

BCLC Gambling Service Provider Commissions Report

Fiscal Year 2021/22

Contents

British Columbia's Casino, Community Gaming and Bingo Facility Gambling Operations Model	3
Commissions Earned by Casino Service Providers Annually (By Facility)	4
Commissions Earned by Community Gaming and Bingo Service Providers Annually (By Facility)	5
Appendix 1: BCLC Casino, Community Gaming and Bingo Facility Service Providers	6/7

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 and community gaming centres. 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 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 and electronic table games
- 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 tables (except for high-limit craps, 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
- 60 per cent of weekly net win from bingo games (paper bingo only)
- 25 per cent of weekly net win from electronic pull tabs

Loyalty Program Commission

In June 2020, while B.C. casinos and community gaming centres were temporarily closed due to COVID-19, BCLC introduced a Loyalty Program Commission program, under which service providers could receive a player conversion fee and a percentage of net win on BCLC's online gambling website, PlayNow.com, for eligible players¹.

From COVID-19 closure date until 60 days after closure directive lifted:

- Proportional share² of 25 per cent of eSlots net win
- Proportional share of 25 per cent of eTables net win
- Proportional share of 10 per cent of Live Casino net win
- Proportional share of \$10 player conversion fee

From 60 days after COVID-19 closure directive lifted:

- Proportional share of 15 per cent of eSlots net win
- Proportional share of 15 per cent of eTables net win
- Proportional share of 10 per cent of Live Casino net win
- Proportional share of \$10 player conversion fee

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 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.

¹ An eligible player is defined as an active casino Encore Rewards member (as of COVID-19 closure date) who did not have a PlayNow.com account and then opened one and placed a wager during a specific timeframe, or a new or active casino Encore Rewards member who did not have a PlayNow.com account or had an inactive account and opens or reopens an account and places a wager following the terms and conditions of a PlayNow.com marketing offer received.

² "Proportional Share" with respect to an eligible player means a calculation expressed as a percentage of the eligible player's wagers at the service provider's land-based facility in the specified period as the numerator, and the eligible player's total wagers at all BCLC managed land-based gaming facilities for the specified period as the denominator.

Commissions Earned by Casino Service Providers Annually (By Facility)

Fiscal 2021/22 (in thousands of Canadian dollars)

Casino Name	Slot Revenue	Table Revenue	Bingo Revenue	Total Revenue	Operator Commission	FDC/AFDC/FIC Earned ³	Loyalty Program Commissions	Total Commission ^{4 5}
Billy Barker Casino	\$6,235	\$ -	\$-	\$6,235	\$1,540	\$308	\$14	\$1,862
Cascades Casino Kamloops	28,327	977	-	29,304	7,454	1,444	4	8,902
Cascades Casino Langley	96,726	20,498	124	117,348	33,370	5,791	326	39,487
Cascades Casino Penticton	24,645	615	-	25,260	6,373	1,247	81	7,701
Casino Nanaimo	34,245	-	-	34,245	8,408	1,682	163	10,253
Casino of the Rockies	6,659	-	-	6,659	1,609	322	21	1,952
Chances Casino Fort St. John	9,327	-	-	9,327	2,284	456	39	2,779
Chances Kelowna	37,360	495	16	37,871	9,444	1,869	130	11,443
Elements Casino Chilliwack	27,594	-	471	28,065	7,157	1,383	142	8,682
Elements Casino Surrey	40,877	9,167	-	50,044	14,107	2,489	168	16,764
Elements Casino Victoria	58,746	7,235	-	65,981	17,549	3,236	300	21,085
Grand Villa Casino	118,233	59,826	-	178,059	55,553	8,835	308	64,696
Hard Rock Casino Vancouver	88,118	20,496	-	108,614	30,634	5,380	417	36,431
Hastings Racecourse	14,675	-	-	14,675	3,618	724	62	4,404
Lake City Casino Vernon	23,145	1,029	-	24,174	6,170	1,189	120	7,479
Parq Vancouver	52,776	54,947	-	107,723	37,036	5,348	305	42,689
Playtime Casino Kelowna	14,504	2,597	-	17,101	4,832	844	92	5,768
River Rock Casino Resort	111,097	63,021	-	174,118	54,790	8,670	446	63,906
Starlight Casino	70,430	29,270	-	99,700	30,049	4,930	262	35,241
Treasure Cove Casino	40,625	1,142	2,122	43,779	11,717	2,167	125	14,009
Total ⁶	\$904,344	\$271,315	\$2,733	\$1,178,392	\$343,694	\$58,314	\$3,525	\$405,533

³ Amounts paid under the 3 per cent Facility Development Commission (FDC), 2 per cent Accelerated Facility Development Commission (AFDC), and 5 per cent Facility Investment Commission (FIC) have been combined for fiscal year 2021/22. Service providers earn a 5 per cent FIC (based on net win from gambling) under the current OSA, which replaced the FDC and AFDC commission programs under the previous OSA. Only one facility operated under the previous OSA (Chances Cowichan) in fiscal year 2021/22.

⁴ Commission amounts reported represent revenue to the service providers and an expense to BCLC.

⁵ During fiscal year 2021/22, BCLC implemented several business initiatives to facilitate the successful reopening of gambling facilities. This included providing one-time advance commissions to eligible gambling facility service providers against future commissions. The financial impact of these initiatives is recorded as assets on BCLC's statement of financial position and have not been included in this report.

⁶ Total amounts cover period from July 1, 2021, to March 31, 2022. B.C. casinos and community gaming centres re-opened on July 1, 2021, following a 16-month closure as a public-health measure to slow the spread of COVID-19.

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

Fiscal 2021/22 (in thousands of Canadian dollars)

CGC or Bingo Hall	Slot Revenue	Bingo Revenue	Total Revenue	Operator Commission	FDC/AFDC/FIC Earned ⁷	Loyalty Program Commissions	Total Commission ⁸
Chances Abbotsford	\$18,518	\$-	\$18,518	\$4,525	\$905	\$55	\$5,485
Chances Castlegar	6,418	5	6,423	1,570	314	43	1,927
Chances Courtenay	14,620	-	14,620	3,598	720	64	4,382
Chances Cowichan	12,398	57	12,455	3,100	618	59	3,777
Chances Dawson Creek	4,689	1	4,690	1,158	232	16	1,406
Chances Casino Kamloops	13,648	283	13,931	3,578	687	48	4,313
Chances Maple Ridge	20,982	171	21,153	5,283	1,035	147	6,465
Chances Mission	8,581	141	8,722	2,244	429	19	2,692
Chances Playtime Campbell River	10,919	2	10,921	2,673	534	69	3,276
Chances Prince Rupert	8,425	39	8,464	2,120	419	22	2,561
Chances Salmon Arm	7,518	2	7,520	1,858	372	12	2,242
Chances Signal Point	8,407	120	8,527	2,177	420	21	2,618
Chances Squamish	4,089	22	4,111	1,017	200	10	1,227
Chances Casino Terrace	10,259	1	10,260	2,508	502	69	3,079
RimRock Casino	6,257	4	6,261	1,538	308	51	1,897
Planet Bingo	-	2,214	2,214	1,159	114	0	1,273
Total CGC & Commercial Bingo Halls	155,728	3,062	158,790	40,106	7,809	705	48,620
Paper Bingo Distribution Revenue	-	73	73	-	-	-	-
Total ⁹	\$155,728	\$3,135	\$158,863	\$40,106	\$7,809	\$705	\$48,620

⁷ Amounts paid under the 3 per cent Facility Development Commission (FDC), 2 per cent Accelerated Facility Development Commission (AFDC), and 5 per cent Facility Investment Commission (FIC) have been combined for fiscal year 2021/22. Service providers earn a 5 per cent FIC (based on net win from gambling) under the current OSA, which replaced the FDC and ADFC commission programs under the previous OSA. Only one facility operated under the previous OSA (Chances Cowichan) in fiscal year 2021/22.

⁸ The total commission amounts reported represent revenue to the service providers and an expense to BCLC. During fiscal year 2021/22, BCLC implemented several business initiatives to facilitate the successful reopening of gambling facilities, including providing one-time advance commissions to eligible gambling facility service providers against future commissions. The financial impact of these initiatives is recorded as assets on BCLC's statement of financial position and have not been included in this report.

⁹ Total amounts cover period from July 1, 2021, to March 31, 2022. B.C. casinos and community gaming centres re-opened on July 1, 2021, following a 16-month closure as a public-health measure to slow the spread of COVID-19.

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

Facility	Service Provider	Location
Billy Barker Casino	585 Holdings Ltd.	Quesnel
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 Gaming Corporation	Nanaimo
Casino of the Rockies	SEM Resort Limited Partnership	Ktunaxa Nation (Cranbrook)
Chances Abbotsford	Playtime Gaming Group Inc. (Gateway Casinos & Entertainment Limited)	Abbotsford
Chances Castlegar	Terrim Properties Ltd.	Castlegar
Chances Courtenay	Playtime Gaming Group Inc. (Gateway Casinos & Entertainment Limited)	Courtenay
Chances Cowichan	Duncan Dabber Bingo Society	Duncan
Chances Dawson Creek	Great Canadian Entertainment Centres Ltd.	Dawson Creek
Chances Casino Fort St John	0342293 B.C. Ltd. (Pomeroy Group)	Fort St John
Chances Casino Kamloops	Enterprise Entertainment Ltd. (Gateway Casino & Entertainment Limited)	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. (Gateway Casino & Entertainment Limited)	Campbell River
Chances Prince Rupert	0733244 BC Ltd. (West Coast Hospitality)	Prince Rupert
RimRock Casino	1015244 B.C. Ltd. (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. (Gateway Casinos & Entertainment Limited)	Williams Lake
Chances Squamish	Gateway Casinos & Entertainment Limited	Squamish
Chances Casino Terrace	Lucky Dollar Bingo Management Ltd. (Pomeroy Group)	Terrace
Elements Casino Chilliwack	Chilliwack Gaming Ltd. (Great Canadian Casinos Inc.)	Chilliwack
Elements Casino Surrey	Orangeville Raceway Limited (Great Canadian Casinos Inc.)	Surrey
Elements Casino Victoria	Great Canadian Casinos Inc.	View Royal
Grand Villa Casino	Gateway Casinos & Entertainment Limited	Burnaby
Hard Rock Casino Vancouver	Great Canadian Casinos Inc.	Coquitlam
Hastings Racecourse	Hastings Entertainment Inc. (Great Canadian Casinos Inc.)	Vancouver
Lake City Casino Vernon	Gateway Casinos & Entertainment Limited	Vernon
Parq Vancouver	Parq Vancouver ULC	Vancouver
Planet Bingo	Community Gaming Management Association	Vancouver
Playtime Casino Kelowna	Gateway Casinos & Entertainment Limited	Kelowna
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