



2007-2008 Annual Report

## STRATEGIC PLAN

### MISSION:

To provide excellence in licensing and regulatory services for charitable gaming on designated First Nations while advocating for socially responsible gaming.

### CORE VALUES:

Accountability  
Teamwork  
Respect  
Integrity  
Professionalism

### VISION:

“Regulate the Future to Preserve the Past”

Building the regulatory foundation for First Nations Gaming through a credible, ethical and fair model that ensures mutual success in cooperation with our partners.

## CORE STRATEGIES:

### Communication

Promote the organization, services and employees to our stakeholders.

### Regulatory Model

Maintain a sustainable, suitable model for the First Nations, establishing the standard for other organizations.

### Organizational Capacity

Build and maintain capacity to license and regulate.

### Partnerships

Maintain mutually beneficial partnerships.

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## MESSAGE FROM THE CHAIRMAN

On behalf of the Indigenous Gaming Regulators (IGR) Board of Directors, I present the 2007/2008 Annual Report. The board is very pleased with the progress IGR has made over the past year. We are very proud of IGR's status as the premier First Nations regulator in Canada.

As the Board chair, I continue to report to the Chiefs-in-Assembly and receive input on the direction of IGR. There has been a favourable response to having our own First Nations regulator out in the communities working with First Nations charities.

The IGR Board of Directors meets regularly to ensure that IGR policies meet the needs of First Nations while complying with all pertinent legislation and agreements. Many of our First Nations have chosen to license their charities and I applaud them for their good judgment.

IGR management and staff have made all possible efforts towards ensuring that First Nations citizens are informed and actively involved in the regulation of charitable gaming. It is essential that this trend continues and that our First Nations Inherent Rights and Treaty Rights are maintained as IGR evolves as a First Nations institution.



CHIEF LAWRENCE JOSEPH

## BOARD OF DIRECTORS



Chief Dennis Dustyhorn



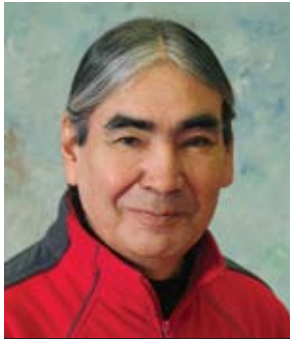
Chief Dwayne Paul



Councillor Everett Standingready



Chief Garry Standing



Chief Guy Lariviere



Chief Irvin Starblanket



Chief Larry Ahenakew



Chief Lawrence Joseph



Tribal Chief Gilbert Panipekeesick



Chief Sarah Gopher



Councillor Tom Bear



Jeff Ahenakew



Senator George Peeace



## MESSAGE FROM THE PRESIDENT AND CEO

On behalf of management and staff at IGR, greetings! I am happy to report that the fiscal year 2007/2008 was one of tremendous growth and progress. We have successfully completed our first year of operations and received a favourable operational assessment.

As the on-reserve regulator of charitable gaming in Saskatchewan, IGR continues to evolve. The Board of Directors has provided guidance and support for all aspects of our operations. You will note that we have once again received a favourable audit.

IGR now has Band Council Resolutions from 70 First Nations designating us as their regulator. That translates into 96 percent of First Nations with charitable gaming on their lands making IGR their regulator of choice. IGR staff members continue to consult with First Nations leaders and those involved with charitable gaming on-reserve to ensure that we meet the needs of the communities.

There were 91 licences issued by IGR in 2007/2008. This is an immense accomplishment for our first year of operations. It is due to hard work and dedication of the staff, as well as the vision of First Nations leaders. I am confident that this number will continue to grow and that our communities will continue to benefit from charitable gaming.

IGR Management has ensured that all obligations arising from our contractual relationships, and duties arising from First Nations and other legislation have been met. The IGR Compliance Department has worked diligently to ensure standards of excellence are maintained for all types of on-reserve charitable gaming.

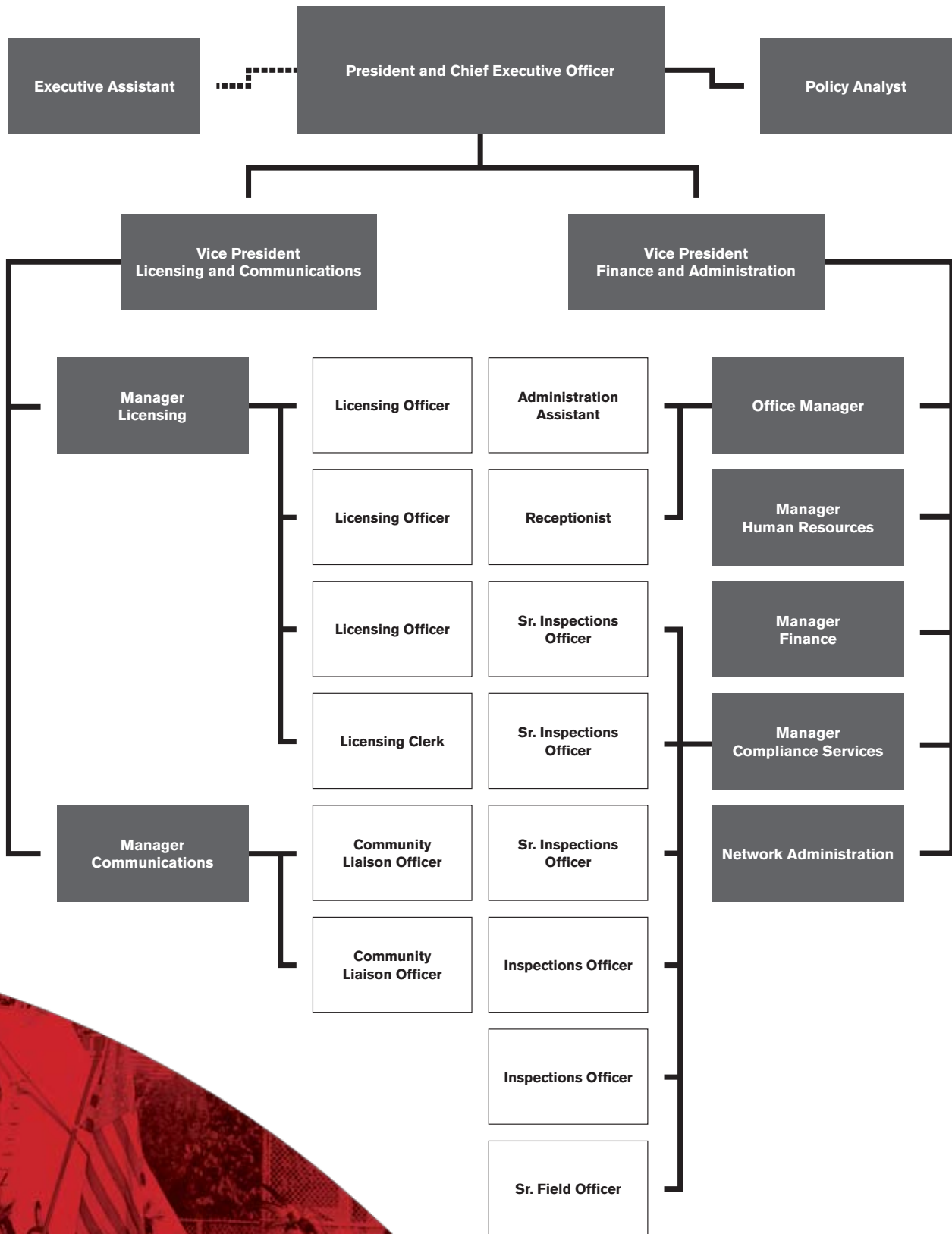
I am proud of the role IGR has played in regulating First Nations charitable gaming and look forward to the continued enhancement of our capacity in the coming years.



GREGORY AHENAKEW



# ORGANIZATIONAL CHART



## INDIGENOUS GAMING REGULATORS INC. (IGR) COMMITTEES

### **Board of Directors – Human Resources**

#### **Sub-committee:**

Mandate – The sub-committee's duties are to hire IGR's senior management team, comprised of the president and CEO and the vice presidents, and to prepare the annual performance evaluation of the president and CEO.

Composition – The sub-committee consists of a minimum of three board members and maximum of six board members.

### **Board of Directors – Budget Review Sub-Committee:**

Mandate – The sub-committee is responsible for the assessment and determination of the annual operating and capital budget requirements, for the purpose of recommending an appropriate budget to the Budget Review Committee.

Composition – The sub-committee consists of a minimum of three board members to a maximum of four board members.

### **Budget Review Committee:**

Mandate – As per the Saskatchewan Indian Gaming Licensing (SIGL) Regulatory Agreement Article 6, the committee's duties are to review and approve/disapprove, prior to the beginning of each fiscal year, IGR's proposed operating budget, and to review and approve/disapprove any amendments that may be made throughout the course of each fiscal year. The committee has the sole and exclusive authority to approve IGR's operating budget and any amendments.

Composition – The committee consists of two representatives appointed by the Saskatchewan Liquor and Gaming Authority (SLGA), two representatives appointed by IGR, and one independent representative as selected by IGR and SLGA, who acts as the chairperson of the committee.

### **Standing Committee:**

Mandate – As per the Licensing Agreement, Article 14, the committee's duties are to facilitate and co-ordinate communications between the Parties with respect to charitable gaming.

Composition – The committee consists of two representatives appointed by SLGA and two representatives appointed by IGR (currently Vice President Licensing and Communications and Vice President Finance and Administration).

### **Senior Management Human Resources Committee:**

Mandate – The committee's duties are to review and recommend all salary increases and to review complaints and recommend a course of action.

Composition – The committee consists of President and CEO, Vice President Finance and Administration, Vice President Licensing and Communications, and Manager Human Resources.

### **Regulatory Audit & Inspection Committee:**

Mandate – The committee's duties are to review and approve/disapprove the Annual Audit & Inspection Plan and Annual Audit & Inspection Report.

Composition – The committee consists of President and CEO, Vice President Finance and Administration, Vice President Licensing and Communications, and Manager Communications.

### **Contract Selection Committee:**

Mandate – The committee's duties are to review and approve/disapprove all contracts over \$10,000 but less than \$20,000 (board approval).

Composition – The Committee consists of President and CEO, Vice President Finance and Administration, and the appropriate department head.

### **Policy and Procedure Committee:**

Mandate – The committee's duties are to review all policy and procedures, both new and revised, prior to submission to the management team for approval.

Composition – The committee consists of Manager Human Resources, Vice President Finance and Administration, Manager Compliance Services and the department head initiating the policy.



## About Bingo

The game's history can be traced back to 1530, to an Italian lottery called "Lo Giuoco del Lotto D'Italia," which is still played every Saturday in Italy.

The game was introduced to France in the late 1770s, where it was called "Le Lotto". The Germans also played a version of the game in the 1800s.

When the game reached North America in 1929, it became known as "beano".

Edwin S. Lowe renamed it "bingo" after he overheard someone accidentally yell "bingo" instead of "beano". He hired a Columbia University math professor, Carl Leffler, to help him increase the number of combinations in bingo cards. By 1930, Leffler had invented 6,000 different bingo cards.

A Catholic priest from Pennsylvania approached Lowe about using bingo to raise funds for the church. When bingo started being played in churches its popularity increased, today more than \$90 million dollars are spent on bingo each week in North America alone.

## FIRST NATIONS ADDICTIONS REHABILITATION FOUNDATION (FNARF)

IGR staff members occasionally receive and refer inquiries on problem gambling and/or gambling addiction to FNARF. In the early 1990's, gaming was envisioned by the First Nations leaders in Saskatchewan as one means of raising much needed revenue for the First Nation communities and the many worthwhile causes. In its evolution in this province, the gaming industry has indeed proven to be a highly successful entertainment business. Unfortunately, along with the success, come some negative impacts. With the expansion of the gaming industry, we have also seen an

increase in gambling addiction. Throughout the development of gaming, it was recognized that addictions may become a problem, hence, the Gaming Framework Agreement makes provision for a certain amount of gaming revenue to be set aside specifically to address problem gambling. These resources are directed to FNARF and affiliates to do the important work of addressing problem gambling. Social responsibility is indeed a high priority, as is a successful gaming industry.

## LICENSING DEPARTMENT

The primary goal of IGR's Licensing Department is to ensure the integrity of on-reserve charitable gaming. Operational policies and procedures for the licensing department are in place to ensure the integrity of licensed charitable gaming including Bingos, Breakopens, Raffles, Texas Hold'em Poker Tournaments, Monte Carlo events and SIGA Table Games. In the last fiscal year, IGR achieved this goal through a process that included a thorough review of eligibility criteria, operations, prizes and use of proceeds, as submitted by the applicants.

The department responded to requests for assistance and information sharing from on-reserve leadership and charities by providing charitable gaming workshops. The information sharing, education and training workshops assisted other IGR departments and other stakeholders in understanding the department's roles and responsibilities.

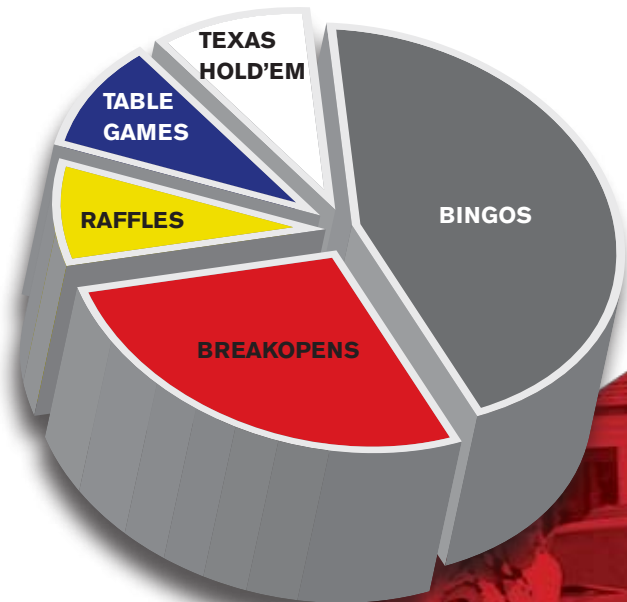
The Licensing Department continually reviewed and developed licensing policies and procedures to improve workflow, ensuring that the organization promoted high standards of client service. Charitable and religious groups are eligible for gaming event licences. Financial reporting procedures are in place to ensure that gaming event revenues are reported accurately and that proceeds are used for eligible causes.

Charitable gaming financial reports were prepared by each group and provided to IGR as required by the Terms and Conditions of each licence. The Charitable Gaming Licensing System (CGLS) improved the efficiency within the department. Amongst other things, the system tracked proposed and actual budget data, and the expected and actual report completion dates, to ensure that follow-up could occur in a timely manner.

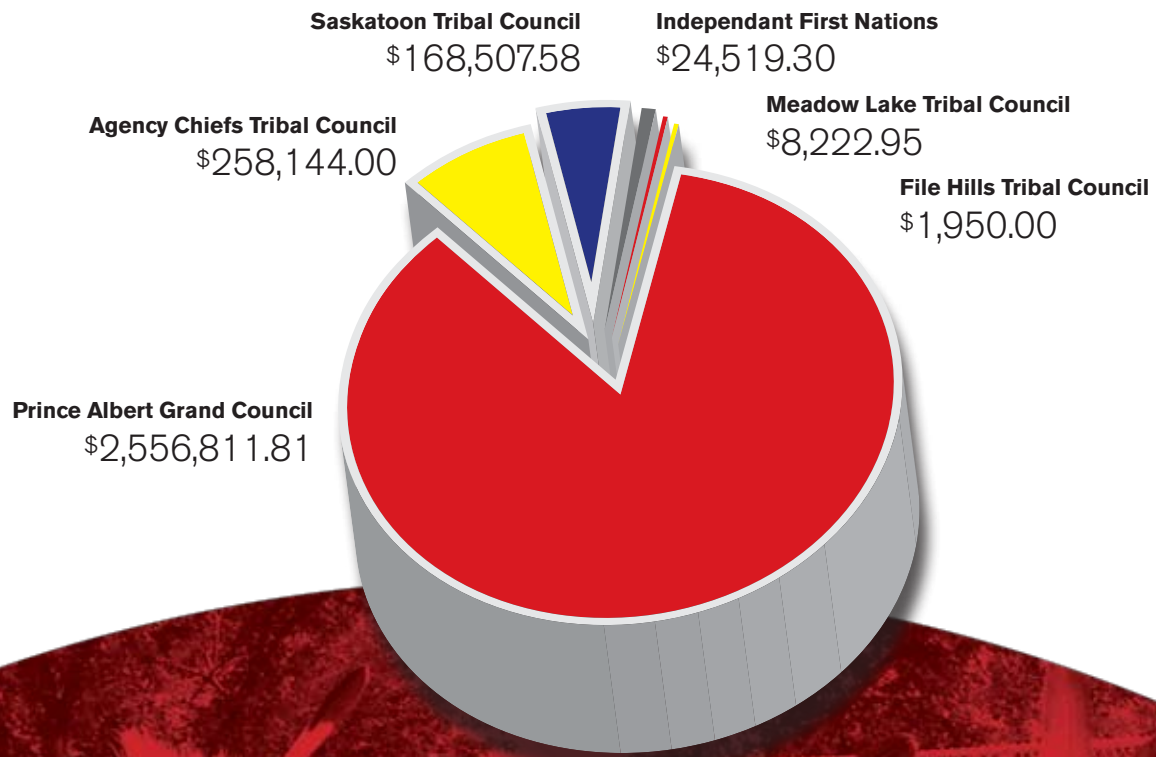
The Licensing Department is responsible for monitoring the reporting process relating to charities receiving grants from the provincial government. These grants are equal to 25% of the net proceeds of the charities. In this fiscal year, the Licensing Department reported on-reserve charitable gaming revenues entitling on-reserve charities to grants of approximately \$181,969.00.

## Gaming Revenue – As of March 31, 2008

Licence Type		Licence Type	
Bingo	40	Class "A" Bingo	2
Breakopen	25	Class "B" Bingo	18
Raffle	8	Class "C" Bingo	20
Texas Hold'em	9	Breakopen Class "A"	10
Monte Carlo	0	General Breakopen	15
Table Games	9	Raffle	8
		Texas Hold'em	9
		Monte Carlo	0
		Table Games	9
<b>Total</b>	<b>91</b>	<b>Total</b>	<b>91</b>



**Gaming Revenue** – As of March 31, 2008



**About Breakopen tickets**

Breakopen tickets are a fairly recent addition to instant-win lottery tickets. They are commonly known as pull-tab or nevada tickets. This very popular form of charitable gaming is physically made of two layers of secured, light cardboard paper that are separated by opening pull-tabs to reveal a prize. Breakopens can be found and bought at various fundraising venues as they are a very mobile form of charitable gaming. It is important to note that breakopens licensed for fundraising by IGR must be purchased from a recognized and registered gaming supplier.

## COMPLIANCE SERVICES DEPARTMENT

The Compliance Services Department is responsible for conducting inspections of charitable gaming activities on reserve. The purpose of these inspections is to ensure that all gaming activities are conducted in accordance with the terms and conditions of the licence. During the past year, IGR inspectors conducted 11 live charitable gaming inspections, including Bingo Hall operations, breakopen ticket sales, Texas Hold'em Poker tournaments, and Raffles.

In addition, this department conducts inspections of Table Games at all SIGA casinos located on reserve, in order to monitor compliance with the Table Games Terms and Conditions, rules of play, and employee procedures as outlined in the SIGA Live Games Manual. During the past year, IGR inspectors conducted a total of 257 casino inspections. These included live inspections and video reviews of table games employee procedures. The Compliance Services Department is also responsible for auditing licensee Charitable Gaming Grant Submissions on a quarterly basis. These audits are performed in order to ensure the accuracy and completeness of reported revenues and expenditures. During the past year, 55 audits were conducted.

A breakdown of the inspections and audits conducted by the Compliance Services Department in 2007-2008 is as follows:

### INSPECTIONS:

Casino	
Bear Claw Casino	47
Dakota Dunes Casino	64
Gold Eagle Casino	50
Northern Lights Casino	50
Painted Hand Casino	46
<b>Subtotal Casino Inspections</b>	<b>257</b>
Bingo	7
Raffle	1
Breakopen	2
Texas Hold'em	1
<b>Subtotal Charitable Gaming Inspections</b>	<b>11</b>
<b>TOTAL INSPECTIONS</b>	<b>268</b>

### AUDITS:

Charitable Gaming Grant Submissions	
Bingo	31
Raffle	1
Municipal Raffle	4
Breakopen	15
Texas Hold'em	4
<b>Subtotal Grant Submission Audits</b>	<b>55</b>
<b>TOTAL INSPECTIONS &amp; AUDITS</b>	<b>323</b>



### **About Monte Carlo Events**

Monte Carlo Events or Mock Casino Nights are charitable gaming events where a casino environment is created for fun and very low stakes to raise money for licensed charities. All participants receive a specific amount of fun money with their admission ticket. This can be used to play at the gaming tables either using the fun money or by exchanging the fun money for chips. Participants that lose their fun money may make additional purchases, increasing the amount of funds raised for the charity. Participants engage in various casino table games in an attempt to accumulate the largest amount of fun money. At the end of the evening participants can again trade their chips for fun money which can be used to bid at an auction on prize items that are generally donated to the charity. Charities sometimes use other methods (i.e. Chinese or Silent Auctions), to engage the participants in winning the prizes at the end of the event.

## GAMING IN CANADA

Gaming may be defined as an activity whose outcome is determined by chance as opposed to skill. In some cases, such as with sports-betting, winning is determined by a combination of the two, but the action of the bettor is based on chance.

The gaming industry in Canada has grown by leaps and bounds in the past few years. Gaming in the past was the hush-hush underground betting and card playing, bingos in church basements or raffles to support various community events. Due to public demand for gaming as entertainment, new technology and community need for charitable income, the industry has evolved and expanded beyond what anyone could have imagined. Governments have amended legislation in order to ensure fairness, social responsibility and consistency in the industry. The courts have interpreted legislation past and present to reflect societal needs and values.

Amendments were made to the Canadian *Criminal Code* (the "Code") in 1969 and 1985. The 1969 amendments created first exemptions making commercial gaming legal in Canada – first small-scale gambling on behalf of charities, then government-run lotteries. This was driven by a need for governments to raise funds for the 1976 Montreal Summer Olympics. After 1969, provincial governments lobbied for greater access to gaming revenues. In 1985, the Code was amended making provincial governments the providers and regulators of legal gaming in Canada.

### Casinos

Casinos are a source of entertainment in many locations across Canada. First Nations have been key players in casino development in Canada. Ontario, Saskatchewan, British Columbia, Alberta and Manitoba host First Nations casinos.

### Charitable Gaming

Charitable gaming has become more business-like due to formalization of regulations and fairness in interpreting eligibility and allowable use of proceeds. In 1999 the Supreme Court of Canada interpreted the old *English Statute of Elizabeth* and *Pemsel Case* tests in contemporary terms to be more responsive to community needs. Charitable gaming currently consists of Bingos,

Breakopens, Raffles, Monte Carlo Events and the very popular Texas Hold'em. These events provide community recreation and proceeds support many worthwhile community causes.

### Video Lottery Terminals ("VLTs")

VLTs are widely distributed throughout Canada. Most provinces allow them and/or include them in total allotment of machines for casinos. Profits from the machines are, for the most part, dedicated to enhancing programs and services.

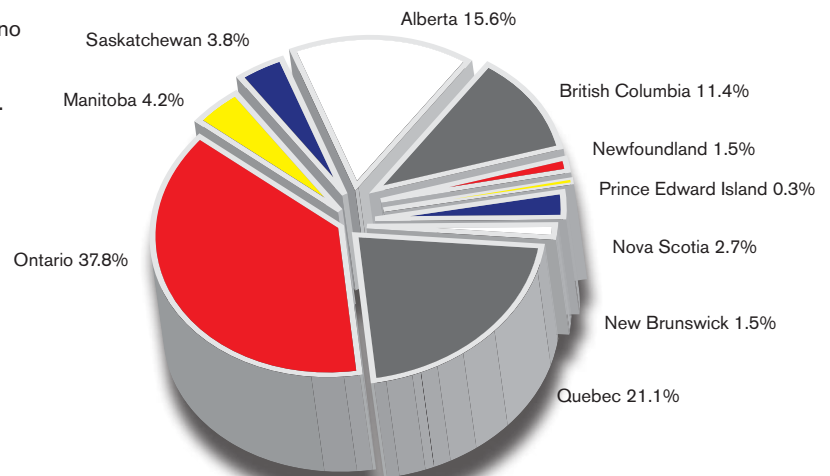
### Internet Gaming

This is a new area that many nations struggle with in terms of regulation. There is a growing trend towards regulation as opposed to prohibition. The main group involved in Internet Gaming in Canada is the Mohawks of Kahnawake, near Montreal, who claim offshore status. It is anticipated that this area will continue to evolve very quickly over the next few years.

### Conclusion

Today, more than 135,000 Canadians are directly employed in the gaming industry, making it the largest and most economically significant entertainment industry in the country. Factoring in the indirect and industry spin-off impacts of economic activity in this sector, the total number of full-time jobs supported by the gaming industry in Canada swells to more than 267,000. For 2006, this translated into more than \$11.6 billion in labour income, paid to employees in the form of wages, salaries, and supplementary income.

### Gaming Win by Province (2006)



Source: HLT Advisory Inc. based on various provincial government agency/corporation annual reports.

## COMMUNICATIONS DEPARTMENT

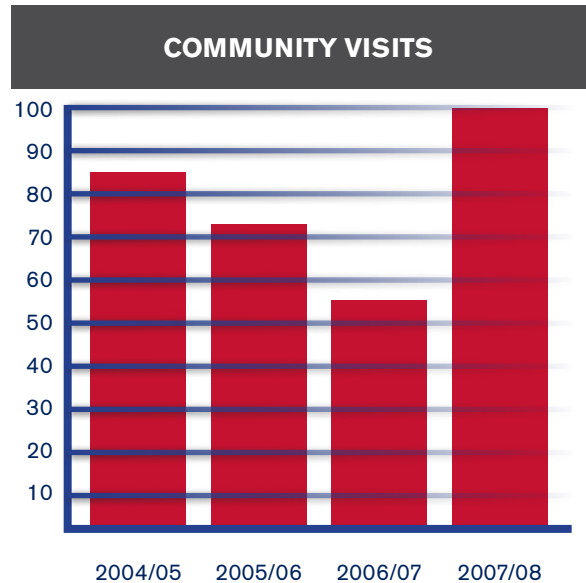
The Communications Department consists of a Manager and two permanent Community Liaison Officers. The department strives to keep the First Nations community and other stakeholders abreast of all developments around charitable gaming on-reserve and ensure that IGR maintains a high corporate profile.

The Communications Department conducts informational and consultative workshops for First Nations governments, as well as on-reserve charities. Workshops may include information on what IGR is all about, legalities around charitable gaming, how to apply for charitable gaming licences or how IGR can benefit on-reserve charities and communities.

In the fiscal year 2007, the Communications Department made 100 community visits to conduct workshops and attended six trade shows to provide information to the countless numbers of volunteers who operate charitable gaming on-reserve.

The Communications Department publishes the *Gaming Rules Newsletter* and distributes it to First Nations communities and institutions to ensure constant and effective communication of charitable gaming issues as they arise. The newsletter is an effective Public Relations tool that profiles communities and people. In the fiscal year 2007, the newsletter was published 10 times.

Various advertising tools are designed, printed and distributed widely to reach a large segment of First Nations leaders, communities and stakeholders, as well as on-reserve charitable gaming volunteers and beneficiaries of charitable gaming. New posters, radio advertising and news releases were developed and distributed out of the department in 2007.



### About Raffles

While the origin of the raffle is unknown, it is believed to have evolved from other forms of gambling such as the Italian parlor game of "lotto" or from "kino" which is a popular lottery originating from New Orleans in the 1840's. During the Great Depression, raffles became a popular form of gambling for social organizations. Raffles remain among the most popular and widely recognized charitable gaming activities across the world. This form of charitable gaming has always been subject to regulation to ensure fairness and to ensure the benefits for benefit to the purchaser as well as the charity.

**INDIGENOUS GAMING  
REGULATORS INC.**

***FINANCIAL STATEMENTS***

***March 31, 2008***

## AUDITORS' REPORT

### TO THE MEMBERS OF INDIGENOUS GAMING REGULATORS INC.

We have audited the balance sheet of Indigenous Gaming Regulators Inc. as at March 31, 2008 and the statements of operations and members' equity and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



**Chartered Accountants**

May 15, 2008

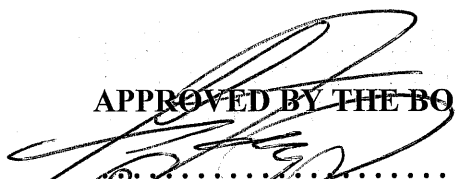
**INDIGENOUS GAMING REGULATORS INC.**  
**STATEMENT OF OPERATIONS AND MEMBERS' EQUITY**  
**year ended March 31, 2008**

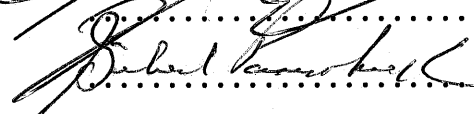
	2008	2007
<b>REVENUE</b>		
Operating funding (Note 6)	\$ 2,365,555	\$ 2,105,725
Amortization of deferred contributions related to equipment and leasehold improvements (Note 7)	99,067	70,717
Other income	81,466	6,308
Gain on disposition of equipment and leasehold improvements	17,874	-
	<u>2,563,962</u>	<u>2,182,750</u>
<b>EXPENSES</b>		
Salaries and benefits	1,586,114	1,267,072
Office and equipment costs	169,609	149,655
Board of directors	154,713	106,759
Staff travel and sustenance	110,563	88,311
Consultants	105,183	149,872
Amortization	99,067	70,717
Membership Services Agreement (Note 5)	55,000	55,000
Advertising and promotion	47,101	61,550
Professional development	36,576	64,791
Miscellaneous	34,651	25,630
Telephone	33,921	30,288
Automotive expenses	33,395	10,732
Stationery and supplies	32,779	25,764
Meeting rooms	27,763	20,587
Photocopying and printing	10,733	7,204
Audit fees	9,738	7,420
Books, subscriptions and membership dues	8,740	7,433
Budget review committee	4,443	3,845
Postage and courier	3,470	1,802
Bank charges and interest	403	610
Legal fees	-	27,708
	<u>2,563,962</u>	<u>2,182,750</u>
<b>EXCESS OF REVENUE OVER EXPENSES AND MEMBERS' EQUITY</b>	<u>\$ -</u>	<u>\$ -</u>

**INDIGENOUS GAMING REGULATORS INC.**  
**BALANCE SHEET**  
year ended March 31, 2008

	2008	2007
<b>CURRENT ASSETS</b>		
Cash	\$ 153,728	\$ 143,080
Short-term investments	500,000	-
Accounts receivable	12,397	78,543
Prepaid expenses	31,745	30,621
	697,870	252,244
<b>EQUIPMENT AND LEASEHOLD IMPROVEMENTS (Note 4)</b>	134,009	83,242
<b>OTHER ASSET</b>	2,400	-
	\$ 834,279	\$ 335,486
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 184,519	\$ 108,298
Deferred revenue (Note 6)	513,351	143,946
	697,870	252,244
<b>DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT AND LEASEHOLD IMPROVEMENTS (Note 7)</b>	136,409	83,242
<b>MEMBERS' EQUITY</b>	-	-
	\$ 834,279	\$ 335,486

APPROVED BY THE BOARD

..... Director

..... Director

**INDIGENOUS GAMING REGULATORS INC.**  
**STATEMENT OF CASH FLOWS**  
**year ended March 31, 2008**

	2008	2007
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ -	\$ -
Adjustment for:		
Gain on disposition of equipment and leasehold improvements	(17,874)	-
Amortization of deferred contributions related to equipment and leasehold improvements	(99,067)	(70,717)
Amortization	99,067	70,717
Other income	(38,036)	-
	<u>(55,910)</u>	<u>-</u>
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	66,146	(72,351)
Increase in prepaid expenses	(1,124)	(6,781)
Increase in accounts payable and accrued liabilities	76,221	9,550
Increase (decrease) in deferred revenue	369,405	(333,150)
	<u>454,738</u>	<u>(402,732)</u>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		
Purchase of short-term investments	(500,000)	(300,000)
Proceeds from disposition of equipment and leasehold improvements	55,910	-
Purchase of equipment and leasehold improvements	(190,270)	(7,490)
Deferred contributions related to equipment and leasehold improvements	190,270	7,490
	<u>(444,090)</u>	<u>(300,000)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>10,648</b>	<b>(102,732)</b>
<b>CASH POSITION, BEGINNING OF YEAR</b>	<b>143,080</b>	<b>245,812</b>
<b>CASH POSITION, END OF THE YEAR</b>	<b>\$ <u>153,728</u></b>	<b>\$ <u>143,080</u></b>

**INDIGENOUS GAMING REGULATORS INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**year ended March 31, 2008**

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**1. NATURE OF ORGANIZATION**

Indigenous Gaming Regulators Inc. (the “Corporation”), formerly Saskatchewan Indian Gaming Licensing Inc., was incorporated under the The Non-Profit Corporations Act of Saskatchewan on July 28, 1995.

The Corporation was established as part of the 1995 Gaming Agreement between the Federation of Saskatchewan Indians, Inc. (the “FSIN”) and the Province of Saskatchewan. On June 11, 2002, the Corporation signed the SIGL Regulatory Agreement and FSIN signed the 2002 Framework Agreement with the Province of Saskatchewan. These agreements give the Corporation the capacity to license and regulate lottery schemes on reserve and Saskatchewan Indian Gaming Authority Inc.’s table games.

**2. CHANGES IN ACCOUNTING POLICY**

***Financial Instruments***

The Corporation adopted the recommendations of the CICA Handbook contained in Section 3855, *Financial Instruments - Recognition and Measurement*, Section 3865, *Hedges*, Section 3861, *Financial Instruments - Disclosure and Presentation* and Section 3251, *Equity*.

Under the new standards, financial assets and liabilities are initially recorded at fair value. Subsequently, financial instruments classified as financial assets or liabilities held for trading, financial assets available-for-sale and derivative financial instruments, part of a hedging relationship or not, have to be measured at fair value on the balance sheet at each reporting date, whereas other financial instruments are measured at amortized cost using the effective interest method.

These new standards were applied prospectively as of April 1, 2007 without restatement of prior years’ figures. There was no impact on the financial statements of the Corporation.

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose, for which the financial instruments were acquired or issued, their characteristics and the Corporation’s designation of such instruments. Settlement date accounting is used.

**INDIGENOUS GAMING REGULATORS INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**year ended March 31, 2008**

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**2. CHANGES IN ACCOUNTING POLICY (continued)**

*Financial Instruments (continued)*

Classification

Cash	Held for trading
Short-term investments	Held for trading
Accounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities

Held for trading

Held for trading financial assets are financial assets typically acquired for resale prior to maturity or that are designated as held for trading. They are measured at fair value at the balance sheet date. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in interest and investment income.

Loans and receivables

Loans and receivables are accounted for at amortized cost using the effective interest method.

Other liabilities

Other liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities, other than derivative instruments.

Transaction Costs

Transaction costs related to held for trading financial assets are expensed as incurred. Transaction costs related to available-for-sale financial assets, held-to-maturity financial assets, other liabilities and loans and receivables are netted against the carrying value of the asset or liability and are then recognized over the expected life of the instrument using the effective interest method.

**INDIGENOUS GAMING REGULATORS INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**year ended March 31, 2008**

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**2. CHANGES IN ACCOUNTING POLICY (continued)**

*Financial Instruments (continued)*

Effective interest method

The Corporation uses the effective interest method to recognize interest income or expense which includes transaction costs or fees, premiums or discounts earned or incurred for financial instruments.

Fair value

The fair value of accounts receivable, interest receivable, accounts payable, and contributions payable approximates their carrying values due to their short-term maturity. The fair value of other financial instruments is disclosed in respective notes.

The fair value of marketable securities is based on quoted market prices.

**3. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflect the following significant accounting policies:

*Use of Estimates*

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

*Revenue Recognition*

The Corporation follows the deferral method of accounting for its funding. Under the deferral method, funding is recognized in the year in which related expenses are incurred based on plans approved by the Budget Review Committee of the Corporation. The Budget Review Committee consists of two representatives from the Corporation, two from Saskatchewan Liquor and Gaming Authority and one independent member.

**INDIGENOUS GAMING REGULATORS INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**year ended March 31, 2008**

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Equipment and Leasehold Improvements***

Equipment and leasehold improvements are recorded at cost and amortized using the straight-line method over its useful life at the following rates:

Furniture and fixtures	5 years
Leasehold improvements	5 years
Vehicles	4 years
Computer equipment	3 years

A full year of amortization is recorded in the year of acquisition.

Funding used for equipment and leasehold improvements is deferred and amortized on the same basis as the asset to which it relates.

***Other Asset***

Other asset consists of cultural art which is not expected to depreciate in value and therefore is not amortized.

***Short-Term Investments***

Short-term investments are comprised of GICs and are recorded at market value.

**4. EQUIPMENT AND LEASEHOLD IMPROVEMENTS**

	Cost	Accumulated Amortization	Net Book Value	
			<b>2008</b>	2007
Furniture and fixtures	\$ 254,843	\$ 206,296	\$ <b>48,547</b>	\$ 51,439
Leasehold improvements	120,628	120,628	-	8,652
Vehicles	123,659	57,821	<b>65,838</b>	18,319
Computer equipment	138,983	119,359	<b>19,624</b>	4,832
	<u>\$ 638,113</u>	<u>\$ 504,104</u>	<u>\$ <b>134,009</b></u>	<u>\$ 83,242</u>

**INDIGENOUS GAMING REGULATORS INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**year ended March 31, 2008**

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**5. RELATED PARTY TRANSACTIONS**

Related parties to the Corporation include FSIN and its economic and community development and education entities and Saskatchewan Tribal Councils and First Nations. Included in accounts payable is \$14,747 (2007 - \$12,903) owing to the FSIN.

On October 18, 2002, the Corporation and the FSIN signed the Membership Services Agreement whereby the Corporation pays a fee of \$55,000 per annum for corporate, political, and technical management and support services provided by FSIN.

**6. OPERATING FUNDING**

	<u>2008</u>	<u>2007</u>
Funding received:		
Saskatchewan Indian Gaming Authority, Inc.	\$ 2,925,230	\$ 1,780,065
Add:		
Revenue deferred from prior year	143,946	477,096
Less:		
Revenue deferred to future year	(513,351)	(143,946)
Funding related to equipment and leasehold improvements	(190,270)	(7,490)
	<u>\$ 2,365,555</u>	<u>\$ 2,105,725</u>

**7. DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT AND LEASEHOLD IMPROVEMENTS**

	<u>2008</u>	<u>2007</u>
Deferred contributions, beginning of year	\$ 83,242	\$ 146,469
Contributions from operating funding used for equipment and leasehold improvement additions	190,270	7,490
Net book value of disposed equipment and leasehold improvements	(38,036)	-
Amortization for the year	(99,067)	(70,717)
	<u>\$ 136,409</u>	<u>\$ 83,242</u>

**INDIGENOUS GAMING REGULATORS INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**year ended March 31, 2008**

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**8. COMMITMENTS**

The Corporation has obligations under operating leases for office space and equipment. Future minimum lease payments are as follows:

2009	141,416
2010	137,071
2011	135,103
2012	135,103
2013	135,103

**9. COMPARATIVE FIGURES**

Certain of the prior year figures have been reclassified to conform with the current year's presentation.

## **Staff Directory**

As of MARCH 31, 2008

<b>President and Chief Executive Officer</b>	<b>Greg Ahenakew</b>	<b>(306) 477-5705</b>
<b>Vice President Licensing and Communications</b>	<b>Diego Monteiro</b>	<b>(306) 477-5702</b>
<b>Vice President Finance and Administration</b>	<b>Linda Scott</b>	<b>(306) 477-5701</b>
<b>Executive Assistant</b>	<b>Selma Greyeyes</b>	<b>(306) 477-5703</b>
<b>Manager Human Resources</b>	<b>Sally Bedard</b>	<b>(306) 477-5706</b>
<b>Manager Finance</b>	<b>Wendi LeBrun</b>	<b>(306) 477-5708</b>
<b>Manager Communications</b>	<b>Lorna Docken</b>	<b>(306) 477-5824</b>
<b>Manager Compliance Services</b>	<b>Doug Atkins</b>	<b>(306) 477-5709</b>
<b>Manager Licensing</b>	<b>Bonnie Jimmy</b>	<b>(306) 477-5707</b>
<b>Office Manager</b>	<b>Leanne Ahenakew</b>	<b>(306) 477-5719</b>
<b>Network Administrator</b>	<b>Jeff Lowe</b>	<b>(306) 477-5715</b>
<b>Policy Analyst</b>		<b>(306) 477-5710</b>
<b>Licensing Officer</b>	<b>David Bighead</b>	<b>(306) 477-5717</b>
<b>Licensing Officer</b>	<b>Sandra Fedoruk</b>	<b>(306) 477-5718</b>
<b>Licensing Officer</b>	<b>Shannon Novak</b>	<b>(306) 477-5828</b>
<b>Licensing Clerk</b>	<b>Marie Villeneuve</b>	<b>(306) 477-5711</b>
<b>Sr. Inspections Officer</b>	<b>J.P. Marr</b>	<b>(306) 477-5712</b>
<b>Sr. Inspections Officer</b>	<b>Kelvin Billingsley</b>	<b>(306) 477-5713</b>
<b>Sr. Inspections Officer</b>	<b>Wayne Salloum</b>	<b>(306) 477-5714</b>
<b>Inspections Officer</b>	<b>Glenna Henderson-Wakos</b>	<b>(306) 477-5827</b>
<b>Inspections Officer</b>	<b>Rene Wuttunee</b>	<b>(306) 477-5826</b>
<b>Community Liaison Officer</b>	<b>Cornell Bellegarde</b>	<b>(306) 477-5825</b>
<b>Community Liaison Officer</b>	<b>Ian Bear</b>	<b>(306) 477-5823</b>
<b>Receptionist</b>	<b>Mary Hosie</b>	<b>(306) 477-5700</b>

### **About Texas Hold'em**

Texas hold 'em is the most popular poker game worldwide in casinos and poker rooms. It is a community card game where each player may use any combination of the five community cards and his own two hole cards to make a poker hand. Its popularity surged in the 2000s due to exposure on television, the Internet, and popular literature. The no-limit betting form is used in the main event of the World Series of Poker and the World Poker Tour.



**2007-2008 Annual Report**  
**INDIGENOUS GAMING REGULATORS INC. (IGR)**

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