

Operational Highlights

- Casino Nova Scotia promotions comprised of Beat the Boss, Spring into Summer, Money Mountain and a VIP slot tournament. Entertainment included Matt Minglewood and Theory of a Deadman.
- Nova Scotia had a \$2.5 million Scratch'N Win "Multi-Millionaire" ticket winner and a \$1.0 million Lotto 6/49 winner.
- New Scratch'N Win tickets "Casino", "Word Maze" and "Fortune" were launched.
- A trial with new VLTs began in advance of regular replacement of outdated equipment. Two new games "Bigger City 5's" and "Viracocha" were launched.
- Casino Nova Scotia launched a lobster dinner at the Halifax casino and brought back the lobster tail and prime rib buffet at the Sydney casino.

Community Highlights

- *Support4Sport* provided \$1.0 million in dedicated profits for amateur sports in Nova Scotia and was the title sponsor for the *Support4Sport* awards on May 26.
- *Support4Culture* provided \$0.4 million for initiatives such as the Gaelic College Foundation and sponsored the East Coast Music Awards.
- The Responsible Gambling Resource Centres in the casinos distributed nearly 800 pieces of responsible gambling information to patrons.
- NSGC supported eight Monte Carlo nights as part of the *Support4Communities* Casino Nights program, helping raise more than \$60,000 for organizations in those host communities.

For more information visit: www.gamingns.ca



\$35.7 million was paid to the Province in the first quarter.

This is \$1.1 million lower than the same quarter last year primarily due to the timing of contributions to community programs.

Overall, revenue from gaming is higher than the same quarter last year due to increased ticket lottery sales from new games and more frequent high dollar jackpots.

Contributions and expenditures for responsible gambling and prevention programming initiatives totalled \$2.1 million.

Consolidated Statement of Financial Position

As at June 30, 2018 (unaudited) (in thousands)

	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 12,058	\$ 8,611
Cash – restricted	5,240	5,015
Trade and other receivables	2,062	2,030
Prepaid expenses	5,360	6,997
Inventories	<u>2,093</u>	<u>2,936</u>
	<u>26,813</u>	<u>25,589</u>
Non-current assets		
Property, plant and equipment	74,043	77,760
Cash – casino capital replacement reserve	6,629	10,779
Disputed HST assessments	63,557	55,550
Investment in Atlantic Lottery Corporation	16,746	11,340
Investment in Interprovincial Lottery Corporation	<u>1</u>	<u>1</u>
	<u>160,976</u>	<u>155,430</u>
	<u>\$ 187,789</u>	<u>\$ 181,019</u>
LIABILITIES and EQUITY		
Current liabilities		
Bank indebtedness	\$ 1,445	\$ 98
Trade and other payables	20,958	21,310
Deferred revenue	592	805
Liabilities for unclaimed prizes	5,240	5,015
Due to Atlantic Gaming Equipment Limited	6,970	1,714
Other liabilities	1,282	1,038
Due to Province of Nova Scotia	<u>109,362</u>	<u>102,428</u>
	<u>145,849</u>	<u>132,408</u>
Non-current liabilities		
Due to Atlantic Gaming Equipment Limited	10,632	22,559
Other long term liabilities - asset retirement obligation	<u>253</u>	<u>255</u>
	<u>10,885</u>	<u>22,814</u>
EQUITY		
Casino capital replacement reserve	17,892	17,258
Retained earnings	<u>13,163</u>	<u>8,539</u>
	<u>31,055</u>	<u>25,797</u>
	<u>\$ 187,789</u>	<u>\$ 181,019</u>

DID YOU
KNOW?

Nova Scotia Gaming Corporation is the Crown Corporation responsible for managing the business of gaming in the province. We help make Nova Scotia a better place by returning 100% of the profits to government programs and good causes that are important to Nova Scotians.

Consolidated Statement of Net and Comprehensive Income

For the first quarter ended June 30, 2018 (unaudited) (in thousands)



	2018						2017					
	Casinos	Ticket Lottery	Video Lottery	RG	Other	1st Quarter and Year to date	Casinos	Ticket Lottery	Video Lottery	RG	Other	1st Quarter and Year to date
Revenues	\$ 21,510	\$ 61,194	\$ 33,785	\$ -	\$ -	\$ 116,489	\$ 21,162	\$ 53,700	\$ 35,232	\$ -	\$ -	\$ 110,094
Expenses	17,757	47,950	12,908	200	709	79,524	17,426	41,842	13,125	185	2,490	75,068
Net profit	3,753	13,244	20,877	(200)	(709)	36,965	3,736	11,858	22,107	(185)	(2,490)	35,026
Contributions	-	-	-	(1,861)	(3,306)	(5,167)	-	-	-	(569)	(1,505)	(2,074)
Net Income	3,753	13,244	20,877	(2,061)	(4,015)	31,798	3,736	11,858	22,107	(754)	(3,995)	32,952
Win Tax	3,859	-	-	-	-	3,859	3,808	-	-	-	-	3,808
Payment to Province	\$ 7,612	\$ 13,244	\$ 20,877	\$ (2,061)	\$ (4,015)	\$ 35,657	\$ 7,544	\$ 11,858	\$ 22,107	\$ (754)	\$ (3,995)	\$ 36,760

Consolidated Statement of Changes in Equity

For the first quarter ended June 30, 2018
(unaudited) (in thousands)

	2018	2017
	First Quarter & Year to date	First Quarter & Year to date
Casino Capital Replacement Reserve		
Casino capital replacement reserve balance, beginning of period	\$ 16,723	\$ 15,975
Change in reserve	1,169	1,283
Casino capital replacement reserve, end of period	17,892	17,258
Retained Earnings		
Retained earnings balance, beginning of period	11,970	7,346
Net and comprehensive income	35,657	36,760
Change in investment in Atlantic Lottery Corporation Inc.	1,193	1,193
Payment to province	(35,657)	(36,760)
Retained earnings balance, end of period	13,163	8,539
Equity, end of period	\$ 31,055	\$ 25,797

Consolidated Statement of Cash Flows

For the first quarter ended June 30, 2018 (unaudited) (in thousands)

	<u>2018</u>	<u>2017</u>
Operating		
Net and comprehensive income	\$ 35,657	\$ 36,760
Allocation of income to Province	(35,657)	(36,760)
Depreciation	2,193	2,178
Loss on disposal of capital assets	24	-
Net transfers of property, plant and equipment	18	22
Net changes in non-cash working capital	<u>4,311</u>	<u>(1,354)</u>
	<u>6,546</u>	<u>846</u>
Financing		
Decrease in obligation to Atlantic Gaming Equipment Limited	<u>(1,744)</u>	<u>(1,437)</u>
	<u>(1,744)</u>	<u>(1,437)</u>
Investing		
Purchases of capital assets, net additions	(614)	(761)
Change in investment of Atlantic Lottery Corporation	(1,563)	245
Increase in Casino Capital Replacement Reserve, net of cash	<u>1,062</u>	<u>1,052</u>
	<u>(1,115)</u>	<u>536</u>
Net increase/(decrease) in cash & cash equivalents	3,687	(55)
Cash & cash equivalents, beginning of quarter	<u>6,926</u>	<u>8,568</u>
Cash & cash equivalents, end of quarter	<u>\$ 10,613</u>	<u>\$ 8,513</u>

**DID YOU
KNOW?**

Proceeds from the sale of designated lottery products fund the *Support4Sport* program. *Support4Sport* is the largest source of funding for amateur sports in the province and has helped raise over \$38 million since it was introduced in 2006.