

APHRC

ATLANTIC PROVINCES HARNESS RACING COMMISSION

Annual Report of the Atlantic Provinces Harness Racing Commission (APHRC) 2023



- The Atlantic Provinces Harness Racing Commission (APHRC) is an Agency of the Council of Atlantic Premiers and is responsible for governing, regulating and supervising harness racing in all its forms relevant and related to pari-mutuel betting in the Atlantic Provinces.

- The Atlantic Provinces Harness Racing Commission was formed in 2015, combining the Maritime Harness Racing Commission with the Newfoundland & Labrador Commission. Previously, the Maritime Harness Racing Commission, formed in 1994, included the harness racing commissions of Prince Edward Island, Nova Scotia, and New Brunswick.

- There are six racetracks under the jurisdiction of the Atlantic Provinces Harness Racing Commission.

- Red Shores Charlottetown – Charlottetown, PE
- Red Shores Summerside – Summerside, PE
- Truro Raceway – Truro, NS
- Inverness Raceway – Inverness, NS
- Northside Downs - Sydney, NS
- Connell Park - Woodstock, NB

- The APHRC office is in Kensington, Prince Edward Island.

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ATLANTIC PROVINCES HARNESS RACING COMMISSION

Commissioners:	*Term Expires*	*Eligible for Reappointment*
New Brunswick		
Stephan DeCourcey (Vice Chair)	May, 2026	No (Will have served nine consecutive years)
Dawn Hubbard	June, 2026	Yes
Prince Edward Island		
Jacinta Campbell	April, 2025	Yes
Dr. James Boswall	June, 2026	Yes
Nova Scotia		
Lowell Crowe	May, 2023	Yes
Vacant		
Newfoundland		
Keith Gowan	November, 2024	No (Will have served nine consecutive years)

Commission Administration:

Accounting Officer/Administrative Asst – Cindy Doucette

Director of Racing – Mitch Murphy







- 2023 was an important year for harness racing in New Brunswick. Horse Racing New Brunswick (HRNB), supported by a dedicated group of individuals, moved to stabilize the industry in that province. They established Connell Park in Woodstock as the home of harness racing in New Brunswick and ran a successful race meet.

- Northside Downs in North Sydney stayed relatively the same as 2022 in terms of the number of races and total purses, while Inverness Raceway had 19 additional races and saw purses grow by $82,250. Truro saw a decrease in races from 292 in 2022 to 192 in 2023. Truro also saw a decrease in purses by $184,486. Truro saw significant investments in a beautifully renovated grandstand.

- Prince Edward Island experienced substantial growth at both Charlottetown and Summerside. Charlottetown added 145 additional races and increased purses more than $800,000. Summerside added 29 races and increased purses by over $240,000. The industry on Prince Edward Island continues to achieve substantial growth through direct government investment and their operational agreement with the Atlantic Lottery Corporation.

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ATLANTIC PROVINCES HARNESS RACING COMMISSION







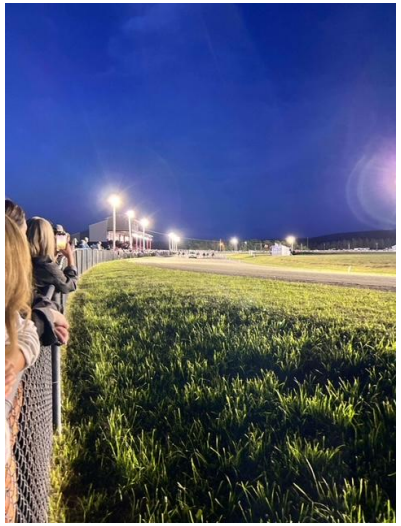
Fiscal year 2023/2024 saw key developments affecting the Atlantic Provinces Harness Racing Commission.

- Newfoundland and Labrador introduced legislation to withdraw from the APHRC effective March 31, 2024.

- Newfoundland and Labrador will have a Commissioner remain on the APHRC until the provinces of Nova Scotia, New Brunswick, and Prince Edward Island amend the *Atlantic Provinces Harness Racing Commission Act* to reflect the withdrawal of Newfoundland and Labrador.

- Nova Scotia has a vacant position since September of 2023 and another Commissioner's term expired in May of 2023 but is eligible for reappointment.

- The Ministers responsible for harness racing in Nova Scotia, New Brunswick, and Prince Edward Island have launched a review of the APHRC. The review will look at the governance and operational structure of the APHRC.



Appendix A

Atlantic Provinces Harness Racing Commission

Income Statement

	Budget	Budget	Forecast	Actual
Income	**2024-2025**	**2023-2024**	**31-Mar-24**	**2022-2023**
Province of NB	97,433	91,413	91,413	95,699
Province of NS	198,263	212,195	212,195	197,458
Province of PEI	116,095	108,871	108,871	118,605
Province of NFLD	18,188	17,500	17,500	18,217
Subtotal	429,979	429,979	429,979	429,979
Memberships	56,200	40,000	54,637	56,133
Fines & Levies	26,300	25,000	26,451	29,921
Reimbursement of Officials	200,000	195,000	199,619	195,449
CPMA Testing Program	70,000	70,000	62,140	67,252
Atlantic Bursary Revenue	5,000	5,000	4,000	4,000
Photo Patrol/Finish Maint.-ACOA	40,000	40,000	32,362	161,314
Stretch Drive Revenue	15000	15000	10,710	7,500
HRNB Purse Admin Fee(To Zero Out in 2023-2024)				200
Total Income	842,479	819,979	819,898	951,748
Expenses				
Personnel Services	190,000	164,795	188,963	198,234
Vacation Pay Accrual	0	0	0	0
Pension Solvency Deficiency	0	0	0	0
Rules,Financ,Edu Committee	500	500	842	300
Senior Judges Group	7,500	7,500	0	0
OfficialsSalaries,Meeting,Travel,Benfits,Misc/Mbshp Rebate	225,000	225,000	224,374	217,602
Training/Supervision Officials	35,000	25,000	0	26,864
Purchase of Service/Promotion	50,000	45,000	47,869	63,399
Atlantic Bursary Expense	5,000	5,000	5,000	0
Race Patrol & Photo Finish	10,000	10,000	8,550	11,850
Travel – Staff	20,000	20,000	14,051	30,481
Training Staff	0	0	0	3,841
CommPerDiems/Meetings,Travel	25,000	30,000	23,820	34,368
Appeals	20,000	20,000	20,460	13,257
Standardbred Canada Admin Fees	41,160	41,160	40,956	40,344
Rent & Utilities	23,500	23,500	21,628	24,049
Telephone,Fax,Internet	5,319	6,000	5,513	3,125
Stretch Drive Expense	7,000	7,000	4,350	351
OffSupp,Other,Postage,Courier	10,000	13,000	7,768	12,222
Drug Control	70,000	70,000	67,836	70,485
Human Drug Testing Program	12,000	20,000	3,789	4,122
Alcohol Screening Program	10,000	10,000	6,117	1,374
Investigations & Searches	20,000	25,000	13,665	23,088
Printing,PhotocopyLease	3,000	3,000	5,152	3,969
Books/Subscriptions	0	0	0	0
Special Projects	0	0	0	0
Furniture/Equipment,Computer Soft/Hard Ware	7,500	7,500	5,799	3,951
Professional Fees	45,000	41,024	216,191	43,495
Moving Expenses	0	0	0	4,500
Translation Services		0	0	0
Depreciation				65,052
Surplus Repayable To CAP				13,042
Total Expenses	842,479	819,979	932,693	913,365
Excess of Budget	0	0	-112,795	38,383



Notes to income statement

<u>April 1, 2023 to March 31, 2024:</u>

<u>Professional Fees</u>

Legal Fees

Campbell Lee = $60,574

Stevenson & MacKay=$9,098

Pink Larkin = $39,504

Consulting Fees

Brett Revington= $99,000

Contract Services

MRSB =$7,804







Standardbred Canada National Statistics Jan1, to Dec 31, 2023.

	NO OF RACES					NO OF STARTS			
Region	2022	2023	VAR.	VAR. %	Region	2022	2023	VAR.	VAR. %
Atlantic	1,976	2,061	85	4.30%	Atlantic	12,763	13,604	841	6.59%
Ontario	7,271	7,237	-34	-0.47%	Ontario	54,866	55,994	1,128	2.06%
Quebec	474	500	26	5.49%	Quebec	3,464	3,724	260	7.51%
Western	1,607	1,535	-72	-4.48%	Western	10,477	10,839	362	3.46%
Grand Total	**11,328**	**11,333**	**5**	**0.04%**	**Grand Total**	**81,570**	**84,161**	**2,591**	**3.18%**

	UNIQUE HORSES					AVG NUMBER OF STARTS PER HORSE			
Region	2022	2023	VAR.	VAR. %	Region	2022	2023	VAR.	VAR. %
Atlantic	901	913	12	1.33%	Atlantic	14.2	14.9	0.7	5.19%
Ontario	4,013	3,955	-58	-1.45%	Ontario	13.7	14.2	0.5	3.55%
Quebec	361	389	28	7.76%	Quebec	9.6	9.6	0.0	-0.23%
Western	664	674	10	1.51%	Western	15.8	16.1	0.3	1.92%
Grand Total	**5,484**	**5,491**	**7**	**0.13%**	**Grand Total**	**14.9**	**15.3**	**0.5**	**3.04%**

	AVG FIELD SIZE					AVG $ EARNINGS PER UNIQUE STARTER			
Region	2022	2023	VAR.	VAR. %	Region	2022	2023	VAR.	VAR. %
Atlantic	6.5	6.6	0.1	2.19%	Atlantic	$6,879	$7,795	$916	13.31%
Ontario	7.5	7.7	0.2	2.54%	Ontario	$26,795	$24,950	-$1,845	-6.89%
Quebec	7.3	7.4	0.1	1.92%	Quebec	$7,131	$6,874	-$257	-3.61%
Western	6.5	7.1	0.5	8.31%	Western	$19,335	$18,866	-$470	-2.43%
Grand Total	**7.2**	**7.4**	**0.2**	**3.13%**	**Grand Total**	**$23,548**	**$22,069**	**-$1,479**	**-6.28%**

	$ PURSE					$ HANDLE			
Region	2022	2023	VAR.	VAR. %	Region	2022	2023	VAR.	VAR. %
Atlantic	$6,198,147	$7,116,909	$918,762	14.82%	Atlantic	$7,705,745	$10,552,944	$2,847,199	36.95%
Ontario	$107,526,520	$98,675,350	-$8,851,170	-8.23%	Ontario	$576,232,664	$606,024,715	$29,792,051	5.17%
Quebec	$2,574,350	$2,674,000	$99,650	3.87%	Quebec	$4,933,446	$7,018,017	$2,084,571	42.25%
Western	$12,838,726	$12,715,375	-$123,351	-0.96%	Western	$19,835,244	$22,728,417	$2,893,173	14.59%
Grand Total	**$129,137,743**	**$121,181,634**	**-$7,956,109**	**-6.16%**	**Grand Total**	**$608,707,099**	**$646,324,093**	**$37,616,994**	**6.18%**

2023 PARI MUTUEL RACES

January 1, 2023, to December 31, 2023

Region	Province	Track Name	# Of Races	# of Starts	Unique Horse	Purse Per Race	Purse Per Horse	Avg Field Size	$ Purse	$ Mutuel
Atlantic	NB	WOODSTOCK RACEWAY NB	62	292	109	$4,670	$2,656	4.7	$289,550	$85,692
Atlantic	NS	INVERNESS RACEWAY	191	1,175	203	$2,049	$1,928	6.2	$391,360	$259,131
Atlantic	NS	NORTHSIDE DOWNS	234	1,501	141	$1,458	$2,420	6.4	$341,175	$399,858
Atlantic	NS	TRURO RACEWAY	192	1,334	287	$3,301	$2,209	6.9	$633,879	$595,789
Atlantic	PE	CHARLOTTETOWN DRIVING PARK	1,026	7,002	675	$3,789	$5,759	6.8	$3,887,330	$7,460,121
Atlantic	PE	SUMMERSIDE RACEWAY	356	2,300	551	$4,420	$2,856	6.5	$1,573,615	$1,752,353





- Red Shores had a remarkable year at both tracks. The horse population at the properties defied all North American industry trends and resulted in additional programs and races throughout the season. This, in combination with efforts to grow the gross wagering throughout North America, has resulted in wagering records for the two tracks.
- The total wagering for the season of May 6, 2023 through February 2, 2024 was $9.34 million for both properties. This compares to $6.71 million during the 2022/2023 season which is an increase of 39.2%. The wagering on Red Shores this season was up 282% over the pre-pandemic results in 2019/2020.
- There were 7 additional race dates and 196 more races for the year which helped to provide more quality betting opportunities for horseplayers.
- The wagering increases were primarily driven by greater awareness and participation from betting entities throughout North America. This is evidenced through the 30.3% increase in the average wagering per program and 19.7% increase in the average amount wagered per race, even with all the additional racing available.



- 2023 efforts to promote Red Shores racing have been gaining traction and management is continually building relationships and testing new promotions. Some initiatives that have contributed to the growth are:
- a. Full distribution of the live races all season through RCN.
- b. Special promotions on HPI and other ADWs in the US to generate additional awareness and add value for horseplayers.
- c. The Gold Cup and Saucer VIP Experience promotion.
- d. Press releases and communications with bettting entities regarding the opening and throughout the meet ensuring greater awareness.
- e. Increased Social Media promotion internally and through industry influencers.
- f. Red Shores will be continuing with the strategies to build momentum on racing in the upcoming year as there is a strong belief that there is more growth possible in the market. These strategies include a focus on both the local and broader North American markets.



- **Equine Medication Control**

The Atlantic Provinces Harness Racing Commission (APHRC), in partnership with the Canadian Pari-Mutuel Agency (CPMA) runs a comprehensive equine medication control program. There are two main component to the program.

1. Sample collections of urine and/or blood are taken at a rate of 1.5 samples per race. On a racecard with 12 dashes, 18 samples would be collected. These samples are sent to the CPMA accredited lab, Bureau Veritas in Burnaby, British Columbia for analysis. If a prohibited substance is detected in the sample, then the lab would issue a certificate of positive analysis which would be forwarded by the CPMA to the APHRC.

(The CPMA provides a qualitative analysis (is the drug detected) for all prohibited substances (more than 160 drugs), For five(5) drugs; furosemide (Lasix), cobalt, arsenic, procaine, and salicylic acid, the CPMA also provides the quantitative analysis (the amount).

2. The APHRC collects blood samples from more than 1700 horses annually to conduct TCO2 tests. These tests are analyzed at the Atlantic Veterinary College at the University of Prince Edward Island.

The APHRC also carries out additional activities in support of the Equine Medication Control Program. These include out of competition testing, barn and vehicle searches, retention barns.

The APHRC also conducts drug and alcohol screening for licensees to support safety.







Equine Medication Control - April 1, 2023, to March 31, 2024

Sample Collection (urine and blood)	Positives	Compliance Rate
3064	8	99.74%

TCO2	Positives	Compliance Rate
1723	0	100%





Searches	Investigations	Human Drug Tests	Human Alcohol Screening	Retention Barns
177	6	36	144	2



The APHRC conducted 23 Appeal Hearings during the fiscal year



“ The hard work and dedication of people supporting the races in Woodstock is important as the industry looks to stabilize and rebuild in New Brunswick”

Horse Racing New Brunswick holds races in Woodstock, New Brunswick. Races are held at Connell Park and are home to the Milton Downey Stakes, the Dr. Ted & Dawn Bremner Memorial, the Barrieau-McIssac Memorial, the New Brunswick Breeders, the Maritimer, and Canada’s oldest stake race, the Walter Dale.

Northside Downs in North Sydney, Nova Scotia had an increase in the number of races and a growth in wagering in 2023





NORTHSIDE DOWNS
HARNESS RACING SINCE 1898



INVERNESS RACEWAY



“Gathering Days” are a highlight of the racing season at Inverness Raceway



- The revitalization of the beautiful new grandstand in Truro commenced in 2023.
- Truro is one of the oldest racetracks in Canada. The original racetrack opened in 1865.







- Stretch Drive Fund.
- Each year the APHRC judges hold a fundraising golf tournament. Monies raised go to support harness racing families. Since the inception of the fund in 2010, over $189,000 has been paid to support those in need.

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ATLANTIC PROVINCES HARNESS RACING COMMISSION



- **Initiatives to be commenced or completed in fiscal year 2024-2025.**

- Hiring of a Director of Racing for the Commission

- Participation in a review of the Commission by the three Maritime provinces

- Completion of a new Equine Medication Control center at Connell Park in Woodstock, New Brunswick

- Develop of a Policy and Procedures Manual for Commission Operations

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Financial Statements

Atlantic Provinces Harness Racing Commission

March 31, 2024

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Independent Auditor's Report

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To the Members of
Atlantic Provinces Harness Racing Commission

Opinion

We have audited the financial statements of Atlantic Provinces Harness Racing Commission (the "Commission"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Atlantic Provinces Harness Racing Commission as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

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

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



Halifax, Canada
June 26, 2024

Chartered Professional Accountants

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Atlantic Provinces Harness Racing Commission
Statement of Financial Position

March 31	2024	2023
Assets		
Current		
Cash and cash equivalents	**$ -**	$ 15,451
Receivables	**29,697**	19,682
Prepaids	**-**	42,059
Amount due from Council of Atlantic Premiers	**115,175**	-
	144,872	77,192
Capital assets (Note 3)	**61,462**	120,656
	$ 206,334	$ 197,848
Liabilities		
Current		
Bank indebtedness	**$ 92,944**	$ -
Payables and accruals	**1,314**	12,892
Deferred revenue	**50,614**	51,257
Amount due to Council of Atlantic Premiers	**-**	13,043
	144,872	77,192
Net assets	**61,462**	120,656
	$ 206,334	$ 197,848

Commitments (Note 4)

On behalf of the Board of Directors

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Director

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Director

Atlantic Provinces Harness Racing Commission
Statement of Changes in Net Assets

Year ended March 31	**2024**	2023
Net Assets (deficiency), beginning of year	**$ 120,656**	$ 92,204
(Deficiency) excess of revenue over expenditures for the year	**(59,194)**	28,452
Net Assets, end of year	**$ 61,462**	$ 120,656

Atlantic Provinces Harness Racing Commission
Statement of Operations

Year ended March 31

	Budget (unaudited)	**2024**	2023
Revenue			
Contributions			
New Brunswick	$ 91,413	**$ 91,413**	$ 95,699
Newfoundland and Labrador	17,500	**17,500**	18,217
Nova Scotia	212,195	**212,195**	197,458
Prince Edward Island	108,871	**108,871**	118,605
	429,979	**429,979**	429,979
CPMA testing program	70,000	**62,136**	67,252
Fines and appeals	25,000	**26,451**	29,921
Memberships	40,000	**55,645**	56,133
Reimbursement of officials'	195,000	**199,189**	195,449
Photo patrol/race date fees	40,000	**33,546**	163,084
Stretch drive revenue	15,000	**-**	-
Atlantic bursary revenue	5,000	**-**	-
	819,979	**806,946**	941,818
Expenditures			
Alcohol screening program	10,000	**6,116**	1,374
Amortization	-	**60,918**	65,052
Appeals board	20,000	**20,459**	13,257
Atlantic bursary expense	5,000	**-**	-
Committees	500	**879**	300
Drug control	70,000	**67,836**	70,485
Furniture and equipment	7,500	**-**	3,952
Human drug testing program	20,000	**3,789**	4,122
Investigations	25,000	**13,664**	23,088
Loss on disposal	-	**398**	-
Meetings and commission travel	30,000	**23,663**	34,368
Office supplies and other	13,000	**8,391**	12,220
Printing and photocopies	3,000	**5,131**	3,969
Professional fees	41,024	**216,627**	43,495
Promotion/purchase of service	45,000	**48,029**	63,750
Race officials			
Remuneration and expenses	225,000	**224,482**	217,602
Training and supervision	25,000	**-**	26,864
Race patrol and photo finish	10,000	**8,548**	11,850
Rent and utilities	23,500	**22,584**	24,049
Salaries and benefits	164,795	**188,963**	202,075
SBC administration fees	41,160	**41,025**	40,344
Senior judges' group	7,500	**-**	-
Staff travel and vehicle	20,000	**14,416**	34,981
Stretch drive expense	7,000	**-**	-
Surplus repayable	-	**(115,175)**	13,043
Telephone and fax	6,000	**5,397**	3,126
	819,979	**866,140**	913,366
(Deficiency) excess of revenue over expenditures for the year	$ -	**$ (59,194)**	$ 28,452

See accompanying notes to the financial statements.

Atlantic Provinces Harness Racing Commission
Statement of Cash Flows

Year ended March 31	**2024**	2023
Increase (decrease) in cash and cash equivalents		
Operating activities		
(Deficiency) excess of revenue over expenditures for the year	**$ (59,194)**	$ 28,452
Amortization	**60,918**	65,052
	1,724	93,504
Net change in non-cash working capital balances related to operations		
Receivables	**(10,015)**	(1,903)
Prepaids	**42,059**	(42,059)
Payables and accruals	**(11,578)**	(559)
Deferred revenue	**(643)**	12,235
Amount due to Council of Atlantic Premiers	**(128,218)**	12,910
	(106,671)	74,128
Investing activities		
Addition of capital assets, net	**(2,122)**	(93,504)
Loss on disposal of capital assets	**398**	-
Net decrease in cash and cash equivalents	**(108,395)**	(19,376)
Cash and cash equivalents		
Beginning of year	**15,451**	34,827
End of year	**$ (92,944)**	$ 15,451

See accompanying notes to the financial statements.

Atlantic Provinces Harness Racing Commission
Notes to the Financial Statements
March 31, 2024

1. Nature of operations

Legislation was passed in the provinces of New Brunswick, Nova Scotia and Prince Edward Island giving the Atlantic Provinces Harness Racing Commission (the "Commission") (formerly Maritime Provinces Harness Racing Commission) regulatory authority for the region's harness racing industry effective April 1, 1994. The commission was mandated to govern, supervise, control and regulate harness racing and racetracks. The following objectives were detailed:

- To establish uniform rules for conducting harness racing.
- To recruit, train, evaluate and deploy harness racing officials.
- To promote and market harness racing; and
- To promote and encourage the breeding and raging of horses.

Legislation was passed on October 9, 2015 that the name of the commission will be renamed to Atlantic Provinces Harness Racing Commission as on this date Newfoundland was added to the Commission. The Commission is a not-for-profit organization, and as a result is exempt from income tax under section 149(1)(l).

2. Significant accounting policies

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

Agency
The Commission is an agency of the Council of Atlantic Premiers. These financial statements include only those assets, liabilities, revenue and expenditures related to the operations of the Commission.

Provincial allocation
Revenue and expenditures are allocated to New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador based upon the pari-mutual betting for the penultimate year ended December 31. This results in the following allocation rates:

	2024	2023
	%	%
Province of New Brunswick	**21.26**	22.26
Province of Nova Scotia	**49.35**	45.92
Province of Prince Edward Island	**25,32**	27.58
Province of Newfoundland and Labrador	**4.07**	4.24

Cash and cash equivalents
Cash and cash equivalents consist of amounts held on account at financial institutions.

Operations Surplus
The excess (deficiency) of revenue over expenditures is part of the Consolidated Fund of the Council of Atlantic Premiers. Historically, the Council of Atlantic Premiers has funded the deficit, or the Commission has transferred the surplus. The surplus less impact due to acquisition and depreciation of capital assets, is set up as a payable/receivable at year end.

2. Significant accounting policies (continued)

Revenue

Contributions

The Commission follows the deferral method of accounting for its contributions, grants and project revenue. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable in the amount to be received can be reasonably estimated and collection is reasonably assured.

Memberships

Membership revenue is based on a 12-month period beginning on the participant's birthday. Accordingly, membership dues received in the current fiscal year, but relating to the period after the year end, are deferred and recorded as revenue in the subsequent fiscal year.

Other revenue

Revenue from fines and appeals and other revenue streams is recognized when received or receivable and the amount to be received can be reasonably estimated and collection is reasonably assured.

Capital assets

Capital assets are stated at cost less accumulated amortization. Purchased capital assets are recorded at acquisition cost. Contributed capital assets are recorded at fair value at the date of contribution. When a capital asset no longer contributes to the Commission's ability to provide services, its carrying amount is written down to its residual value. Depreciation is provided on the declining balance basis, with half year method in the year of acquisition at the following rates:

Computer hardware	30%
Computer software	100%
Office equipment and furniture	30%

Pension plan

The Commission participates in the Pension Plan for Employees of the Council of Atlantic Premiers and Participating Employers. The plan is a defined benefit pension plan which was considered fully funded on a going concern basis as of the last actuarial valuation of October 1, 2021, however as the Commission simply participates in the plan, it accounts for it as if it was a defined contribution plan. Pension expense is recognized when plan contributions are made or became due. During the year ended March 31, 2024, the Commission recognized pension expense of $7,113 (2023 - $11,944)

Financial instruments

The Commission considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Commission accounts for the following as financial instruments:

- cash and cash equivalents
- receivables
- payables and accruals
- amount due to/receivable from Council of Atlantic Premiers

A financial asset or liability is recognized when the Commission becomes party to contractual provisions of the instrument.

2. Significant accounting policies (continued)

Financial instruments (continued)
The Commission initially measures its financial assets and financial liabilities at fair value.

The Commission subsequently measures all of its financial assets and financial liabilities at cost or amortized cost less any reduction for impairment. The Commission removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

The Commission is exposed to credit risk through its financial instruments. The Commission is not exposed to significant liquidity risk, interest rate risk or other price risk.

(a) Credit risk

> Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Commission's main credit risks relate to its receivables. Provisions are maintained for potential credit losses as necessary; no such losses have been recognized to date. Management believe the Commission is not exposed to any significant credit risk and no provision for doubtful accounts has been recorded.

Management estimates
The presentation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reported period. Actual results could differ from these estimates. Items subject to significant management estimates include the useful lives of capital assets.

3. Capital assets

	Cost	Accumulated Amortization	**2024 Net Book Value**	2023 Net Book Value
Computer hardware	$ 99,064	$ 91,895	**$ 7,169**	$ 11,470
Office equipment and furniture	122,979	69,886	**53,093**	65,466
Computer software	96,176	94,976	**1,200**	43,720
	$ 318,219	$ 256,757	**$ 61,462**	$ 120,656

4. Commitments

Future minimum annual commitments under a long term lease for office facilities, a long term lease for office equipment and an agreement with Standardbred Canada for services are as follows:

Year ending March 31, 2025	$ 62,213
2026	63,053
2027	63,909
2028	58,944
2029	46,387

The long-term lease for office facilities is subject to annual CPI increases. Amounts above are reflected of future commitments based on current-year values.

5. Related party transactions

During the year the Commission incurred expenditures on behalf of its Board of Directors of $45,001 (2023 - $47,625) relating to travel expense claims, meeting, and committee expenses. The transactions were recorded in the Statement of Operations for appeals board, committees and meetings and commission travel expenses at their exchange amount.

6. Subsequent events

On March 31, 2024 the Province of Newfoundland and Labrador passed legislation to repeal the Atlantic Provinces Harness Racing Act. Upon completion of certain regulatory and legal requirements the Province will cease to be a member of the APHRC during 2024. The remaining three provincial members of the APHRC will be the Provinces of Nova Scotia, New Brunswick and Prince Edward Island.