GRAHA GAMBLING HISTORY AND INFORMATION

HISTORY

The GRAHA Gambling program began under the guidance of Bill McDonald. The first location we opened was in October of 1988 at the Sawmill Inn. Bill was our first gambling manager beginning in June of 1988 and continuing until April of 1989. At that time Bill Peltier took over and was gambling manager for thirteen months. Bill was asked to run for GRAHA President at that time and had to give up the gambling manager's job under state law. Dale Christy was asked to become gambling manager and has been in that position since May of 1990. Bill Peltier has served as assistant gambling manager since giving up the manager's job.

Over the years, GRAHA has operated at twenty-three sites. Currently we have ten site licenses and are active at eight of those including Rileys, Gosh Dam Place, LMNO Pizza, Hayslips Corner, Timberwolf Inn, Florios, Sure Game Resort, and Hoot and Holler. All of our sites are bar operations where the tickets are behind the bar and sold by the owners and their bartenders.

SITES

Something which GRAHA members should understand is that we have no claim to our sites. We are there under the graces of the premise owner. Although we sign leases at all our rented locations, both the owners and GRAHA have 30-day written notice options to terminate the lease. This option has been used to close our operations a number of our sites.

Other organizations make bids for our locations on a frequent basis. We have been able to keep our sites for a number of reasons. In some instances, it may be because of our ongoing relationship with the owners. They also like the fact that all money raised stays in the general area, it goes towards kids' activities, or goes to other youth activities as well as hockey. In other cases, it is because our organization has done a good job in the owner's eyes and has a good reputation amongst frequent pull tab players.

What is important to remember is that we can lose these locations at any time if the owner of the premise wishes to make a change. It is important GRAHA does what it can to help the premise owners' business when possible. When considering your dining and entertainment options, please consider patronizing the establishments that give back to our organization!

GAMBLING PROFITS- For the year ending June 30,

Year	Amount	Year	Amount	Year	Amount
1991	42,303	2002	11,614	2013	82,476
1992	48,893	2003	12,065	2014	92,514
1993	53,055	2004	64,259	2015	96,408
1994	30,142	2005	61,690		
1995	42,770	2006	32,340		
1996	30,862	2007	4,952		
1997	7,823	2008	66,992		
1998	34,959	2009	61,619		
1999	55,259	2010	48,294		
2000	14,199	2011	53,513		
2001	31,929	2012	61,978		

Why the variations from year to year? There are a number of reasons ranging from the state of the economy, the tax structure imposed by the state from year to year, laws dealing with rent formulas, a law against accepting checks, minimum wage increases, opening of local casinos, and sites which have had losses before we closed them.

We operate on a very slim profit margin. For example, in 1998 we had sales of 2.3 million. Our net profit off of this before donations was just under $35,000. Minnesota has the highest tax rates on charitable gambling in the country by nearly twofold.

REQUIREMENTS AND DONATIONS

There is some history of how the gambling account is supposed to run. Although none of these are in our bylaws, they are things voted on and in past minutes as how the gambling operation should operate. First of all, we have a formula of where our donations are supposed to go. Originally it was set up to be 25% to GRAHA, 25% to other organizations, and 50% to a fund to open a second sheet of ice. After the second sheet of ice was built and paid for, it was voted on to change the formula to 50% to GRAHA, 25% to other groups and 25% to an account to be put aside in case gambling every ceased to exist. The money would then be escrowed with GRAHA getting the interest off the account for use every year. This never happened as every year there was something that came up that made us vote to spend it a different way. GRAHA did at one time put money into a CD for future use but quickly needed to pull it out because of budget shortfalls. Currently we are using some of our profits to fund an outdoor pavilion at the IRA Civic Center to function as a third sheet of covered ice for our youth.

Why give any donations to other groups? Many of our premise owners like to see that some of the profit goes to other youth activities beyond hockey. We do not have an obligation to do so but we do understand the bar owners may rent to whoever they want to. No current owner is adamant about who we give to or how much, but they do like to be able to tell their customers that the money raised goes to benefit all kids in the community not just hockey players. What we have done lately is have group specific raffles at many of our sites and it has worked well. If a bar owner has a particular project they want to see funded, we have a raffle with the profits earmarked for that group. It has made bar owners happy and is money we would not have had otherwise as we would not have undertaken the raffle. Typically, the bar sells the tickets and does the work for the raffle. We are just the fiscal agent. Therefore, every year more and more of our pull tab profits go directly to hockey.

Donations, by law, are the prerogative of the membership (not the board) that is present when the request comes forward. One thing that was decided at the onset of our gambling program is that all donations should stay in the Greater Grand Rapids/Itasca area, be given only to activities designed for people under the age of 18, and if the donation was for outside the area it would only be for a hockey related reason. We have operated under that rule ever since we began.

SUMMARY

As you can see, the GRAHA Charitable Gambling program has a significant impact on keeping the participation fees for our players lower than they would be otherwise. Our hope is to be able to continue this well into the future and have a positive impact on the youth of our community. Please consider patronizing our pull tab sites!