Average Price at the Alberta Standardbred Yearling Sale	\$4,834	\$5,600 - \$6,100	\$5,320	\$6,300	\$7,000
Average Price at the Alberta Quarter Horse Yearling Sale	n/a	\$3,250	\$2,745	\$3,200	\$3,250

** Source: HRA Business Plan

REGULATORY ACTIVITIES

TOTAL NUMBER OF HORSES CLAIMED	284
VALUE	2,986,000
Claims Voided	31
Judges Inquiries	41
Order of finish changes	11

SUMMARY OF 2002 DISCIPLINARY RULINGS (STANDARD BRED)

Drivers	
Driver Objections	38
Order of finish changes	20
Total Rulings	149
Drivers Rulings	121
Suspensions for driving infractions	28
Fines for driving infractions	92
Fine for leaving paddock with horse	1
Trainers	
Trainers Rulings	22
Suspensions positive tets	5
Suspension for illegal paraphernalia	1
Suspension for blowing over	1
Fine for racing claimed horse before eligible	1
Fine for illegal paraphernalia	1
Fine for medicating a horse on card	2
Fines for unbecoming conduct	2
Ruling granting a stay	1
Appeal Tribunal variance of original ruling	1
Restored to good standing	7
Owners	
Owners Rulings	2
Fine for misconduct	1
Denied License	1
Grooms	
Grooms Rulings	2
Fine for misconduct	1
Suspension for failing toxicology test	1
Miscellaneous	2
License cancelled to be licensed otherwise	2
Scratches	264
Veterinarian Scratches	218
Judges Scratches	46

REGULATORY ACTIVITIES

TOTAL NUMBER OF HORSES CLAIMED	335	VALUE	\$3,269,650
CLAIMS VOIDED	36	CLAIMS OF FOUL LODGED	77

Stewards inquiries	21
Change in order of finish	11
Total Rulings	129

SUMMARY OF 2002 DISCIPLINARY RULINGS (THOROUGHBRED)

Jockeys	46
Suspensions for riding infractions	12
Suspension for Failing Breathalyzer	1
Fines for riding infractions	26
Fine misuse of whip	1
Fines for missed appointments	1
Fines for weight infractions	2
Trainers	40
Suspended pending appearance	1
Fines for ineligible entries	20
Fines for late to paddock	3
Fines for medicating a horse on card	4
Fines for claiming procedure violation	1
Fines for changing equipment improperly	5
Fines for failure to declare lasix	1
Fines for miscellaneous infractions	5
Owners	3
Restored to good standing	1
Fined for claiming violation	1
License cancelled to be licensed in another capacity	1
Other Racing Participants	33
Denied licenses (Grooms)	6
Licenses revoked not working	2
Suspended for failing toxicology test	2
Suspended pending appearance	1
Suspended re: trespass notice	1
Galloping infractions	5
Fines for misconduct	1
License cancelled to be licensed in another capacity	1
Fines for Jockey agents procedures	2
Licensees restored to good standing	4
Miscellaneous rulings	8
Rulings on E.I.P.H	7
Horses that bled through lasix	7
Scratches	335
Veterinarian Scratches	230
Stewards Scratches	105

SUMMARY OF RULINGS AND TESTS

RULINGS	2002	2001	2000
Thoroughbred Steward Rulings	112	118	87
Live Race Dates	109	110	112
Rulings per Race Date	1.03	1.07	.78
Standardbred Judges Rulings	149	96	121
Live Race Dates	141	141	162
Rulings per Race Date	1.06	.68	.75
Mixed Meet			
Judges/Stewards Rulings	16	12	19
Live Race Dates	53	56	53
Rulings per Race Date	.30	.21	.36
POSITIVE TESTS			
THOROUGHBRED	2002	2001	2000
Number of Tests	1844	1822	1945
Number of Positives	0	0	0
Percentage occurrence	0%	0%	0%
STANDARDDBRED			
Number of Tests	2828	2752	2854
Number of Positives	5	4	5
Percentage Occurrence	.17%	.14%	.17%
MIXED MEETS			
Number of Tests	626	624	588
Number of Positives	0	0	0
Percentage occurrence	0%	0%	0%

APPEAL TRIBUNAL

Year - End Report January 2002 to December 31, 2002

Members: Don Hamilton
Peter Sebzda
William Elzinga

1. Owner – Thoroughbred
8th Race, Stampede Park, May 19, 2002
Issue: Disqualification of horse "They Call Me Cody"
by Stewards
Appeal Heard: June 13, 2002
Written Judgement: June 19, 2002
Decision: Appeal dismissed

2. Trainer - Thoroughbred
6th Race, Northlands Park, August 9, 2002
Issue: Disallowing claim of foul by Stewards
Appeal Heard: August 23, 2002
Written Judgement: August 30, 2002
Decision: Appeal dismissed

3. Trainer - Standardbred
Harness Ruling No. 86, Stampede Park, August 17, 2002
Issue: Positive Test
Part 2 Rule 40(1)
Part 2 Rule 40(2)
Part 2 Rule 167
Part 2 Rule 188(1)(xxii)
Appeal Heard: August 29, 2002
Written Judgement: August 30, 2002
Decision: Appeal dismissed. Harness Ruling No.86 varied.
Fine increased to two thousand five hundred dollars
(\$2500.00). Suspension increased to six (6) months.

** For a detailed written copy of these judgements please contact Horse Racing Alberta.*

MARKETING AND COMMUNICATIONS

MARKETING COMMUNICATIONS

A strong marketing program is essential for the industry to succeed and remain viable. Horse Racing Alberta has therefore adopted the marketing principles outlined in the 2002 Calder Bateman Industry Marketing Report, and in conjunction with all the racing stakeholders in Alberta, worked towards implementing an aggressive marketing campaign. The campaign uses a stepped approach to “. . . redefine live horse racing within the entertainment/sports marketplace and efficiently and effectively develop a new and broader market share for its ‘product’.” The end result, which is expected in 2004, should be an improved image, increased attendance at live racing and an increased handle.

In 2002, the following actions took place in order to accomplish this goal:

1. Established a Marketing Committee chaired by a member of the Board of HRA;
2. Finalized the industry's five year marketing plan based on the Calder Bateman Report “Fast Track to the Future – A 5 Year Marketing Strategy for Live Horse Racing in Alberta” for presentation and buy in from all industry partners;
3. Presented three live premier horse racing events on CTV Sportsnet, including The Nat Christie Memorial, Canadian Derby and the Alberta Fall Classic;
4. Began the process of establishing a strong provincial brand image for live horse racing with the intention of a seamless transition and implementation of the program in 2003.

Future plans for 2003 and 2004 will further reinforce live horse racing in Alberta and in the consumer's mind as an entertainment decision.

AUDITED

FINANCIAL STATEMENTS





KPMG LLP
Chartered Accountants

10125 – 102 Street
Edmonton AB T5J 3V8
Canada

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

AUDITORS' REPORT TO THE MEMBERS

We have audited the statement of financial position of Horse Racing Alberta as at December 31, 2002 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, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Edmonton, Canada
March 14, 2003



KPMG LLP, a Canadian owned limited liability partnership established under the laws of Ontario, is a member firm of KPMG International, a Swiss association.

HORSE RACING ALBERTA

Statement of Financial Position

December 31, 2002, with comparative figures for 2001

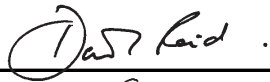

	2002	2001
Assets		
Current assets:		
Cash and short-term investments	\$ 3,266,667	\$ 1,048,576
Accounts receivable	941,414	1,113,152
Contributions receivable from Alberta Gaming	13,953,751	-
Prepaid expenses	42,597	26,633
Current portion of advances receivable	2,056,422	60,764
	20,260,851	2,249,125
Advances receivable (note 3)	-	56,422
Capital assets (note 4)	36,757	47,221
	\$ 20,297,608	\$ 2,352,768

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,307,307	\$ 910,976
Deferred contributions from Alberta Gaming (note 5)	17,360,762	-
	18,668,069	910,976
Net assets:		
Unrestricted	1,592,782	1,394,571
Investment in capital assets	36,757	47,221
	1,629,539	1,441,792
Commitments (note 9)		
Contingency (note 10)		
	\$ 20,297,608	\$ 2,352,768

See accompanying notes to financial statements.

On behalf of the Board:

	Director
	Director

HORSE RACING ALBERTA

Statement of Operations

Year ended December 31, 2002, with comparative figures for 2001

	2002 Budget (Unaudited)	2002	2001
Revenue:			
General fees	\$ 7,507,200	\$ 7,646,356	\$ 7,356,388
Racing Industry Renewal Initiative revenues (note 5)	-	7,211,517	-
Other racing revenues	842,600	884,390	832,600
Interest and other revenues	75,700	123,564	42,118
	8,425,500	15,865,827	8,231,106
Breeding Development Program expenses:			
Purse support:			
Thoroughbred	662,750	648,849	733,688
Standardbred	1,280,538	1,280,539	1,091,629
Community	189,207	196,707	191,373
	2,132,495	2,126,095	2,016,690
Alberta bonuses and breeding support:			
Thoroughbred bonuses	1,400,000	1,398,735	989,671
Standardbred bonuses	204,461	204,461	100,000
Grants to horsemen's associations	680,291	662,253	543,715
	2,284,752	2,265,449	1,633,386
Total Breeding Development Program expenses	4,417,247	4,391,544	3,650,076
Racing Industry Renewal Initiative:			
Purse support	-	7,211,517	-
Racetrack discretionary grants	1,426,400	1,452,108	1,399,120
Marketing and promotions	450,000	437,694	44,605
	6,293,647	13,492,863	5,093,801
Administrative expenses (note 6)	1,999,800	2,100,634	1,697,834
HRA Transition	100,000	84,583	-
Contribution to Alberta Horse Racing Marketing Board	-	-	1,191,793
Total expenses	8,393,447	15,678,080	7,983,428
Excess revenue	\$ 32,053	\$ 187,747	\$ 247,678

See accompanying notes to financial statements.

HORSE RACING ALBERTA

Statement of Changes in Net Assets

Year ended December 31, 2002, with comparative figures for 2001

	2002		2001	
	Unrestricted	Invested in capital assets	Total	Total
Balance, beginning of year	\$ 1,394,571	\$ 47,221	\$ 1,441,792	\$ 1,194,114
Excess revenue (expenses)	206,700	(18,953)	187,747	247,678
Acquisition of capital assets	(8,489)	8,489	-	-
Balance, end of year	\$ 1,592,782	\$ 36,757	\$ 1,629,539	\$ 1,441,792

See accompanying notes to financial statements.

HORSE RACING ALBERTA

Statement of Cash Flows

Year ended December 31, 2002, with comparative figures for 2001

	2002 Budget (Unaudited)	2002	2001
Cash flows from operating activities:			
Cash received from racing operations	\$ 8,703,898	\$ 8,568,315	\$ 8,047,335
Cash received from Racing Industry Renewal Initiative program	-	10,563,227	-
Interest received	-	92,732	69,480
Other receipts	179,933	86,133	-
Cash paid for purse support	(2,182,581)	(9,252,612)	(2,101,690)
Cash paid for Alberta bonuses and breeding support	(2,243,199)	(2,060,978)	(1,622,386)
Cash paid for other operating expenses	(1,886,189)	(1,966,649)	(1,370,415)
Cash paid for administrative expenses	(1,632,500)	(1,864,352)	(1,683,084)
Alberta Horse Racing Marketing Board contribution	-	-	(1,191,793)
Cash disbursed from CGT Race Track program	-	-	(2,514,954)
Net cash provided by (used in) operating activities	939,362	4,165,816	(2,367,507)
Cash flows from investing activities:			
Repayment from industry partners	-	60,764	204,752
Purchase of capital assets	(8,489)	(8,489)	(9,949)
Increase in advances receivable		(2,000,000)	-
Net cash provided by (used in) investing activities	(8,489)	(1,947,725)	194,803
Increase (decrease) in cash and short-term investments	930,873	2,218,091	(2,172,704)
Cash and short-term investments, beginning of year	1,048,576	1,048,576	3,221,280
Cash and short-term investments, end of year	\$ 1,979,449	\$ 3,266,667	\$ 1,048,576

See accompanying notes to financial statements.

HORSE RACING ALBERTA

Notes to Financial Statements

Year ended December 31, 2002

1. Authority and purpose of the Corporation:

Horse Racing Alberta (the "Corporation"), formerly operating as the Alberta Racing 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. Under Section 2(1) of the Act, the Alberta Racing Corporation is continued under the name "Horse Racing Alberta". All assets and liabilities of Alberta Racing Corporation became the assets and liabilities of Horse Racing Alberta effective June 25, 2002. An audit of the financial operations for the period from January 1, 2002 to June 24, 2002 was completed and reported to the Board of Directors in conjunction with this transition. 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	10 Years
Computer hardware and software	3 Years

(b) Revenue recognition:

The Corporation follows the deferral method of accounting. 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 are recognized as revenue when earned and collection is reasonably assured.

(c) 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, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

HORSE RACING ALBERTA

Notes to Financial Statements, continued

Year ended December 31, 2002

3. Advances receivable:

	2002	2001
Horsemen's Benevolent and Protective Association, non-interest bearing, unsecured, repayable over a period of five years to 2003	\$ 44,072	\$ 92,486
Alberta Standardbred Horse Association, non-interest bearing, unsecured, repayable over a period of two years to 2003	12,350	24,700
Northlands Park, non-interest bearing, unsecured, maturing December 31, 2003	2,000,000	-
	2,056,422	117,186
Current portion of advances receivable	(2,056,422)	(60,764)
	\$ -	\$ 56,422

4. Capital assets:

		2002	2001
	Cost	Accumulated amortization	Net book value
Office equipment and furniture	\$ 49,750	\$ 25,176	\$ 24,574
Computer hardware and software	139,232	127,049	12,183
	\$ 188,982	\$ 152,225	\$ 36,757
			\$ 47,221

HORSE RACING ALBERTA

Notes to Financial Statements, continued

Year ended December 31, 2002

5. Deferred contributions from Alberta Gaming:

Deferred contributions represent unspent resources externally restricted for purse support and racetrack operations received and receivable from Alberta Gaming in the current year that relate to the future years. Changes in the deferred contributions balance are as follows:

	Total
Balance, beginning of year	\$ -
Unexpended funds contributed by Alberta Gaming (note 8)	5,077,276
Amount contributable during the year	19,439,702
Interest received on deferred contributions	55,301
Amount recognized as revenue in the year	(7,211,517)
	\$ 17,360,762

6. Administrative expenses:

	2002 Budget (Unaudited)	2002	2001
Compensation (note 7)	\$ 885,200	\$ 915,444	\$ 853,929
Contractors	133,600	390,272	247,159
Travel	120,000	141,728	101,284
Office and administration	65,500	61,000	74,764
Office rent and operating costs	70,000	69,511	67,184
Legal, consulting and audit fees	344,000	228,407	144,031
Telephone	35,000	36,286	30,489
Other	25,000	19,610	34,804
Amortization	32,000	18,953	31,895
Memberships	14,000	14,787	6,330
Program development	20,500	20,224	38,796
Equine toxicology	20,000	6,401	17,847
Appeal tribunal	20,000	6,535	15,831
Insurance	35,000	24,836	16,818
Meetings and seminars	20,000	12,352	11,200
Media and public relations	50,000	12,972	5,473
Racetrack licencing expense (see below)	110,000	121,316	-
	\$ 1,999,800	\$ 2,100,634	\$ 1,697,834

Expenses relating to the negotiation of racetrack licenses are not recurring annual expenses.

HORSE RACING ALBERTA

Notes to Financial Statements, continued

Year ended December 31, 2002

7. Compensation:

	Positions	Compensation	Benefits	Total
Chairman	1.0	\$ 59,828	\$ 1,266	\$ 61,094
Board of Directors	13.0	59,820	959	60,779
Managers:				
Racetrack	1.0	64,680	5,470	70,150
Administration	2.0	124,324	17,710	142,034
	3.0	189,004	23,180	212,184
Non-management staff:				
Racetrack	18.0	405,387	64,647	470,034
Administration	3.0	94,301	17,052	111,353
	21.0	499,688	81,699	581,387
	38.0	\$ 808,340	\$ 107,104	\$ 915,444

8. Trust funds:

For the year ending December 31, 2002, the Corporation administered funds on behalf of the Alberta Horse Racing Marketing Board, an affiliation of Alberta industry participants. These financial statements do not reflect the receipts, disbursements or surplus during the year of funds administered at year end. The cash surplus at December 31, 2002 is \$95,602.

The Corporation also administered Alberta Lottery funds for the Racing Industry Renewal Initiative on behalf of Alberta Gaming. On June 25, 2002, the Corporation entered into new agreements with Alberta Gaming that transferred responsibility for the Racing Industry Renewal Initiative to the Corporation. On that date, unexpended funds in the amount of \$5,077,276 were contributed to the Corporation by Alberta Gaming (note 5).

HORSE RACING ALBERTA

Notes to Financial Statements, continued

Year ended December 31, 2002

9. Commitments:

The Corporation rents office premises in Edmonton and Calgary and has office equipment under operating leases through to 2008. Annual payments are as follows:

2003	\$	233,043
2004		123,974
2005		108,350
2006		50,892
2007		50,892
Thereafter		12,723
	\$	579,874

The Corporation is also responsible for its proportionate share of property taxes and building operating costs for the leased premises.

10. Contingency:

The Corporation is one of several defendants in a lawsuit alleging a breach of agreement for the building and operations of a new racetrack, interference with the economic interests of the Plaintiff, and wrongfully revoking the racing license.

Management is of the opinion that this claim is without merit; as such, no provision has been recorded in the financial statements. The litigation is in its preliminary stages and the outcomes are not currently determinable.

11. Fair value of financial assets and financial liabilities:

The fair value of the Corporation's cash and short-term investments, accounts receivable, contributions receivable from Alberta Gaming, advances receivable, and accounts payable and accrued liabilities approximate their carrying amounts.

12. Comparative figures:

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

NOTES

NOTES

