

BCLC Gambling Service Provider Commissions Report

Fiscal Year 2019/20

Contents

British Columbia's Casino, Community Gaming and Bingo Facility Gambling Operations Model	1
Commissions Earned by Casino Service Providers Annually (By Facility)	2
Commissions Earned by Community Gaming and Bingo Service Providers Annually (By Facility)	3
Appendix 1: BCLC Casino, Community Gaming and Bingo Facility Service Providers	4/5

British Columbia's Casino, Community Gaming and Bingo Facility Gambling Operations Model

BCLC enters into Operational Services Agreements (OSAs) with private-sector service providers to carry out the day-to-day operations at gambling facilities including casinos, community gaming centres and bingo halls. Under this model, service providers are responsible for financing and construction of new gambling facilities, as well as the ongoing maintenance and repairs.

The current OSA structure, approved by B.C.'s Attorney General in November 2017, is a 20-year agreement that defines the service and operating responsibilities of service providers, as well as the following commissions:

Casino Games

- 25 per cent of net win from slots
- 77.5 per cent of rake from poker and of net win from craps
- 62.5 per cent of net win from low-limit blackjack
- 40 per cent of net win from high-limit table games (except for high-limit craps, which is 75 per cent of net win)
- 42.5 per cent of net win from all other table games

Bingo Games

- 90 per cent of bingo sales (after prizes are paid) on the first \$10,000 per week
- 45 per cent of bingo sales (after prizes are paid) greater than \$10,000 per week

The terms of the OSA require service providers to submit annual business plans that include commitments to capital and operating investments in properties over the term of the contract. In addition, through a Facility Investment Commission (FIC) program, service providers can earn commissions based on the execution of an investment plan agreed upon at the time of signing the current OSA.

OSAs provide a framework for BCLC to hold service providers accountable for investment commitments and service standards that drive growth and new amenities, while supporting the health of our players. They also include accountability measures that support BCLC's oversight in the areas of compliance and security, including escalation mechanisms and progressive discipline measures.

Commissions Earned by Casino Service Providers Annually (By Facility)

Fiscal 2019/20 (in thousands of dollars)

Casino Name	Slot Revenue	Table Revenue	Bingo Revenue	Total Revenue	Operator Commission	FIC Earned	Total Commission
Billy Barker Casino	8,825	-	-	8,825	2,202	440	2,642
Cascades Casino Kamloops	29,944	1,456	-	31,401	8,233	1,570	9,803
Cascades Casino Langley	113,919	26,998	2,142	143,058	42,806	7,151	49,957
Cascades Casino Penticton	31,750	876	-	32,625	8,392	1,630	10,022
Casino Nanaimo	44,002	3,627	-	47,629	12,799	2,375	15,173
Casino of the Rockies	10,873	684	-	11,556	3,038	575	3,613
Elements Casino Surrey	56,832	15,824	-	72,656	20,991	3,607	24,599
Elements Casino Victoria	71,108	10,502	-	81,610	22,631	4,080	26,711
Grand Villa Casino	147,096	84,177	-	231,273	75,776	11,535	87,311
Hard Rock Casino Vancouver	109,309	32,790	-	142,100	41,031	7,036	48,068
Hastings Racecourse and Casino	18,885	-	-	18,885	4,710	942	5,652
Lake City Casino Vernon	31,668	1,393	-	33,061	8,574	1,652	10,226
Parq Vancouver	75,550	94,916	-	170,466	62,324	8,456	70,781
Playtime Casino Kelowna	24,308	5,482	-	29,790	8,746	1,487	10,233
River Rock Casino Resort	162,081	125,102	-	287,183	94,467	14,192	108,659
Starlight Casino	85,925	33,605	-	119,530	36,411	5,960	42,372
Treasure Cove Casino	45,587	2,164	3,173	50,924	14,189	2,544	16,733
Total *	\$1,067,662	\$439,596	\$5,315	\$1,512,572	\$467,320	\$75,232	\$542,555

Commissions Earned by Community Gaming and Bingo Service Providers Annually (By Facility)

Fiscal 2019/20 (in thousands of dollars)

CGC or Bingo Hall	Table		Bingo Revenue ¹	Total Revenue	Operator Commission	FDC Earned ²	AFDC Earned ³	FIC Earned ⁴	Total Commission
	Slot Revenue	Revenue							
Bingo Esquimalt	-	-	1,946	1,946	952	97	-	-	1,050
Chances Abbotsford	23,778	-	8	23,786	5,950	-	-	1,189	7,138
Chances Castlegar	9,332	-	104	9,436	2,415	-	-	471	2,887
Chances Cowichan	15,303	-	560	15,862	4,153	487	317	-	4,958
Chances Dawson Creek	9,835	-	96	9,931	2,539	-	-	496	3,035
Chances Fort St. John	14,688	1,198	91	15,978	4,265	481	319	-	5,066
Chances Kamloops	17,797	-	932	18,728	5,075	-	-	934	6,009
Chances Kelowna	44,562	-	2,740	47,302	12,593	-	-	2,365	14,958
Chances Maple Ridge	28,486	-	424	28,910	7,463	-	-	1,440	8,903
Chances Mission	11,230	-	390	11,620	3,145	-	-	581	3,726
Chances Playtime Campbell River	15,613	-	161	15,774	4,034	-	-	787	4,821
Chances Playtime Courtenay	19,463	-	27	19,490	4,881	-	-	973	5,854
Chances Prince Rupert ⁵	9,927	-	324	10,251	2,755	25	17	471	3,269
Chances RimRock	8,136	-	81	8,217	2,072	247	164	-	2,483
Chances Salmon Arm	10,110	-	209	10,319	2,712	-	-	515	3,227
Chances Signal Point	10,387	-	482	10,869	3,005	-	-	543	3,548
Chances Squamish	4,948	-	110	5,058	1,329	-	-	253	1,582
Chances Terrace	12,837	-	249	13,087	3,421	-	-	654	4,075
Elements Casino - Chilliwack	36,373	455	1,357	38,185	10,116	-	-	1,905	12,021
Harbour City Bingo	-	-	2,201	2,201	1,081	110	-	-	1,191
Planet Bingo	-	-	2,741	2,741	1,299	137	-	-	1,435
Total CGC & Commercial Bingo Halls	302,805	1,653	15,233	319,691	85,255	1,622	817	13,540	101,236
Paper Bingo Distribution Revenue	-	-	244	244	-	-	-	-	-
Total*	\$302,805	\$1,653	\$15,477	\$319,935	\$85,255	\$1,622	\$817	\$13,540	\$101,236

¹ International Financial Reporting Standards (IFRS) 15 Revenue from Contracts with Customers and 9 Financial Instruments were effective for annual reporting periods beginning on or after January 1, 2019. BCLC adopted these standards for its fiscal year ending March 31, 2019. As a result, bingo revenue is now presented net of prizes on its statement of comprehensive income. There was no impact on the commission paid to service providers or net income to government as a result of this presentation change. However, revenue for bingo games, and therefore total revenue for gaming facilities with bingo, was presented differently on reports for Fiscal 2017/18 and prior.

^{2&3} In fiscal year 2019/20, some service providers still contracted with BCLC under a previous OSA which included a three per cent Facility Development Commission (FDC) and two per cent Accelerated Facility Development Commission (AFDC) which was replaced by the FIC. Sites with no FDC Earned were on the current OSA agreement throughout Fiscal 2019/20.

⁴ No FIC was earned in the year for sites still governed by the previous OSA.

⁵ Chances Prince Rupert signed the current OSA effective April 28, 2019.

Appendix 1: BCLC Casino, Community Gaming and Bingo Facility Service Providers

Facility	Service Provider	Location
Billy Barker Casino	585 Holdings Ltd.	Quesnel
Bingo Esquimalt	Great Canadian Casinos Inc.	Victoria
Cascades Casino Kamloops	Gateway Casinos & Entertainment Limited	Kamloops
Cascades Casino Langley	Gateway Casinos & Entertainment Limited	Langley
Cascades Casino Penticton	Gateway Casinos & Entertainment Limited	Penticton
Casino Nanaimo	Great Canadian Casinos Inc.	Nanaimo
Casino of the Rockies	SEM Resort Limited Partnership	Ktunaxa Nation (Cranbrook)
Chances Abbotsford	Playtime Gaming Group Inc.	Abbotsford
Chances Castlegar	Terrim Properties Ltd.	Castlegar
Chances Cowichan	Duncan Dabber Bingo Society	Duncan
Chances Dawson Creek	Great Canadian Entertainment Centres Ltd.	Dawson Creek
Chances Fort St John	243045 Alberta Ltd.	Fort St John
Chances Kamloops	Enterprise Entertainment Ltd.	Kamloops
Chances Kelowna	Goldwing Investments (Saskatoon) Ltd.	Kelowna
Chances Maple Ridge	Great Canadian Entertainment Centres Ltd.	Maple Ridge
Chances Mission	Gateway Casinos & Entertainment Limited	Mission
Chances Playtime Campbell River	Playtime Gaming Group Inc.	Campbell River
Chances Playtime Courtenay	Playtime Gaming Group Inc.	Courtenay
Chances Prince Rupert	0733244 BC Ltd.	Prince Rupert
Chances Rim Rock	Alberni Valley Gaming Association	Port Alberni

Appendix 1 (continued): BCLC Casino, Community Gaming and Bingo Facility Service Providers

Facility	Service Provider	Location
Chances Salmon Arm	Terrim Properties Ltd.	Salmon Arm
Chances Signal Point	Lucky's Ventures Ltd.	Williams Lake
Chances Squamish	Gateway Casinos & Entertainment Limited	Squamish
Chances Terrace	Lucky Dollar Bingo Management Ltd.	Terrace
Elements Casino - Chilliwack	Chilliwack Gaming Ltd.	Chilliwack
Elements Casino Surrey	Orangeville Raceway Limited	Surrey
Elements Casino Victoria	Great Canadian Casinos Inc.	View Royal
Grand Villa Casino	Gateway Casinos and Entertainment Limited	Burnaby
Harbour City Bingo	Harbour City Bingo Inc.	Nanaimo
Hard Rock Casino Vancouver	Great Canadian Casinos Inc.	Coquitlam
Hastings Racecourse and Casino	Hastings Entertainment Inc.	Vancouver
Lake City Casino Vernon	Gateway Casinos & Entertainment Limited	Vernon
Newton Community Gaming Centre (closed April 21, 2018)	Gateway Casinos & Entertainment Limited	Surrey
Parq Vancouver	Parq Vancouver ULC, as General Partner and on behalf of Parq Vancouver Limited Partnership	Vancouver
Planet Bingo	Community Gaming Management Association	Vancouver
Playtime Casino Kelowna	Gateway Casinos & Entertainment Limited	Kelowna
Playtime Gaming Victoria (closed December 31, 2018)	Playtime Community Gaming Centres Inc.	Victoria
River Rock Casino Resort	Great Canadian Casinos Inc.	Richmond
Starlight Casino	Gateway Casinos & Entertainment Limited	New Westminster
Treasure Cove Casino	Treasure Cove Casino Inc.	Prince George