

**CELEBREIGHTING
EXCELLENCE**



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**"Sports serve society by
providing vivid examples
of excellence."**

– George F. Will

MESSAGE FROM THE BOARD CHAIR

It gives me great pleasure, as Board Chair of the Alberta Gaming Research Institute, to welcome you to the 8th Annual Report of the Alberta Gaming Research Institute, for the year ending March 31, 2008. In this Olympic year in which performance excellence and high achievement are the focus, it is particularly fulfilling to present the significant research contribution that is being facilitated by the Institute. I am very proud of the efforts being made under the auspices of the Institute including the recognition received by the world-class individual researchers.

In what has become a continuing commitment, the Institute promotes and supports research in the four fundamental domains: bio-psychological, socio-cultural, economic and public policy. Of particular significance in 2007/08 was the focused effort of the Institute to address the research priorities identified in the second (March 2007) stakeholder meeting. The largest and most comprehensive resulting research project was the commissioning of a Social and Economic Impacts of Gambling Study in Alberta. The stakeholder meetings are emerging as an increasingly useful consultative mechanism to guide the Institute's research and to foster mutually beneficial communication. We are proud, too, of the newly implemented scholarship program that was initiated by the Board as another opportunity to encourage and support new interest in gambling-related research.

Once again, I want to acknowledge our researchers, supporters and all those who work with the Institute to make it a success. On behalf of the Board, I confirm our commitment to develop research expertise in all four domains and to continue to sponsor high quality, independent research that best informs Albertans and others on how gambling affects society.

Nady el-Guebaly, MD



MESSAGE FROM THE EXECUTIVE DIRECTOR

In 2007/08, research activity continued across a wide disciplinary range with the emphasis being shifted somewhat to the field of economics. Two important Institute funded initiatives in this area were the commencement of the Chair in the Economics of Gaming at the University of Alberta and the commissioning of a large research initiative to study the social and economic impacts of gambling in Alberta over the next two years. This combination will undoubtedly help to ensure Alberta's researchers remain in the forefront of achievement in this long-awaited and critical area of research. As another means of fostering research performance excellence, two new graduate and doctoral level scholarship and research development grants will be awarded to very deserving and committed recipients for the first time in September 2008.

I know well that Alberta's leading position in the field of gambling research is a tribute to the commitment and dedication of its steadily increasing number of exceptional and world-class academic researchers from the partner universities. It is important as well to acknowledge and recognize the arms-length funding support received from the Alberta Lottery Fund that permits the university-based Institute to facilitate high quality academic research.

As previously, I extend my appreciation for your endorsement and support of the work of the Alberta Gaming Research Institute. In recognition of the confidence vested in me, I re-affirm my commitment to ensuring that the highest standards of research excellence are maintained. I welcome your comments on this Annual Report and look forward to our continuing affiliation.

Vickii Williams



ABOUT THE ALBERTA GAMING RESEARCH INSTITUTE:

VISION

An Institute that is internationally recognized for its contribution to the scientific knowledge base in gambling research

MISSION

To significantly improve Albertans' knowledge of how gambling affects society

CORE PURPOSES

The focus of the Institute is to facilitate and support excellent academic research that guides the development of effective public policy and contributes to developing the depth and breadth of scientific knowledge.

The Institute's core purposes are:

1. To expand the depth and breadth of scientific knowledge of gaming and gambling in the following four broad-based and overlapping domains:
 - a) Biopsychological and health-care
 - b) Sociocultural
 - c) Economic
 - d) Government and industry policy and practice
2. To promote or direct research in those priorities and areas identified as part of the Strategic Research Plan
3. To sponsor peer-reviewed research of the highest academic quality and related to emergent gaming activities
4. To act as a clearinghouse for gaming research and as a gateway to research materials;
5. To act to facilitate the ready access to, and the development of, the applicable library collections of the Institute universities
6. To forge strong collaborative links with national and international scholars and organizations involved in gaming/gambling research and studies
7. To provide education about current knowledge through research publications and reporting of research results

The Alberta Gaming Research Institute partners with research-focused organizations and individuals for the purpose of improving knowledge about gambling and gaming practice. Its goals are

achieved by improving research capacity at partner universities, facilitating knowledge transfer, and promoting strategic and collaborative initiatives. Multidisciplinary collaboration occurs within and between the Institute and Alberta's partner universities (i.e., University of Alberta, University of Calgary, and University of Lethbridge) as well as with national and international partners. Varied arrangements allow for research expertise on specific projects and initiatives to be maximized. Research capacity is improved through conference sponsorship, support of focused research initiatives, and the dissemination of information through print and electronic media.

The Institute is located at the University of Alberta, where the Institute's Executive Director and administrative staff coordinate the operations of the Institute. The Institute Librarian is located at the University of Lethbridge.

CORE BUSINESSES

The Alberta Gaming Research Institute has four core businesses:

1. Develop and promote gambling-related research and disseminate results
Creating and communicating scientific knowledge
2. Develop and sustain gambling-related research infrastructure
Educating and facilitating new investigation
3. Establish and encourage national and international gambling-related research linkages
Affiliating and collaborating with research associates
4. Establish and efficiently conduct gambling-related research governance and administration
Demonstrating and generating organizational accountability

INSTITUTE BOARD

The Institute is governed and managed by a seven member board consisting of two directors appointed by and from each partner university and an external member appointed by the provincial government (Solicitor General and Minister of Public Security). The Executive Director serves in an advisory role to the Board.

STAKEHOLDER CONSULTATION ON RESEARCH PRIORITIES

An annual stakeholders' meeting is held for the purpose of identifying key strategic research priorities, advising on the Institute's research progress, and as a term of the Government/Universities' funding agreement. Input for fiscal year 2007/08 was gathered at a stakeholder meeting held on March 29, 2007. Feedback from the meeting recommended that the highest research priority be focused on determining the social and economic impacts of gambling in Alberta as well as identifying public policy advice that can be extracted from academic research.

PEER REVIEW PROCESS

The peer review process involves the critical assessment of research proposals and submitted manuscripts by experts in specific areas of research. This process is of paramount importance in ensuring that only the highest quality research proposals are supported by Institute funding. Further, upon completion of Institute-funded research projects, researchers are encouraged to submit their findings to peer-reviewed academic journals. An indication of the earned credibility of Institute sponsored research projects are the numerous invitations extended to Institute-funded investigators to present scholarly findings at conferences, in refereed journals, book chapters and edited monographs.



CELEBRATING RESEARCH ACHIEVEMENT



CREATING AND COMMUNICATING SCIENTIFIC KNOWLEDGE CORE BUSINESS #1

A CREATING SCIENTIFIC KNOWLEDGE

MAJOR GRANT FUNDING

The Institute contributes to the development of the knowledge base in gambling-related research in a number of ways. An annual call for proposals is issued in May (with an end of June deadline) soliciting proposals from active researchers that aim to address 'investigator identified' areas in need of research. The submissions are subjected to a rigorous peer review process which involves the adjudication of research proposals by experts in related areas of research. This review process provides the most reliable means of ensuring that only the highest quality research receives Institute funding.

In 2007/08, three new major grant proposals were conditionally approved pending ethics approval. Two of the projects were commenced after ethics approval was confirmed:

- Acculturation and gambling: The case of mainland Chinese immigrants to Calgary, Alberta (#47)
- Conversations of change? Examining gamblers' help-seeking and change-sustaining conversations (#49)

As at March 31, 2008, ethics approval was still pending for a third conditionally approved project.

During the same period, the following major projects were completed:

- A transtheoretical perspective on individual determinants of help-seeking for and change in gambling problems (#35)
- Cue-induced and gambling task related brain activity in pathological gamblers (#39)
- The influence of just world beliefs and personal deprivation on gambling (M. Callan)
- A prospective study on the impact of the placement of gambling casinos in Aboriginal communities in Alberta, Canada (G. Smith)
- Analysis of the impact of online gaming using data mining (H. Leung)
- Examining market efficiency in exotic bets at Hong Kong and Japanese horse tracks (W.D. Walls)

For descriptive information, timelines, and research progress for all Institute-funded research projects, please see the 'Research' webpage on the Institute's website: <http://www.abgaminginstitute.ualberta.ca/research.cfm>.

Other major projects that continue into 2008/09 include:

- CRAFT (Community Reinforcement and Family Training) with problem gambling (#42)
- The Alberta Lottery Fund and funding amateur arts, sports, recreation, and professional sports: A study of public awareness and willingness to support (#43)
- Exploring offender gambling from prison through re-entry: A cross-national investigation (#44)
- The Effects of ethnicity, participation in gambling and other leisure activities, and leisure satisfaction, on quality of life (#45)
- Culture and gambling: Research on ethno-cultural minorities' involvement (#46)

STRATEGIC GRANT FUNDING

A more recently-established second funding program involves the commissioning of specifically identified high priority research investigations. These important large scale strategic initiatives are identified by the Board in consultation with Institute stakeholders. Since the commencement of this program in 2003-04, the Institute has funded two major initiatives that are exclusively Alberta-based.

The Leisure, Lifestyle, Lifecycle (LLL) Project, the largest ever sponsored by the Institute, was initiated in the spring of 2006. Its primary aim is to discover the determinants of gambling and disordered gambling, what factors lead people to gamble in any form, and why some of them become problem gamblers. It is a five-year study that involves 1,800 Albertans. Cycle two, of four, was completed in 2007/08. An associated study of the LLL Project was conducted in 2007/08 to investigate the genetic aspects of gambling and disordered gambling.

The large, multidisciplinary research team reports that the development of a comprehensive biopsychosocial model of gambling behavior will assist in addressing questions related to the impact of gambling availability, legislative initiatives, and prevention programs on the development of problem and responsible gambling. The associated study aims to integrate a genetic sample acquisition component into the longitudinal research.

No new strategic initiatives were commenced in fiscal year 2007/08, however, a long-awaited high priority study, the Social & Economic Impacts of Gambling in Alberta (SEIGA), was commissioned with a planned start date of April 1, 2008.

B COMMUNICATING SCIENTIFIC KNOWLEDGE

Research findings are often communicated via articles published in academic journals. Continuing evidence of the earned credibility of Institute sponsored research is the number of accepted peer-reviewed publications appearing in these prestigious forums.

Following is a list of related scholarly publications (articles, chapters and reports) in 2007/08:

Blue Thorn Research, Population Health Promotion Associates, PFIA Corporation, & Williams, R.J. (2007). *Socioeconomic Impacts of New Gaming Venues in Four British Columbia Lower Mainland Communities: Final Report*. Submitted to the Gaming Policy and Enforcement Branch, Ministry of Public Safety & Solicitor General, Government of British Columbia. July 31, 2007. <http://www.pssg.gov.bc.ca/gaming/reports/docs/rpt-rg-impact-study-final.pdf>

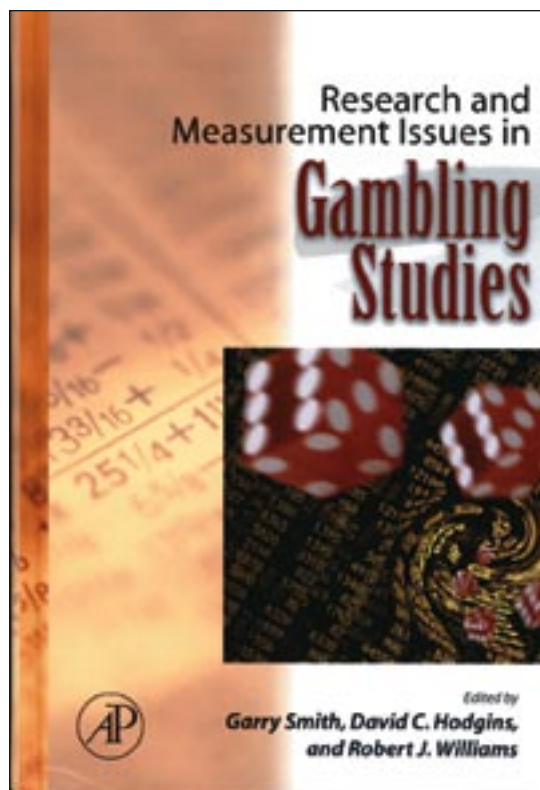
Gottheil, E., Winters, K. C., Neighbors, C., Grant, J. E., & el-Guebaly, N. (2007, June). Pathologic gambling: A nonsubstance, substance-related disorder? *Journal of Addiction Medicine*, 1(2), 53-61.

Hodgins, D. & Diskin, K. M. (2008). Motivational interviewing in the treatment of problem and pathological gambling. In H. Arkowitz, H. A. Westra, W. R. Miller, & S. Rollnick (Eds.), *Motivational interviewing in the treatment of psychological problems* (pp. 225-248). London: Guilford Press.

Hodgins, D. C., Shead, N., & Makarchuk, K. (2007). Relationship satisfaction and psychological distress among concerned significant others of problem gamblers. *Journal of Nervous and Mental Disease*, 195(1), 65-71.

Johnson, B. K., Whitehead, J. C., Mason, D. S., & Walker, G. J. (2007). Willingness to pay for amateur sports and recreation programs. *Contemporary Economic Policy*, 25, 553-564.

Piquette-Tomei, N., Dwyer, S. C., Norman, E., McCaslin, E., & Burnet, J. (2007). Women problem gamblers want more. *Saskatchewan Notes [Canadian Centre for Policy Alternatives - SK]*, 6(5), 1-4.



Smith, G. J., & Campbell, C. S. (2007). Tensions and contentions: An examination of electronic gaming issues in Canada. *American Behavioral Scientist*, 51(1), 86-101.

Smith, G., Hodgins, D., & Williams, R. J. (Eds.). (2007). *Research and Measurement Issues in Gambling Studies*. San Diego, CA: Elsevier.

Williams, DJ, & Hinton, M. L. (2007). Insights into gambling in jails and prisons by female offenders, part I.

Women, Girls & Criminal Justice, 8, 35-43.

Williams, DJ, & Hinton, M. L. (2007). Insights into gambling in jails and prisons by female offenders. *Offender Programs Report*, 10, 65-79.

Williams, R. J., & Wood, R. T. (2007). The proportion of Ontario gambling revenue derived from problem gamblers. *Canadian Public Policy*, 33(3), 367-388.

Williams, R. J., West, B. L., & Simpson, R. I. (2007). Prevention of problem gambling. In G. Smith, D. Hodgins, & R. Williams (Eds.), *Research and Measurement Issues in Gambling Studies* (pp. 399-435). San Diego, CA: Elsevier.

Williams, R. J., West, B. L., & Simpson, R. (2007). *Prevention of problem gambling: A comprehensive review of the evidence*. Report prepared for the Ontario Problem Gambling Research Centre, Guelph, Ontario, Canada.

Wood, R. T., Williams, R. J., & Lawton, P. K. (2007). Why do Internet gamblers prefer online versus land-based venues? Some preliminary findings and implications. *Journal of Gambling Issues*, 20.

Wood, R. T., & Williams, R. J. (2007). Problem gambling on the Internet: Implications for Internet gambling policy in North America. *New Media and Society*, 9(3), 520-542.

Wood, R. T., & Williams, R. J. (2007). 'How much money do you spend on gambling?' The comparative validity of question wordings used to assess gambling expenditure. *International Journal of Social Research Methodology*, 10(1), 63-77.

Wood, R. T., & Williams, R. J. (2007). Internet gambling: Past, present and future. In G. Smith, D. Hodgins, & R. Williams (Eds.), *Research and Measurement Issues in Gambling Studies* (pp. 491-514). San Diego, CA: Elsevier.

In addition to scholarly publications, whose target audience is primarily other researchers and/or students involved in the specific research area, Institute-associated researchers are in high demand by media for topical interviews. They are also regularly consulted, and invited, by international affiliates to share their specific expertise on an advisory basis and to make conference presentations and public addresses. Policy makers and regulators seek input in the interest of promoting sound policy implementation.

Other important components of the Institute's efforts to disseminate sound scientifically based information include its highly regarded website (www.abgaminginstitute.ualberta.ca) and research focused bi-monthly newsletter, *Gambling Research Reveals: An Update on Gambling Research in Alberta*. Both of these aim to serve the widest range of audiences - from very specific research interests to informing the general public.

Following is a list of the contents of the Institute's 2007/08 newsletter:

Issue 4, Volume 6 - April/May 2007

Highlights from the 6th Annual Institute Conference - *Addressing gambling-related harm through evidence-based practices*

Issue 5, Volume 6 - June/July 2007

Calgary symposium generates an increased awareness of Institute research activity

Issue 6, Volume 6 - August/September 2007

Albertan investigators seek to understand the degree to which the public supports "good causes" using gambling revenues

Issue 1, Volume 7 - October/November 2007

The placement of casinos in Alberta's Aboriginal communities: An interview with Cheryl Currie

Issue 2, Volume 7 - December 2007/Jan. 2008

Expanding our understanding of the Internet gambler: A pilot study

Issue 3, Volume 7 - February/March 2008

Does the general public attach a stigma to disordered gambling?



EDUCATING AND FACILITATING NEW INVESTIGATION CORE BUSINESS #2

The Institute engages in a variety of programs and activities to ensure that existing research capability is best used, and equally as important, works to ensure that new expertise is fostered and developed. A major component of this endeavor is the annual allocation of capacity-building funds to each of the three Institute universities. These monies are provided for the research-related purposes of position funding, research development and research administration. Each of the partner universities has a designated node coordinator, a senior researcher in a specific area of gambling-related research, who serves to promote the development and expansion of gambling-related research at the host university as well as to consult and liaise with the Institute's administration and Board. On a rotational basis, the node coordinators serve as the program organizer for the Institute's annual conference.

UNIVERSITY OF ALBERTA

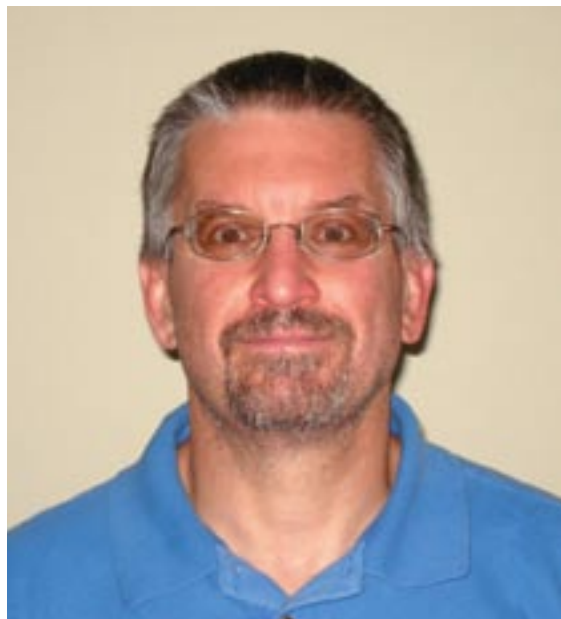


Node Coordinator: Dr. Garry Smith (B.P.E., Alberta; M.A., Western Ontario; Ph.D., Alberta)

In 2007/08, Dr. Smith participated in a number of research projects including the Alberta-based longitudinal cohort study as well as public policy-related topics. He was the principal program planner for the Institute's seventh annual special interest conference, *Gambling in Society: A Question of Balance*. Dr. Smith served as a member of three expert review panels, reviewed



articles for several academic journals and was a principal investigator on two Institute-funded research projects. He supervised two graduate students and taught a senior undergraduate course on *Gambling as a Social and Cultural Phenomenon*. He was a frequent media commentator on national and local area broadcasts on gambling-related public policy issues.



Chair in the Economics of Gaming, Dept. of Economics, U of Alberta: Dr. Brad Humphreys (B.S./B.Ad., W.Virginia; M.A./Ph.D., Johns Hopkins)

Dr. Brad Humphreys joined the faculty of the Department of Economics at the U of Alberta in July 2007 to fill the jointly funded (Alberta Gaming Research Institute and Faculty of Arts) position of *Chair in the Economics of Gaming*. This area of research was consistently identified by stakeholders as one of the highest priorities. Since assuming the position, Dr. Humphreys taught a full-term graduate level course on the economics of gaming, the first time such an offering has been available anywhere in the world. Seven students were enrolled and one of them has already submitted a capstone research paper proposal. He obtained funding for a post-doctoral fellowship to be filled by a recent PhD graduate who will assist with moving this important area of research forward more quickly and build research capacity. Dr. Humphreys' research program is well-underway including participation as co-principal investigator, together with Dr. Rob Williams, U of Lethbridge, of the Institute-funded social and economic impact of gambling study in Alberta. He has also served as guest editor of a special issue of the *International Journal of Sport Finance* that focused on sports gambling.

Gambling research activity at the University of Alberta

- 15 researchers (faculty and students) from 9 disciplines
- Approximately 70 media interviews conducted (broadcast and print)
- Course offered at graduate level (economics of gaming)
- 5 academic presentations
- Expert witness testimony and panel participation
- Proposal and article reviews completed by researchers for academic institutions and scholarly journals

UNIVERSITY OF CALGARY



Node Coordinator: Dr. David Hodgins (M.A., Ph.D., Queens)

During 2007/08, Dr. Hodgins continued an active program of research in the area of gambling treatment, including six doctoral students, four of whom have received Institute funding. In addition, three undergraduate students and three additional graduate students worked on Institute-funded projects. His graduate students have received a number of external awards. He served on many academic journal editorial boards and expert review panels.

Gambling research activity at the University of Calgary

- 20 funded researchers from 10 different disciplines
- Sponsored student involvement in AGRI conference

- Monthly research group meetings on Addiction Research and Education with 15 participants.
- 9 graduate students working on AGRI funded projects.
- 4 external awards conferred to graduate students
- 16 academic posters and presentations
- Invited to conduct clinical workshops for several local, provincial, national and international organizations

UNIVERSITY OF LETHBRIDGE



Node Coordinator: Dr. Robert Williams
(B.A., Ph.D., McMaster, CPsych)

Dr. Williams has occupied the position of node coordinator since January 2001. During fiscal year 2007/08, his research interests continued to be diverse and incorporated several areas of gambling-related research. He is a co-principal investigator, with Dr. Brad Humphreys, U of Alberta, of the Institute-funded study that will provide a province-wide view of the social and economic impacts of gambling, including particular focus on specific populations. Included amongst his active research projects is his participation in two large-scale longitudinal studies in Alberta and Ontario that focus on the etiology of problem gambling. He supervised an AGRI research associate who is completing a master's degree in the area of gambling research and he continued to make gambling-focused presentations at conferences, public forums and for the media.

Gambling research activity at the University of Lethbridge

- 13 Faculty and students engaged in gambling-related research
- 15 gambling-related articles submitted for publication and/or published
- 3 presentations at conferences or public forums
- Several print and television media reports, some regarding Aboriginals' gambling habits
- Bev West, M.Sc. Candidate working on thesis entitled *Strategic Contingency Management to Enhance Treatment Outcomes for Problem Gamblers*. She occupies the position of AGRI research associate
- Component on gambling studies incorporated into three Native American Studies courses (NAS 100 - Introduction to Native American Studies; NAS 2500 - Canadian Indian History; NAS 2800 - Native American Politics) offered to 19, 25, and 21 students respectively



Institute Librarian and Information Specialist:
Mr. Rhys Stevens
(B.A.(Hons), M.L.I.S., Western Ontario)

Rhys Stevens has been employed as a librarian at the University of Lethbridge since 2001 after having previously held positions in both government and industry. At the University of Lethbridge his major area of responsibility is to support library and web site services for the Alberta Gaming Research Institute. He is also the coordinator of the Library's digitization initiative and has been active in the community through his work as past-president of the Lethbridge Community Network (LCN).

The administrative headquarters for the Institute's library and information services is at the U of Lethbridge. Rhys Stevens' duties include the development of comprehensive collections of materials published on gambling and gambling-related topics in an array of formats (books, print journals, e-journals, government documents, audio-visual materials, graduate student theses, conference proceedings, etc). He provides in-depth reference services to researchers and the general public. These services include responding to requests for information, the development of bibliographies, guides, newsletters, and literature reviews. Over the course of 2007/08, he responded to 116 detailed information requests. He also develops and maintains the Institute's website, provides daily news summaries as well as other innovative online applications. The Institute website is a key location for the dissemination of information about the Institute and its events. Included on the site is a vast array of material related to finding and using scholarly gambling research. Through library coordination activities at the U of Lethbridge, each of the Institute partner university libraries receive funding for the selection, acquisition, and processing of relevant materials.

SCHOLARSHIP PROGRAM

In the interest of fostering and confirming new researcher involvement in gambling-related research, in 2007/08 a two-tiered (doctoral and graduate level) scholarship program was adopted and fully implemented. Four applicants (three doctoral, one graduate) were approved for research development support funding for the 2008/09 academic year.

SMALL GRANT PROGRAM

Another long-standing and equally successful program engaged by the Institute is the awarding of small grants (to a maximum of \$10,000 with one-year maximum length). The primary aim of these awards is to support foundational efforts (e.g., pilot projects, literature reviews, small surveys, etc.) to participate more fully in a continuing gambling-related research program.

The following small research projects were completed within the 2007/08 fiscal year:

- Affect-regulation expectancies among gamblers (#S14)
- Probability discounting among problem gamblers (#S15)
- Gambling and risk-taking: Individual differences in risk-acceptance and variance preference (#S16)
- The influence of just world beliefs and personal deprivation on gambling (#S17)
- A prospective study on the impact of the placement of gambling casinos in Aboriginal communities in Alberta, Canada (#S12)
- Analysis of the impact of online gaming using data mining (#S11)
- Examining market efficiency in exotic bets at Hong Kong and Japanese horse tracks(#S10)

The following new small grant was awarded in 2007/08:

- Pathological gambling: A window into the addicted brain (#S18)



AFFILIATING AND COLLABORATING WITH RESEARCH ASSOCIATES

CORE BUSINESS #3

The Institute collaborates, and forms research affiliations, with provincial, national, and international organizations and individual researchers to facilitate, conduct and promote gambling research. In some instances, inter-organizational and multi-jurisdictional initiatives have been jointly supported. In other cases, individual researchers are sought to enhance the scope and quality of Institute-sponsored projects. For example, in 2007/08 a number of research area specialists participated in the grant application peer review process to evaluate and make approval recommendations to the Institute Board. Other research affiliates are engaged to make topical presentations at the Institute's annual thematic conferences.

Collaborative initiatives that were completed in 2007/08 include:

- *Canadian Problem Gambling Index (CPGI) Update* - an interprovincial, inter-organizational project that aimed to assess the research reliability of the CPGI which was originally developed in 2001
- *Social and Economic Impact of Gambling* - an interprovincial initiative to develop a model that could be widely used to enable researchers to measure the social and economic impacts of gambling
- *'What is a Crime?': Challenges and Alternatives* (The Legalization of Gambling and its Consequences: A Cross National Comparison) - a multidisciplinary review commissioned by the Law Commission of Canada
- *Measuring Problem Gambling in Adolescent Populations: Phase I & II*

The following collaborative initiative continued during the 2007/08 fiscal year:

- *Measuring Problem Gambling in Adolescent Populations: Phase III* (name changed to *Canadian Adolescent Gambling Index*)

GENERATING AND DEMONSTRATING ORGANIZATIONAL ACCOUNTABILITY

CORE BUSINESS #4

The operations of the Institute are administered in a way that is effective, efficient and transparent. As in the previous fiscal years, cost accountability received continuous and serious attention and scrutiny. Only peer-reviewed and endorsed research projects were approved for funding.

Bi-annual narrative and financial progress reports continue to be required for each of the Institute-funded research grants as well as from the partner universities for the awarded capacity-building funds. Following Board review and approval, current information on the status of the research projects is posted on the Institute website. The annual audit by the Office of the Auditor General (see enclosed *Report of the Auditor General and Financial Statements*) further ensures that the most rigorous standards are enforced in conducting the business of the Alberta Gaming Research Institute.



ALBERTA GAMING RESEARCH INSTITUTE
FINANCIAL STATEMENTS

AS AT MARCH 31, 2008

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AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF THE ALBERTA GAMING RESEARCH INSTITUTE

I have audited the statement of financial position of the Alberta Gaming Research Institute as at March 31, 2008 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Institute's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 my opinion, these financial statements present fairly, in all material respects, the financial position of the Institute 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.

Edmonton, Alberta

July 18, 2008

Original Signed by

Fred J. Dunn, FCA

Auditor General

Note: The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

ALBERTA GAMING RESEARCH INSTITUTE
STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2008

	2008	2007
Assets		
Cash (Note 4)	\$ 2,724,070	\$ 3,028,501
Accounts receivable (Note 5)	1,138	-
Capital assets (Note 6)	1,531	2,330
	<u>\$ 2,726,739</u>	<u>\$ 3,030,831</u>
Liabilities		
Accounts payable and deferred revenue	\$ 5,625	\$ 23,006
Net Assets		
Net assets at beginning of year	3,007,825	3,382,760
Net operating results	(286,711)	(374,935)
Net assets at end of year	<u>2,726,739</u>	<u>3,030,831</u>
	<u><u>\$ 2,726,739</u></u>	<u><u>\$ 3,030,831</u></u>

The accompanying notes and schedule are part of these financial statements.

Approved by the board:

<u>Original signed by Chris Hosgood</u>	<u>Chair, Audit Committee</u>	<u>22 / 08 / 2008</u>
Signature	Position	Date
<u>Original signed by Andre Plourde</u>	<u>Member, Audit Committee</u>	<u>29 / 08 / 2008</u>
Signature	Position	Date

ALBERTA GAMING RESEARCH INSTITUTE STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2008

	2008 Budget (Note 11)	2008 Actual	2007 Actual
Revenues			
Contributions from the Department of Solicitor General/Gaming	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Interest and Other Revenue	35,000	70,583	84,667
Total Revenues	1,535,000	1,570,583	1,584,667
Expenses (Schedule 1)			
Research	1,955,000	1,384,864	1,449,558
Infrastructure and Library	210,000	206,795	241,258
Research Linkages	30,000	32,546	47,302
Research Administration	220,000	233,089	221,484
Total Expenses	2,415,000	1,857,294	1,959,602
Net Operating Results	\$ -	\$ (286,711)	\$ (374,935)

The accompanying notes and schedule are part of these financial statements.

ALBERTA GAMING RESEARCH INSTITUTE
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2008

	2008	2007
Operating Transactions		
Contributions from the Department of Solicitor General/Gaming	\$ 1,500,000	\$ 1,500,000
Interest and Other Revenue	70,583	84,667
Research Expenditures	(1,385,019)	(1,566,550)
Infrastructure and Library Expenditures	(219,914)	(222,227)
Research Linkages Expenditures	(37,165)	(42,682)
Research Administration Expenditures	(232,916)	(219,742)
Cash Flows used in Operating Transactions	(304,431)	(466,534)
Capital Transactions		
Leasehold improvements and purchase of capital assets	-	(2,396)
Cash Flows used in Capital Transactions	-	(2,396)
Net Cash (Used) Provided	(304,431)	(468,930)
Cash, Beginning of Year	3,028,501	3,497,431
Cash, End of Year	\$ 2,724,070	\$ 3,028,501

The accompanying notes and schedule are part of these financial statements.

ALBERTA GAMING RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2008

Note 1 Authority and Reporting Entity

The Alberta Gaming Research Institute (the Institute) is an unincorporated organization. It is a research consortium comprised of the University of Alberta, the University of Calgary, and the University of Lethbridge (the Institute Universities). Relations between the Institute and the Government of Alberta are defined in an Agreement between the Institute Universities and the Alberta Government dated April 1, 2006. The Institute is directed by a Board comprised of seven members including two appointees (senior administrators and researchers) from each of the three Institute Universities in addition to a representative who is appointed by the Solicitor General and Minister of Public Security.

As required under the Agreement, the Institute reporting entity for the purpose of these financial statements is that portion of Institute operations funded by the Department of Solicitor General and Public Security. The Institute Universities contribute certain services and supplies, including research and administrative personnel and services, to the consortium. The fair value of these contributions, and the cost of these services and supplies, is not reflected in these financial statements.

Note 2 Purpose

The purpose of the Institute is to:

- expand the breadth and depth of scientific knowledge into gambling;
- provide education about current knowledge through research publications and reporting of research results;
- provide research related to emergent gaming activities;
- act as a clearinghouse for literature related to gambling research; and
- forge strong collaborative links with national and international scholars and organizations involved in gaming/gambling research and studies.

Note 3 Summary of Significant Accounting Policies and Reporting Practices**REVENUE**

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as deferred revenue and included in accounts payable.

EXPENSES

Grants are recorded as expenses when all the terms and conditions of eligibility have been met and the Institute has authorized payment of the grant.

ASSETS

Capital assets are recorded at historical cost less accumulated amortization. Capital assets are amortized on a straight-line basis over their estimated useful lives at the following annual rates:

Furniture and equipment	20%
Computer equipment	33 1/3%
Leasehold improvements	Over lease term (2 years)

LIABILITIES

Liabilities represent all financial claims payable by the Institute at the fiscal year end.

NET ASSETS

Net assets represent the difference between the book value of assets held by the Institute and its liabilities.

FAIR VALUE

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Due to their short-term nature, the fair values of cash, accounts receivable and accounts payable and accrued liabilities are estimated to approximate their book values.

INTELLECTUAL PROPERTY

Intellectual property rights with respect to all research conducted with the financial support or under the auspices of the Institute are governed by the policies of the Institute University with which the researcher is affiliated. These rights do not accrue directly to the Institute and are not recognized in these financial statements. The Government of Alberta and the Institute Universities are entitled to freely use and copy, other than for commercial purposes, any intellectual property so created.

Note 4 Cash

Cash is held in trust by the University of Alberta and consists of short-term investments comprised primarily of certificates of deposit, guaranteed investment certificates, government treasury bills and commercial paper with a maturity between 90 days and one year. Interest earned on the Institute's cash balance is credited to the Institute and is reflected in these statements. For the 2008 fiscal year ending March 31, 2008, the average effective yield was 3.02% (2007: 2.95%). Due to the short-term nature of the investments, the carrying value approximates fair value.

Note 5 Accounts Receivable

	2008	2007
Due from Institute Universities	\$ 76	\$ -
Due from presenter - airfare cancellation	1,063	-
	<u>\$ 1,138</u>	<u>-</u>

The accounts receivable are unsecured and non-interest bearing.

Note 6 Capital Assets

	2008			2007
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 2,396	\$ 865	\$ 1,531	\$ 2,330
Leasehold improvements	9,566	9,566	-	-
Furniture and equipment	1,222	1,222	-	-
Total	<u>\$ 13,184</u>	<u>\$ 11,653</u>	<u>\$ 1,531</u>	<u>\$ 2,330</u>

Note 7 Grants to Institute Universities

Grants are provided to the Institute Universities for capacity building, nodal research development, library and collections, and research node administration for gaming related operations. The following table provides an accounting for the grant funds received, and amounts spent by the Institute Universities, to the year-end. Any unspent funds held by an Institute University at the conclusion of these programs or activities will be returned to the Institute.

	2008				2007
	University of Alberta	University of Calgary	University of Lethbridge	Total	Total
Opening balance	<u>\$ 238,915</u>	<u>\$ 121,152</u>	<u>\$ 112,871</u>	<u>\$ 472,938</u>	<u>\$ 424,649</u>
Funding					
Capacity building	100,000	100,000	100,000	300,000	300,000
Economics position	63,750	-	-	63,750	-
Nodal research development	30,000	30,000	30,000	90,000	90,000
Library and collections	-	-	150,000	150,000	160,000
Research node administration	15,000	15,000	15,000	45,000	45,000
	<u>208,750</u>	<u>145,000</u>	<u>295,000</u>	<u>648,750</u>	<u>595,000</u>
Total Funding Available	447,665	266,152	407,871	1,121,688	1,019,649
Actual Expenditures	<u>(128,971)</u>	<u>(107,157)</u>	<u>(299,570)</u>	<u>(535,698)</u>	<u>(546,711)</u>
Unexpended Funds	<u>\$ 318,694</u>	<u>\$ 158,995</u>	<u>\$ 108,301</u>	<u>\$ 585,990</u>	<u>\$ 472,938</u>

The balance of unexpended funds represents funding for new and continuing projects.

Note 8 Commitments

The Institute has the following commitments:

Year	Research Grants ^(a)	Lease ^(b)	Economics position ^(c)	Total
2009	\$ 561,290	\$ 12,818	\$ 85,000	\$ 659,108
2010	387,688	-	85,000	472,688
2011-12	69,905	-	352,250	422,155
Total	<u>\$ 1,018,883</u>	<u>\$ 12,818</u>	<u>\$ 522,250</u>	<u>\$ 1,553,951</u>

(a) RESEARCH GRANTS

The Institute has three types of granting programs. In response to an annual call for proposals for major grants (maximum of \$80,000/annum for up to three years to total of \$160,000) and open application period for small (developmental) grants (maximum of \$10,000 for up to one year), the Board approves researcher identified initiatives.

Upon approval of a major or small research grant and receipt of confirmation of any necessary ethics or other approvals from the host Institute University's Research Services Office, the Institute authorizes payment of 80% of the first year approved award. The remaining 20% is withheld pending satisfactory interim reporting by the principal investigator/researcher. For these types of awards extending beyond one year, authorization of subsequent period amounts is subject to satisfactory reporting and funding availability. Commitments for these awards include the balance of the approved grant awards, subsequent period amounts, and any other approved grant requests for which the researcher has not yet met all of the eligibility criteria.

(b) LEASE

The Institute entered into a lease with the University of Alberta for the period July 1, 2003 to March 31, 2006. To increase accessibility and accommodate the increased business activity of the Institute, effective April 1, 2004, the lease was transferred (with no penalty) to a new campus location (\$12,818/annum payable at \$1,068/month with first and last month of lease due on April 1, 2004). The Letter of Understanding regarding this move was signed on January 22, 2004 and necessary space improvements and computer technical changes were contracted. The Institute renewed the lease for April 1, 2008 to March 31, 2009 (with renewal options on an annual basis for two years).

(c) ECONOMICS POSITION

Subject to specific conditions being met, on March 24, 2004, the Board approved a total of \$595,000 payable at the rate of \$85,000/annum for seven years to support the establishment of a research position in the Department of Economics at the University of Alberta. An appointment was made on July 1, 2007.

Note 9 Economic Dependence

The Institute receives its principal funding from the Department of Solicitor General and Public Security (previously Department of Gaming). The five year agreement

between the Alberta Government and the Institute which expires March 31, 2011 provides funding of \$1,500,000 per annum. The Institute's ability to maintain viable operations is dependent upon continued support from the Alberta Government. Permission has been obtained from the Department of Solicitor General and Public Security to continue the trust account until March 31, 2011.

Note 10 Related Party Transactions

During the year, the Institute authorized a deposit of \$75,612 (2007 - \$14,543) to the research account of a Board member, in the capacity of principal researcher.

Note 11 Budget

The revised budget was approved by the Institute's Board of Directors on December 11, 2007.

ALBERTA GAMING RESEARCH INSTITUTE
SCHEDULE OF EXPENSES

FOR THE YEAR ENDED MARCH 31, 2008

Schedule 1

	2008 Budget	2008 Actual	2007 Actual
Research			
Grant competition/strategic research (1)	\$ 1,410,000	\$ 931,114	\$ 1,010,556
Position and developmental funding (2)	455,000	363,750	349,002
Nodal research development (3)	90,000	90,000	90,000
	<u>1,955,000</u>	<u>1,384,864</u>	<u>1,449,558</u>
Infrastructure and Library			
Library and collections (4)	150,000	149,931	160,000
Events, colloquia (5)	15,000	11,864	36,258
Research nodes (6)	45,000	45,000	45,000
	<u>210,000</u>	<u>206,795</u>	<u>241,258</u>
Research Linkages			
Communications (7)	30,000	32,546	29,670
Exchanges (8)	-	-	17,632
	<u>30,000</u>	<u>32,546</u>	<u>47,302</u>
Research Administration			
Personnel costs (9)	170,000	161,572	156,410
Contract services (10)	-	-	-
Administrative hub (11)	50,000	71,517	65,074
	<u>220,000</u>	<u>233,089</u>	<u>221,484</u>
Total Expenses	<u><u>\$ 2,415,000</u></u>	<u><u>\$ 1,857,294</u></u>	<u><u>\$ 1,959,602</u></u>

Note 1 Includes annual research grant competition and Board identified areas of strategic, interjurisdictional, and interorganizational collaborative research.

Note 2 Grants to Institute Universities (\$100,000/university/year) to attract research scholars, small grant developmental funding and support (\$85,000 held centrally) for targeted position (economics).

Note 3 Grants to Institute Universities (\$30,000/university/year) to develop internal research expertise.

Note 4 Grant to the University of Lethbridge to build and maintain a special collection of gambling publications at the consortium universities. The grant also provides funding for specialized information services to interested parties on gambling and gaming matters, development and maintenance of the Institute website, and funding for a junior grade professional librarian.

Note 5 Supports program of formative and summative learning events and forums. Includes cost of an annual conference bringing together Institute associates, topical experts, and other interested persons.

Note 6 Costs associated with administering node operations including local/rotating board meetings, internal and administrative support.

Note 7 Includes print materials and promotional broadcasts, annual report development, writing, and production costs, and conference attendance by Institute representatives to facilitate information dissemination.

Note 8 Includes support for Alberta scholars and experts to travel to other locales to investigate gambling-related matters as well as the travel of national and foreign scholars and experts to Alberta to assist with Institute research.

Note 9 Salary and benefits compensation (Executive Director and administrative support).

Note 10 Special project consulting (eg. document drafting, graphic design work).

Note 11 Includes business and board members meeting travel, hub operational requirements.

BOARD OF DIRECTORS 2007 - 08**Murphy, Mrs. Sheila**

Sheila Murphy served on the University of Calgary Senate (1990-1996) as well as the Air Cadet League of Canada and Cubs and Scouts of Canada Society. She owned and operated the Henderson Colleges of Business from 1972 to 1997. She is appointed to the Institute Board by the Alberta provincial government as an external member.

el-Guebaly, Dr. Nady

Nady el-Guebaly is Professor and Head, Addictions Division, Department of Psychiatry at the University of Calgary. He is past founding Medical Director of the Addictions Program, Calgary Health Region. His introduction to mental health and addiction medicine dates back to 1969. Currently, he is Chair, Addiction Psychiatry Section of the World Psychiatric Association; and Executive Medical Director and Past-Founding President of the International Society of Addiction Medicine. He has served on the Institute's Board since it was established in 1999 and as its Board Chair since July 2002.

Greenshaw, Dr. Andrew (Andy)

Andrew Greenshaw was appointed Associate Vice-President (Research) at the University of Alberta beginning January 2004. He completed his Ph.D. in Psychology (Behavioural Pharmacology) in 1982 at University College Cardiff, University of Wales. In 1983, he was appointed to the faculty of the Department of Psychiatry at the University of Alberta. He has an extensive background in research administration and post-graduate education within the Department of Psychiatry and the Faculty of Medicine and Dentistry. He has served as a Director on the Institute Board from May 2004 to November 2007.

Plourde, Dr. Andre

Andre Plourde joined the Institute Board in December 2007 to succeed Dr. Greenshaw. Dr. Plourde is the Chair of the Department of Economics at the University of Alberta. He joined the University of Alberta in 1998. He has served on numerous adjudication committees for granting agencies and in advisory capacities to government departments. In 2007, he was President of the International Association for Energy Economics.

Mason, Dr. Daniel (Dan)

Dan Mason was welcomed as an Institute Board Director starting July 2006. Dan is an associate professor with the Faculty of Physical Education and Recreation and an adjunct professor with the School of Business at the University of Alberta. Dr. Mason's research takes a multi-disciplinary approach and focuses on the business of leisure and sport and the relationships between its stakeholders, including all levels of government, sports teams and leagues, the communities that host teams, agents and players'

associations. His research has been funded by the Social Sciences and Humanities Research Council of Canada and the Alberta Gaming Research Institute and he has authored over 30 refereed publications.

Peers, Dr. Douglas (Doug)

Doug Peers served as Associate Dean of Research and Development in the Faculty of Social Sciences at the University of Calgary. He has spent a number of years working on research policy and the mentoring of new researchers at the University of Calgary as well as through various granting agencies, most recently the Social Sciences and Humanities Research Council of Canada. He has served on the Institute Board from November 2004 to July 2007.

Gibbs van Brunschot, Dr. Erin

Erin Gibbs van Brunschot replaced Dr. Peers on the Institute Board in August 2007. Erin is an Associate Professor in the Department of Sociology and is Associate Dean, Academic Programs, in the Faculty of Social Sciences at the University of Calgary. Erin's research interests include crime and deviance, with a particular interest in the study of security and risk at both the individual and institutional levels.

Fiske, Dr. Jo-Anne

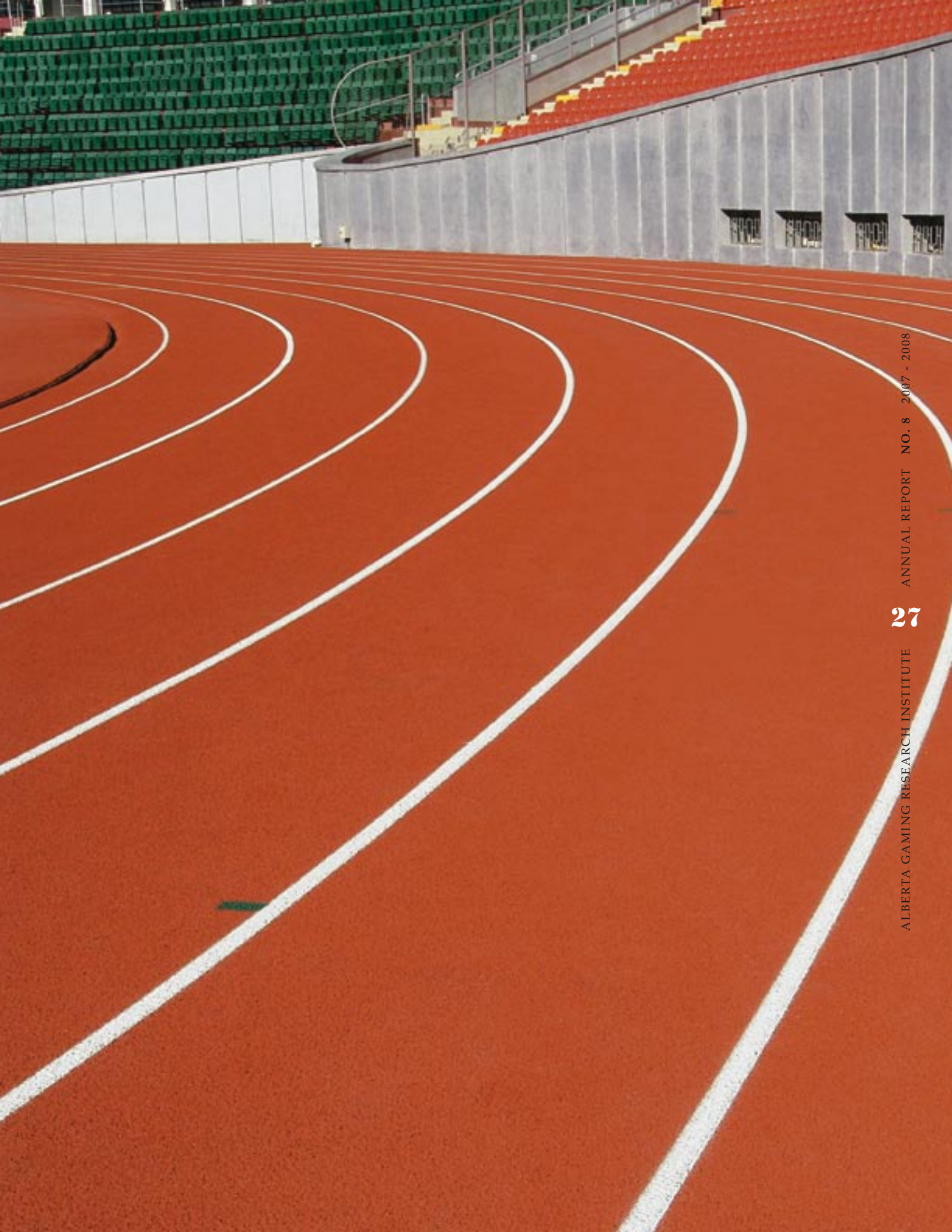
Jo-Anne Fiske is currently Dean of Graduate Studies at the University of Lethbridge. An anthropologist, she researches broad issues of social policy and political economy with a particular focus on impacts of structural inequities and women. Her research has been funded by Social Science and Humanities Research Council, BC Centre of Excellence on Women's Health, Status of Women Canada and the National Network of Aboriginal Mental Health Researchers. Her current research addresses links between social stigma in childhood and family gambling patterns. She has served on the Institute Board since April 2007.

Hosgood, Dr. Christopher (Chris)

Chris Hosgood is Dean of the School of Health Sciences at the University of Lethbridge and a member of the Department of History. His research has focused on consumerism and popular culture in Victorian Britain and, more recently in Canada, the social history of gambling in Alberta. He has served on the Institute Board since December 2001.

Williams, Ms. Vickii

Vickii Williams has served as the Executive Director of the Alberta Gaming Research Institute since its inception and serves in an ex officio advisory capacity on the Institute Board. She represents the Institute on a number of inter-organizational and inter-jurisdictional planning bodies for collaborative research initiatives.



BOARD OF DIRECTORS

2007-08 QUICK REFERENCE

Dr. Nady el-Guebaly, MD, Board Chair

Professor & Head
Addictions Division
Faculty of Medicine
University of Calgary

Dr. Jo-Anne Fiske

Dean of Graduate Studies
University of Lethbridge

Dr. Chris Hosgood

Dean, School of Health Sciences
University of Lethbridge

Dr. Andrew Greenshaw (to November 2007)

Associate Vice-President (Research)
University of Alberta

Dr. Andre Plourde (from December 2007)

Professor and Department Chair
Department of Economics
University of Alberta

Dr. Doug Peers (to July 2007)

Associate Dean, Research & Development
Faculty of Social Sciences
University of Calgary

Dr. Erin Gibbs van Brunschot (from August 2007)

Associate Professor, Sociology
Associate Dean, Academic Programs
Faculty of Social Sciences
University of Calgary

Dr. Dan Mason

Associate Professor
Physical Education and Recreation Faculty
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External Member

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