

Operational Highlights

- Casino Nova Scotia held “Christmas in July” and “Racing for Riches” promotions. Entertainment included Thunder from Down Under, Steve Earle, Sebastian Bach and the Rouge Charity Gala.
- Nova Scotia had a \$2.5 million Scratch’N Win “Multi-Millionaire” ticket winner and a \$1.0 million Atlantic 49 winner.
- New Scratch’N Win tickets “\$7 Ruby 7’s”, “\$20 Supreme”, “\$5 Cash Series” and “\$10 Ultra” were launched.
- New video lottery games “Miss Kitty” and “Sun and Moon” were launched.
- There were six Lotto Max \$50+ million plus MAXMILLION draws and nine Lotto 6/49 jackpots over \$20 million.

Community Highlights

- *Support4Sport* provided \$1.0 million in dedicated profits for amateur sports in Nova Scotia and sponsored the 2018 Special Olympics Summer Games Friends & Family event, which celebrated those who support the athletes.
- *Support4Culture* provided \$0.9 million for initiatives including the PanAm Canoe Championships at Lake Banook in Dartmouth and the Association of Nova Scotia Museums conference.
- The Responsible Gambling Resource Centres in the casinos distributed nearly 800 pieces of responsible gambling information to patrons.
- NSGC supported three Monte Carlo nights as part of the *Support4Communities* Casino Nights program, helping raise more than \$30,000 for organizations in those host communities.

For more information visit: www.gamingns.ca



\$37.8 million was paid to the Province in the second quarter.

This is \$0.5 million higher 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 more frequent high-dollar jackpots and new games.

Contributions and expenditures for responsible gambling and prevention programming initiatives totalled \$1.3 million.

Consolidated Statement of Financial Position

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

	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 17,715	\$ 12,633
Cash – restricted	5,919	4,945
Trade and other receivables	1,832	2,104
Prepaid expenses	4,676	5,130
Inventories	<u>2,422</u>	<u>2,424</u>
	<u>32,564</u>	<u>27,236</u>
Non-current assets		
Property, plant and equipment	73,143	79,063
Cash – casino capital replacement reserve	6,762	8,954
Disputed HST assessments	65,570	57,595
Investment in Atlantic Lottery Corporation	16,816	12,099
Investment in Interprovincial Lottery Corporation	<u>1</u>	<u>1</u>
	<u>162,292</u>	<u>157,712</u>
	<u>\$ 194,856</u>	<u>\$ 184,948</u>
LIABILITIES and EQUITY		
Current liabilities		
Bank indebtedness	\$ 98	\$ 118
Trade and other payables	26,895	22,983
Deferred revenue	575	638
Liabilities for unclaimed prizes	5,919	4,945
Due to Atlantic Gaming Equipment Limited	6,970	3,434
Other liabilities	1,417	1,175
Due to Province of Nova Scotia	<u>110,232</u>	<u>103,766</u>
	<u>152,106</u>	<u>137,059</u>
Non-current liabilities		
Due to Atlantic Gaming Equipment Limited	8,924	19,203
Other long term liabilities - asset retirement obligation	<u>252</u>	<u>255</u>
	<u>9,176</u>	<u>19,458</u>
EQUITY		
Casino capital replacement reserve	19,218	18,700
Retained earnings	<u>14,356</u>	<u>9,731</u>
	<u>33,574</u>	<u>28,431</u>
	<u>\$ 194,856</u>	<u>\$ 184,948</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 second quarter ended September 30, 2018 (unaudited) (in thousands)



	2018							2017						
	Casinos	Ticket Lottery	Video Lottery	RG	Other	2nd Quarter	Year to date	Casinos	Ticket Lottery	Video Lottery	RG	Other	2nd Quarter	Year to date
Revenues	\$ 24,216	\$ 57,876	\$ 32,671	\$ -	\$ -	\$ 114,763	\$ 231,251	\$ 23,614	\$ 51,633	\$ 34,601	\$ -	\$ -	\$ 109,848	\$ 219,942
Expenses	19,994	45,724	11,384	183	911	78,196	157,719	19,579	40,710	11,511	219	825	72,844	147,912
Net Profit	4,222	12,152	21,287	(183)	(911)	36,567	73,532	4,035	10,923	23,090	(219)	(825)	37,004	72,030
Contributions	-	-	-	(1,132)	(2,012)	(3,144)	(8,312)	-	-	-	(448)	(3,517)	(3,965)	(6,039)
Net Income	4,222	12,152	21,287	(1,315)	(2,923)	33,423	65,220	4,035	10,923	23,090	(667)	(4,342)	33,039	65,991
Win Tax	4,334	-	-	-	-	4,334	8,194	4,263	-	-	-	-	4,263	8,071
Payment to Province	\$ 8,556	\$ 12,152	\$ 21,287	\$ (1,315)	\$ (2,923)	\$ 37,757	\$ 73,414	\$ 8,298	\$ 10,923	\$ 23,090	\$ (667)	\$ (4,342)	\$ 37,302	\$ 74,062

Consolidated Statement of Changes in Equity

For the second quarter ended September 30, 2018
(unaudited) (in thousands)

	2018		2017	
	2nd Quarter	Year to date	2nd Quarter	Year to date
Casino Capital Replacement Reserve				
Casino Capital Replacement Reserve, beginning of period	\$ 17,892	\$ 16,723	\$ 17,258	\$ 15,975
Change in reserve	1,326	2,495	1,442	2,725
Casino Capital Replacement Reserve, end of period	19,218	19,218	18,700	18,700
Retained Earnings				
Retained earnings, beginning of period	13,163	11,970	8,539	7,346
Net and comprehensive income	37,757	73,414	37,302	74,062
Change in investment in Atlantic Lottery Corporation	1,193	2,386	1,192	2,385
Payment to Province	(37,757)	(73,414)	(37,302)	(74,062)
Retained earnings, end of period	14,356	14,356	9,731	9,731
Equity, end of period	\$ 33,574	\$ 33,574	\$ 28,431	\$ 28,431

Consolidated Statement of Cash Flows

For the second quarter ended September 30, 2018 (unaudited) (in thousands)

	<u>2018</u>	<u>2017</u>
Operating		
Net and comprehensive income	\$ 37,757	\$ 37,302
Allocation of income to Province	(37,757)	(37,302)
Depreciation	2,157	2,194
Loss on disposal of capital assets	10	-
Net transfers of property, plant and equipment	165	(95)
Net changes in non-cash working capital	<u>5,497</u>	<u>3,241</u>
	<u>7,829</u>	<u>5,340</u>
Financing		
Decrease in obligation to Atlantic Gaming Equipment Limited	<u>(1,709)</u>	<u>(1,636)</u>
	<u>(1,709)</u>	<u>(1,636)</u>
Investing		
Purchases of capital assets, net additions	(1,432)	(3,402)
Change in investment of Atlantic Lottery Corporation	1,123	433
Increase in Casino Capital Replacement Reserve, net of cash	<u>1,193</u>	<u>3,267</u>
	<u>884</u>	<u>298</u>
Net increase in cash & cash equivalents	7,004	4,002
Cash & cash equivalents, beginning of quarter	<u>10,613</u>	<u>8,513</u>
Cash & cash equivalents, end of quarter	<u>\$ 17,617</u>	<u>\$ 12,515</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.