



Office of the Clerk

August 25, 2011

The Honourable Dwight Duncan, MPP
Minister of Finance
Frost Bldg South, 7th Floor
7 Queen's Park Crescent
Toronto, Ontario M7A 1Y7

Dear Minister:

On Monday, August 15, 2011 the Council of the Township of Centre Wellington passed the following resolution:

WHEREAS the Racetrack Municipality Contribution Agreements between the OLG, and the Township of Centre Wellington and other municipalities have a clearly defined definition of the "Net Win", on which the 5% Municipal allocation is calculated; and

WHEREAS the OLG is now calculating the "Net Win" based on its interpretation of the International Financial Reporting Standards (IFRS); and

WHEREAS the OLG has acknowledged that the financial impact of this change is to shift revenue from the host municipalities and the horse racing industry to the Province of Ontario; and

WHEREAS IFRS does NOT require a change to existing agreements unless the agreement makes reference to an accounting standard; and

WHEREAS there is no such reference in the agreement;

NOW THEREFORE the Council of the Township of Centre Wellington respectfully requests that the OLG honour its Agreement with the Township of Centre Wellington, and the agreements it has with other Ontario Municipalities and the horse racing industry; and

FURTHER that this resolution be circulated to the Honourable Dwight Duncan (MPP and Minister of Finance), Tim Hudak (MPP and Leader of the Opposition), Andrea Horwath (MPP and Leader, New Democratic Party), Ted Arnott (MPP), the OLG, the Grand River Raceway, and the Ontario Harness Horse Racing Association, the County of Wellington, and all municipalities that host slots and casino facilities.

Yours sincerely,

Encl.

Marion Morris
Municipal Clerk



Office of The Mayor

Sent Via Purolator

Mayor's file

COPY

June 1st, 2011

The Honorable Dwight Duncan, MPP
Minister of Finance
Frost Bldg South, 7th Floor
7 Queen's Park Crescent
TORONTO, ON M7A 1Y7

Dear Minister:

Re: Impact of OLG Decision re: IFRS

The Township of Centre Wellington has been the host municipality for the OLG Slots at Grand River Raceway since December, 2003.

I am writing with respect to OLG's decision to replace the "Net Win", as clearly defined in the Racetrack Municipality Contribution Agreement, with its interpretation of "gross revenue" under the International Financial Reporting Standards (IFRS). Please see the attached correspondence from the OLG dated April 15, 2011, and May 27, 2011.

In recent conference calls between senior OLG staff, host municipalities, and the horse racing industry, OLG has acknowledged that:

1. The implementation of IFRS has no impact on its bottom line. A reduction in reported revenues is offset by a corresponding reduction in reported expenses.
2. The financial impact of OLG's decision is to shift revenue from the host municipalities and the horse racing industry to the Province of Ontario.