

# First Nation Charitable Gaming

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**AGLC**

Alberta Gaming and  
Liquor Commission



# First Nation Gaming Policy

- In January 2001, the Government of Alberta formally introduced the First Nation Gaming Policy.
- According to the policy, First Nations casinos will be located on the reserve land, will be licensed and regulated by the Alberta Gaming and Liquor Commission and operate under the same terms and conditions as off-reserve casinos.
- Based on Alberta's unique charitable gaming model, the First Nations Gaming Policy provides First Nations means to support economic, social and community development.

# First Nation Gaming Policy

- The structuring of the First Nation Development Fund through the Alberta Lottery Fund allocates an additional 40% of net slot proceeds earned at First Nation casinos to support economic, social and community initiatives.
- The First Nations Chiefs determined that the allocation of the additional 40% would be divided 75% back to the host First Nation and 25% to all non-host First Nations.

# First Nation Gaming Policy

- First Nations receive two licenses for a casino to operate in Alberta:
  1. A Casino Facility Licence held by the First Nation entity operating the casino.
  2. A Charitable Casino Licence held by a host First Nation charity.
- The casino facility is licensed and must operate under the Casino Terms & Conditions and Operating Guidelines.
- The host First Nation charity must follow policies outlined in the Host First Nation Charitable Casino Policies Handbook.



# Application Process

- First Nations must submit an application to the AGLC for a new licensed casino facility.
- An eight step application process is followed pursuant to section 14 of the Casino Terms & Conditions and Operating Guidelines.
- Currently there is one First Nation in step 6 of the application process. There submission is currently being updated to ensure that the original proposal is still financially viable.



# AGLC Board Deferral on New Applications

- At a meeting of the AGLC Board on September 11, 2008 the Board made a decision to defer consideration of all new applications for casino facility (Traditional and First Nation) and racing entertainment licence(s) until a social and economical market review can be conducted on the current gaming landscape and the results are provided to the Board.

# River Cree Resort & Casino



# River Cree Resort & Casino

- Located in Enoch, Alberta (outside of Edmonton)
- Opened on October 26, 2006

<b>Facility</b>	<b># of Slot Machines</b>	<b># of Table Games</b>	<b># of Poker Tables</b>	<b>Square Footage</b>
River Cree Resort & Casino	900	40	18	83,911

# Casino Dene



# Casino Dene

- Located in Cold Lake, Alberta
- Opened on September 27, 2007

<b>Facility</b>	<b># of Slot Machines</b>	<b># of Table Games</b>	<b># of Poker Tables</b>	<b>Square Footage</b>
Casino Dene	158	10	4	25,116

# Grey Eagle Casino



# Grey Eagle Casino

- Located in Tsuu T'ina, Alberta (Outside of Calgary)
- Opened on December 21, 2007

<b>Facility</b>	<b># of Slot Machines</b>	<b># of Table Games</b>	<b># of Poker Tables</b>	<b>Square Footage</b>
Grey Eagle Casino	606	50	15	62,938

# Eagle River Casino & Travel Plaza



# Eagle River Casino & Travel Plaza

- Opened by the Alexis Nakota Sioux First Nation
- Located in Whitecourt, Alberta
- Opened on January 31, 2008

<b>Facility</b>	<b># of Slot Machines</b>	<b># of Table Games</b>	<b># of Poker Tables</b>	<b>Square Footage</b>
Eagle River	250	8	3	24,897

# Stoney Nakoda Resort



# Stoney Nakoda Resort

- Owned by the Stoney Nakoda First Nation
- Located in Morely, Alberta
- Opened on June 10, 2008

<b>Facility</b>	<b># of Slot Machines</b>	<b># of Table Games</b>	<b># of Poker Tables</b>	<b>Square Footage</b>
Mini Thni Casino	299	14	3	46,345



# First Nation Charitable Model

**Host First Nation  
Three Distinct  
Sources of Revenue  
With Different  
Restrictions**

**Facility Licensee  
Facility Fee & 15% (slot)  
Commission  
Unrestricted**

**Charity Event Licensee  
Net Table Game  
Proceeds & 15% (slot)  
Commission  
Restricted uses per  
CC, GLA, GLR  
& AGLC Policies**

**First Nation  
Development Fund  
Grant Program  
30% Net Slot  
Revenue**

# 2008/2009 Proceeds

First Nation	Charitable Gaming Proceeds			Total
	Table	Slot	FNDF Grants	
Total Host First Nations	16,634,299	38,203,110	76,326,148	131,163,556
Non-Host First Nations	-	-	25,207,858	25,207,858
<b>Total</b>	<b>16,634,299</b>	<b>38,203,110</b>	<b>101,534,006</b>	<b>156,371,414</b>

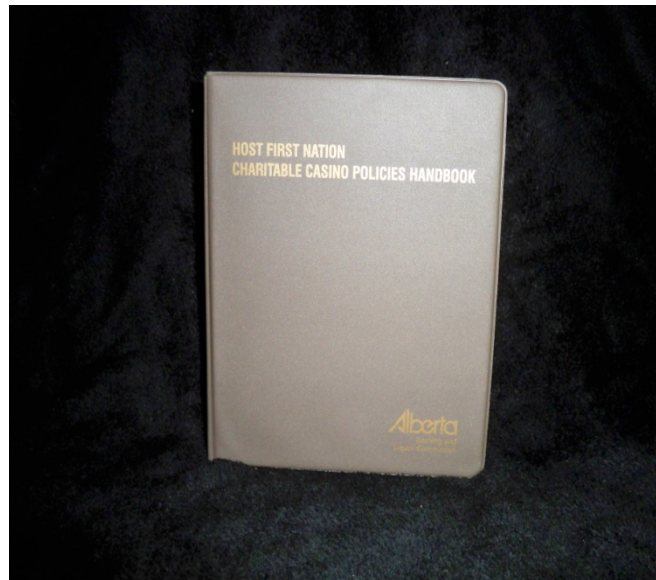
# Eligibility for a Casino Licence

A First Nations Charity is eligible for a Casino Licence:

- If the charitable or religious group is structured in a manner acceptable to the AGLC;
- Delivers or supports programs and services that provide benefit to the First Nations Community and;
- Proposes to direct charitable gaming proceeds realized from the casino event to charitable or religious purposes in the community.

# Development of Handbook

- In 2006 the AGLC and the host First Nations jointly developed the Host First Nation Charitable Casino Policies Handbook.



# Use of Proceeds

- Proceeds must only be used for AGLC approved purposes or objects which are essential to the delivery of the licensed charity's or sub-charities' charitable or religious programs.
- Proceeds must not solely provide benefits to specific or select members of the licensed charity.



# Use of Proceeds

- Proceeds are to be used to supplement, and should not replace existing government funding for Host First Nations programs and services.
- The licensed charity is accountable to the AGLC for all proceeds, including the proceeds distributed to sub-charities.

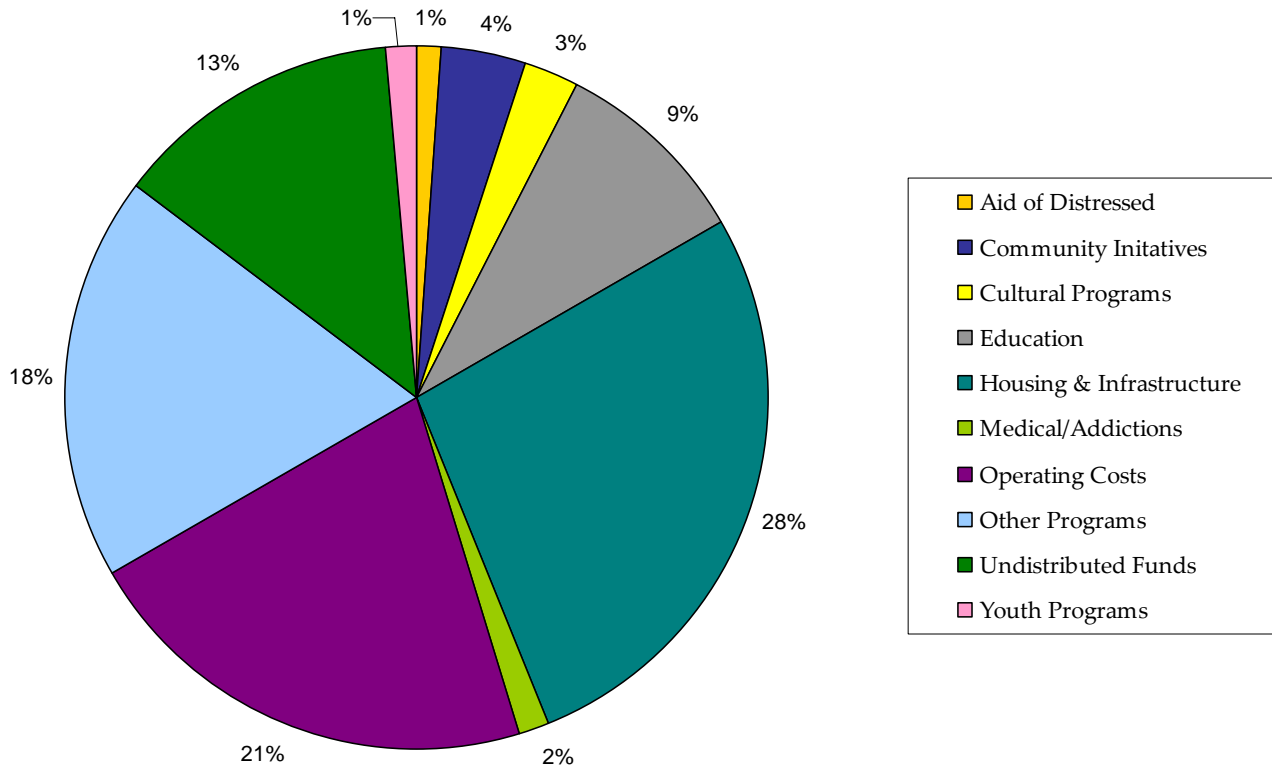
# Ineligible Uses of Proceeds

- Start up casino facility and land costs
- Acquiring businesses to create revenue
- Fund treaty research
- Support lobby and political issues
- Per capita distributions to band members



# Host First Nation Use of Charitable Casino Proceeds

Approximately \$93 Million Received at March 31, 2009



# Audit Procedures

- Review of bank transactions through on-line access to all gaming bank accounts.
- Compliance audits on the receipt and disbursement of gaming proceeds on approved uses.
- Interim compliance audits to verify disbursement of gaming proceeds on a particular program.
- Payroll audits.
- Testing of operational procedures and internal controls.

# Documentation Required for Audit

- All gaming bank account statements and cancelled cheques
- All original invoices and payroll records supporting all gaming fund expenditures
- Loan agreements and contracts
- Applicant selection process for determining the recipients of addictions treatment and housing
- Job costing records, budgets, before and after pictures, inspection reports and list of contractors for all housing projects
- Project goals and objectives, achievements and outcomes



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