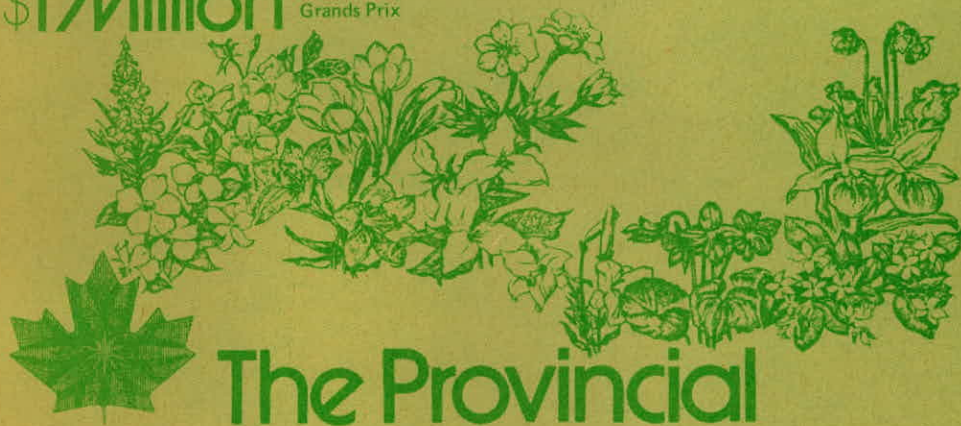


Ontario Lottery Corporation Annual Report 1976/77



\$1 Million Grand Prizes
Grands Prix

\$5.



September 30, 1977

The Honourable
Robert Welch, Q.C.
Minister of Culture and Recreation
6th Floor
77 Bloor Street West
Toronto, Ontario

Dear Mr. Welch,

Pursuant to the provisions of the Ontario Lottery Corporation Act, I have the pleasure of presenting to you the second annual report of the Ontario Lottery Corporation, for the year ending March 31, 1977.

Yours very truly,

A handwritten signature in dark ink, appearing to read "Harry McCulloch", written in a cursive style.

H. McCulloch, Q.C.
Chairman of the Board

Board of Directors



Harvey McCulloch, Q.C.
Chairman



Gisele Richer
Vice-Chairman



J. Gilbert Bowness



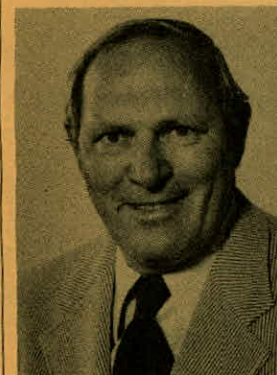
Harold Freeman, C.A.



Fern Guindon



Aranka E. Kovacs, Ph.D.



Donald J. MacLean, C.L.U.



Edward Rigby, D.D.



E. Marshall Pollock, Q.C.
Managing Director

Board of Directors

Chairman

Harvey McCulloch, Q.C.,
Hamilton
(Feb. 17, 1975 to Feb. 16, 1979)

Vice-Chairman

Gisele Richer, Rockland
(Feb. 17, 1975 to Feb. 16, 1978)

Members:

J. Gilbert Bowness, North Bay
(Sept. 30, 1976 to Sept. 29, 1979)

Harold Freeman, C.A., Toronto
(Feb. 17, 1975 to Feb. 16, 1980)

Fern Guindon, Cornwall
(Feb. 17, 1975 to Feb. 16, 1978)

Dr. Aranka E. Kovacs, Windsor
(Feb. 17, 1975 to Feb. 16, 1980)

Donald J. MacLean, CLU, Toronto
(Feb. 17, 1976 to Feb. 16, 1979)

Dr. Edward Rigby, Burlington
(Feb. 17, 1975 to Feb. 16, 1978)

E. Marshall Pollock, Q.C., Toronto
Managing Director

Senior Staff Members

Managing Director

E. Marshall Pollock, Q.C.

Manager, Distribution & Sales
J. Michael Holroyde

Manager, Draws & Community
Relations

Barbara E. Jesson

Manager, Finance

& Administration

Adam J. Hawkins, R.I.A.

The Chairman's Report

The Ontario Lottery Corporation in its second year of operation continued to meet the objectives for which it was established — the raising of public revenue for a variety of worthwhile purposes in Ontario.

This year Wintario produced profits of \$77.1 million on sales of \$168.4 million, bringing the total contribution of the Corporation to physical fitness, sports and recreational projects and activities to \$118 million in two years.

The launch of the Provincial in September 1976 presented us with an exciting opportunity to demonstrate interprovincial co-operation in a joint lottery venture. An outgrowth of many months of discussions among all of the provinces, the Provincial was designed to offer a million-dollar alternative to Wintario and raise public revenues for a variety of worthwhile projects in each of the participating provinces. In its first partial year of operation, the Provincial yielded proceeds of \$15.7 million in Ontario which will be used to support health research and health-related environmental projects here.

The enthusiastic support given Wintario and the Provincial by Ontario residents is a clear indication of their confidence in the operational integrity of the Corporation and has allowed us, through the Ministry of Culture and Recreation and the Ministries of Health, Environment and Labour, to make available more than \$92 million this year to a wide variety of worthwhile projects which have contributed directly to the overall quality of life within the Province.

At the same time, the Corporation's activities have contributed to the enhancement of the economic climate of the province in other ways. This year more than 21,000 regular and charitable retailers have earned almost \$16 million in commissions from the sale of Wintario and Provincial lottery tickets and 821,572 winners have shared more than \$85 million in prize money.

Just another reason why we say, "We all Win."



Harvey McCulloch, Q.C.
September 30, 1977

The Managing Director's Report

Last year was one of significant growth for the Ontario Lottery Corporation with Wintario and Provincial sales totalling \$218.8 million.

Wintario has continued to be the most successful lottery of its kind in North America with sales and profits dramatically up by 73.3 percent and 77.9 percent, respectively, over last year. During the same period, operational costs (advertising, ticket printing and packaging, general administration, etc.) were reduced from 6.3 percent of sales in 1975-76 to 4.5 percent in 1976-77.

Contributing to the continuing popularity, which saw Wintario reach 86 percent of Ontario households, was the expansion of the prize structure to five grand prizes of \$100,000 each. Special million-dollar bonus draws held in conjunction with regular Wintario draws were another feature which the public found very attractive. These bonus draws are a development of the Corporation's prize dedication policy which ensures that all unclaimed prize money is returned to the participants in subsequent draws.

Midyear, we broadened the base of our enterprise with the introduction of the Provincial, a \$5 per ticket, bimonthly, millionaire lottery. Operated under the aegis of the Interprovincial Lottery Corporation, the Provincial is a joint venture of the provinces of Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. Provincial tickets are distributed and sold in Ontario by the Ontario Lottery Corporation and by the Western Canada Lottery Foundation in western Canada. By March 31, 1977, ticket sales of the Provincial in Ontario had exceeded \$50 million.

Next year, with the doubling of the number of Wintario prizes by the introduction of "Win'fall" prizes in the spring (June 23, 1977) and the expansion of the Provincial to a new monthly format in the fall, we foresee a year at least as innovative and challenging as the one just completed. A challenge that all of us in the Corporation will try to meet with a vigour and enthusiasm reflective of the broad base of public support from all across Ontario.



E. Marshall Pollock, Q.C.
September 30, 1977

In the Road

Wintario television hosts Fred Davis and Faye Dance visited 26 Ontario communities last year. From Sarnia to Cornwall to Kirkland Lake, Wintario has been part of a variety of community events — everything from music festivals and centennial celebrations to international ploughing matches.

Running the largest, regularly scheduled, travelling, live T.V. show in North America isn't easy. But, as Fred Davis says, "There's a different kind of excitement in each community that we visit. The fact that this is one of the few things left in television today that is actually done *live* certainly adds to that excitement, especially when we're depending on random chance to produce those winning numbers."

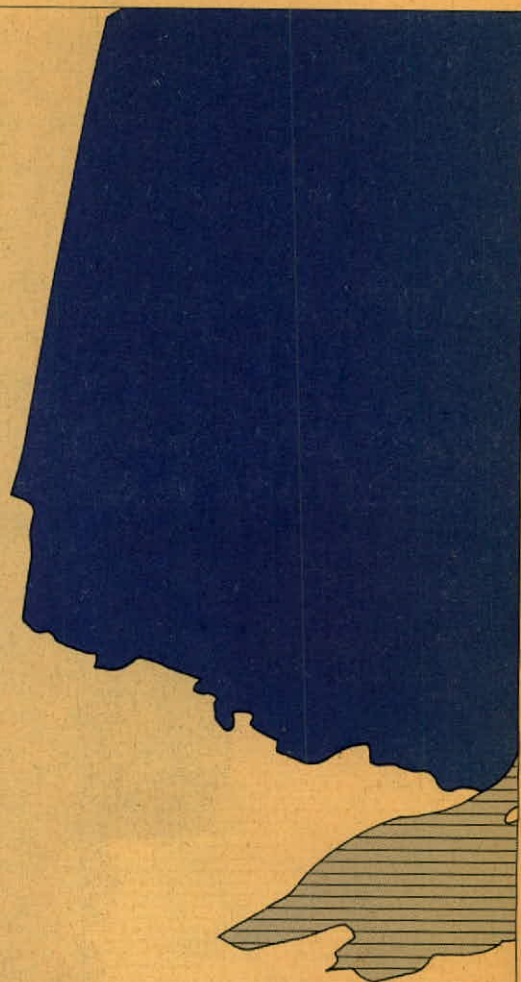
Over 40,000 people have attended the live draws and T.V. ratings indicate that the Wintario show is a crowd pleaser — about a million people tune in every draw to watch the winning numbers drawn.

A variety of factors enter into the selection of draw sites: geographic location, the type of community activities involved and the ability of the site itself to be adapted to the television setting. Some sites, like Owen Sound, present special difficulties. There, because of the terrain, Telesat, Canada's Transportable Satellite Earth station, orbiting 22,300 miles above the earth, had to be employed to relay the T.V. signal from the draw site some 36 miles down the road to the nearest microwave transmission centre.

Occurrences like the pre-show power failure in North Bay or being snowed-in in Kirkland Lake present challenges. When Provincial and Wintario draws are back to back, schedules are even more hectic. "But so far," says Ontario Lottery Corporation Managing Director, Marshall Pollock, "there hasn't been anything we couldn't handle with a little bit of our own brand of luck."



Since May 15, 1975, Manager of Draws and Community Relations, Barbara Jesson, shown here on the set of the Wintario draw with hosts Fred Davis and Faye Dance, has travelled over 19,000 miles — to almost every county and district in Ontario.



Since our last report, Wintario has visited the following locations:

1976

- ☐ Toronto—September 2
Canadian National Exhibition
- ☐ St. Catharines—September 16
St. Catharines Centennial
- ☐ Walkerton—September 30
International Ploughing Match
- ☐ Tillsonburg—October 14
Tillsonburg Community Complex
- ☐ Sudbury—October 28
Association of Canadian Travellers
Variety show, Sudbury Arena
- ☐ Cornwall—November 11
Cornwall Civic Complex
- ☐ Pembroke—November 25
Variety Show, Upper Ottawa Exhibition
Association, Champlain High School
- ☐ Sarnia—December 9
Sarnia Collegiate Institute & Technical
School
- ☐ Sunnybrook Medical Centre—
December 26
Boxing Day Celebrations

1977

- Kingston—January 6
Reopening of the Grand Theatre
- Owen Sound—January 20
Owen Sound Winter Carnival
- Bowmanville—February 3
Jaycees Variety Show, Bowmanville High School
- Orangeville—February 17
Sno-Brr-Fest
- Kirkland Lake—March 3
Kirkland Lake Winter Carnival
- Guelph—March 17
150th Anniversary
- Toronto—March 31
Humber College Open House
- Belleville—April 14
Quinte Arts Festival
- Waterloo—April 28
Kiwanis Music Festival
- Prescott—May 12
Kinsmen Club Variety Show, South
Grenville District High School
- Georgetown—May 26
Variety Show, Georgetown Memorial
Arena
- Penetanguishene—June 9
Chamber of Commerce Variety Show,
Penetanguishene Curling &
Community Centre
- Mount Forest—June 23
Old Home Week
- Goderich—July 7
Jubilee Three Celebration
- Welland—July 21
Rose Festival
- Cobalt—August 4
Miners' Festival
- Ottawa—August 18
Central Canada Exhibition

The Newest Game n Town

On May 10, 1976, the Honourable Robert Welch, Minister of Culture and Recreation, declared Ontario's intention to participate in a million-dollar lottery after the expiry of the Province's agreement with the Olympic Lottery in August. Details of the new lottery, announced in July, included a \$5 format which offered five chances to win a million dollars and five chances to win a quarter of a million dollars as well as thousands of other prizes.

On September 3, 1976, British Columbia, Saskatchewan, and Manitoba joined Ontario in this joint venture. Alberta joined in November.

Organized under the aegis of the Interprovincial Lottery Corporation in which the five participating provinces are shareholders, the Provincial is marketed in the western provinces by the Western Canada Lottery Foundation and in Ontario by the Ontario Lottery Corporation.

Proceeds from tickets sold in Ontario will initially be used to support health research and health-related environmental projects. Of the first \$15.2 million in Provincial profits, \$5.2 million has been allocated to a variety of health research programs. These include a \$2 million grant to the Ontario Cancer Treatment and Research Foundation, a \$500,000 award to the Ontario Heart Foundation for a program for stroke research, a \$500,000 grant to the Ontario Mental Health Foundation for mental health research personnel support programs, a \$300,000 award to the Addiction Research Foundation to support research into the treatment of alcoholic liver disease, a \$1 million grant to the

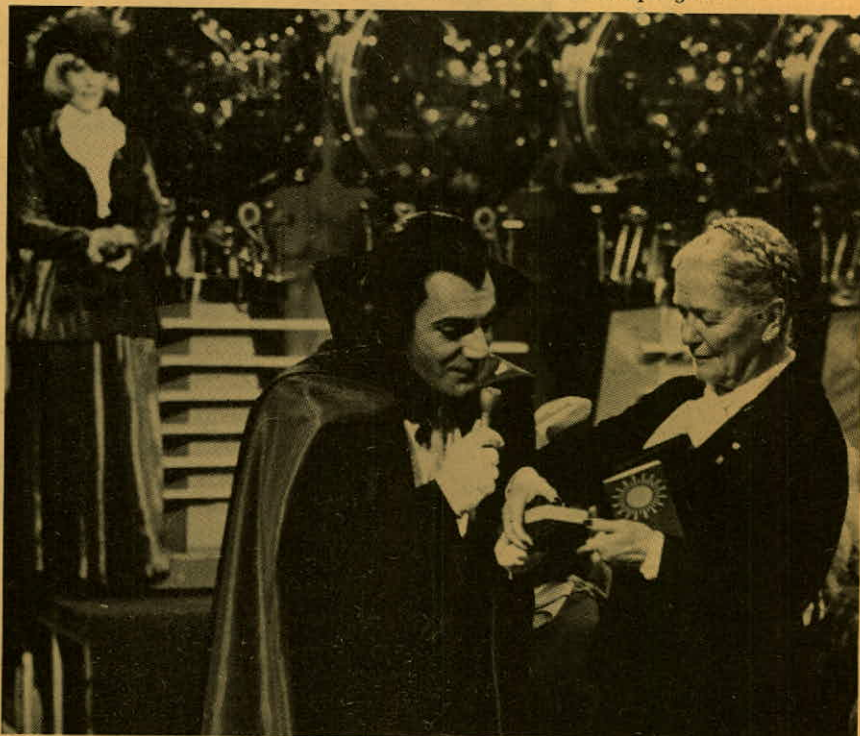
health sciences centres of major Ontario universities to replace or update health research equipment, as well as a \$500,000 contribution to their health research and development funds, and \$400,000 for applied and clinical study grants to Ontario universities and hospitals.

A further \$5 million has been designated for several environmental health projects such as the identification and rehabilitation of abandoned mine sites and the re-

placement of contaminated top soil from residential properties near lead smelting plants.

Another \$5 million has been allocated to the Ministry of Labour to fund applied research projects and to train occupational health specialists.

"A better chance for everyone" is the Provincial's slogan. And it truly is! Not only does it offer participants a chance to win one of the many thousands of prizes but at the same time it provides that much-needed funding for worthwhile health research and health-related environmental projects.



Ontario's Lieutenant Governor, The Honourable Pauline McGibbon, launched the first draw of the Provincial at a Halloween Celebration in Toronto's Casa Loma. Subsequent draws took place in Vancouver, Stratford, Ottawa and Calgary.

The Bonus Draw—prizes plus!

Amazing as it seems, not everyone claims their prize money. Prizes can go unclaimed for a variety of reasons — tickets are sometimes misplaced, destroyed or retained by people who are unaware that they've won. While an average of more than 95 percent of the tickets have been sold in each draw, there is always a remote possibility that a winning ticket has not been sold. However, for whatever reason, accumulated prize money is, after the expiry of the one-year claiming period, transferred to a fund to be returned to the participants as prizes in subsequent draws.

There were three Bonus Draws last year (June 24, September 16 and February 3) and each draw featured 100 bonus prizes of \$10,000 each — an extra million dollars. A live audience attended the advance drawing of these one hundred bonus numbers, held just prior to the regular draw. The numbers drawn were recorded on display boards and sealed by the official recorders and were publicly revealed during the last half-hour

of the extended Wintario draw that night.

In the Provincial, the different ticket design and draw frequency allows us to determine, prior to the next draw, if any of the unsold tickets (returned at the close of sales just prior to the draw) are eligible to win major prizes. If they are, these prizes are added to the next draw as bonus prizes. Other unclaimed or unawarded prizes, after the expiry of the one-year claiming period, will be transferred to a special prize fund for bonus or special prizes in future draws.



The Prize Office

Our prize office is a happy, busy place — happy because most of our visitors are winners and busy because there are so many of them.

After a Wintario draw, as many as 1,000 winners may come in to collect their prizes. A Provincial draw may mean 900 winners the following day.

Prize office staff authenticate tickets, check winners' identification and most important give away cheques ranging from \$25 to \$1 million.

Publicizing the identity of winners is essential to the integrity of the lottery. The public has a right to know who the winners are. In this way, public confidence and interest in the lottery can be maintained.

Everybody loves a winner and part of the fun is being a celebrity for a day.

"We've had 13 new millionaires, 14 quarter millionaires and 120 winners of \$100,000 pass through the prize office this year and I still get letters from past winners telling me how much they enjoyed winning and the extra little attention winning brought," says Wendy Horne, Media Relations Officer for the Corporation. "They talk about their plans for the prize money and the pleasure that sharing their winnings has given them."

With 821,572 winners in the last year and more than \$85 million awarded in prize money, the prize

office is an active place full of many interesting stories.

Our mail room is almost as exciting as the prize office. Winners can collect their prizes by mail and this convenience means that our mail room receives as many as 1,150 Wintario tickets and 2,850 Provincial tickets a day or so following a draw. Mailed-in tickets frequently present puzzling problems for Pauline Kramreither, our Coordinator of Mail Services. She must sometimes search through

thousands of pieces of mail trying to resolve them. "It certainly causes quite a stir around here when someone sends in a winning million dollar ticket by mail!"

In addition to our prize office and mail-in service, \$25 Wintario and \$50 Provincial prize winners can redeem their tickets at the Canadian Imperial Bank of Commerce and about 83.9 percent of all winners do.

Prize Office Report (As of September 30, 1977)

Wintario Draw Date	No. of Prizes Available	Value of Prizes Deposited	Percent Paid Out
April 15, 1976	24,840	\$2,184,500	92%
April 29, 1976	35,100	2,679,750	83%
May 13, 1976	32,400	2,511,000	93%
May 27, 1976	32,400	2,511,000	91%
June 10, 1976	32,400	2,511,000	95%
June 24, 1976	46,000	4,354,750	95%
July 8, 1976	29,700	2,342,250	97%
July 22, 1976	30,600	2,398,500	96%
August 5, 1976	31,050	2,426,625	94%
August 19, 1976	29,700	2,342,250	91%
September 2, 1976	32,400	2,511,000	88%
September 16, 1976	46,000	4,354,750	97%
September 30, 1976	32,400	2,511,000	94%
October 14, 1976	32,400	2,511,000	89%
October 28, 1976	32,400	2,511,000	92%
November 11, 1976	32,400	2,511,000	87%
November 25, 1976	32,400	2,511,000	93%
December 9, 1976	32,400	2,511,000	91%
December 26, 1976	32,400	2,511,000	97%
January 8, 1977	32,400	2,511,000	86%
January 22, 1977	32,400	2,511,000	94%
February 3, 1977	51,400	4,692,250	96%
February 17, 1977	32,400	2,511,000	95%
March 3, 1977	32,400	2,511,000	92%
March 17, 1977	29,700	2,342,250	98%
March 31, 1977	32,400	2,511,000	95%
TOTAL	872,490	\$70,293,875	

And the winners are...

Excited, amazed, disbelieving! These emotions and many others appeared on the faces of our 1,144,181 winners (May 15, 1975—April 30, 1977). Winning was a terrific adventure and with their individual reactions and plans each winner has been special.



A very special winner was our millionth Wintario winner John Manarey. John arrived on April 5, 1977 to collect his \$100 prize and was astonished to discover he had won a trip for two anywhere in the world plus spending money, courtesy of CP Air and the Ontario Lottery Corporation.

As hosts of the February 3, 1977 bonus draw, the Bowmanville Jaycees purchased Wintario tickets which they included as part of the admission to the draw. The group won \$10,000 — a prize they plan to use in the development of a park in Bowmanville. Shown from left to right are: Larry Pooler, Harry Moroz, President Al Wood, Bill Steacey, Grant Brumm, Anton Trejbal.



Charles Hammond of Scarborough made lottery history by being the first person to win \$100,000 twice. The first time he won (December 26, 1976), he shared his ticket with his daughter and another girl. The second time (June 23, 1977), he won all on his own.



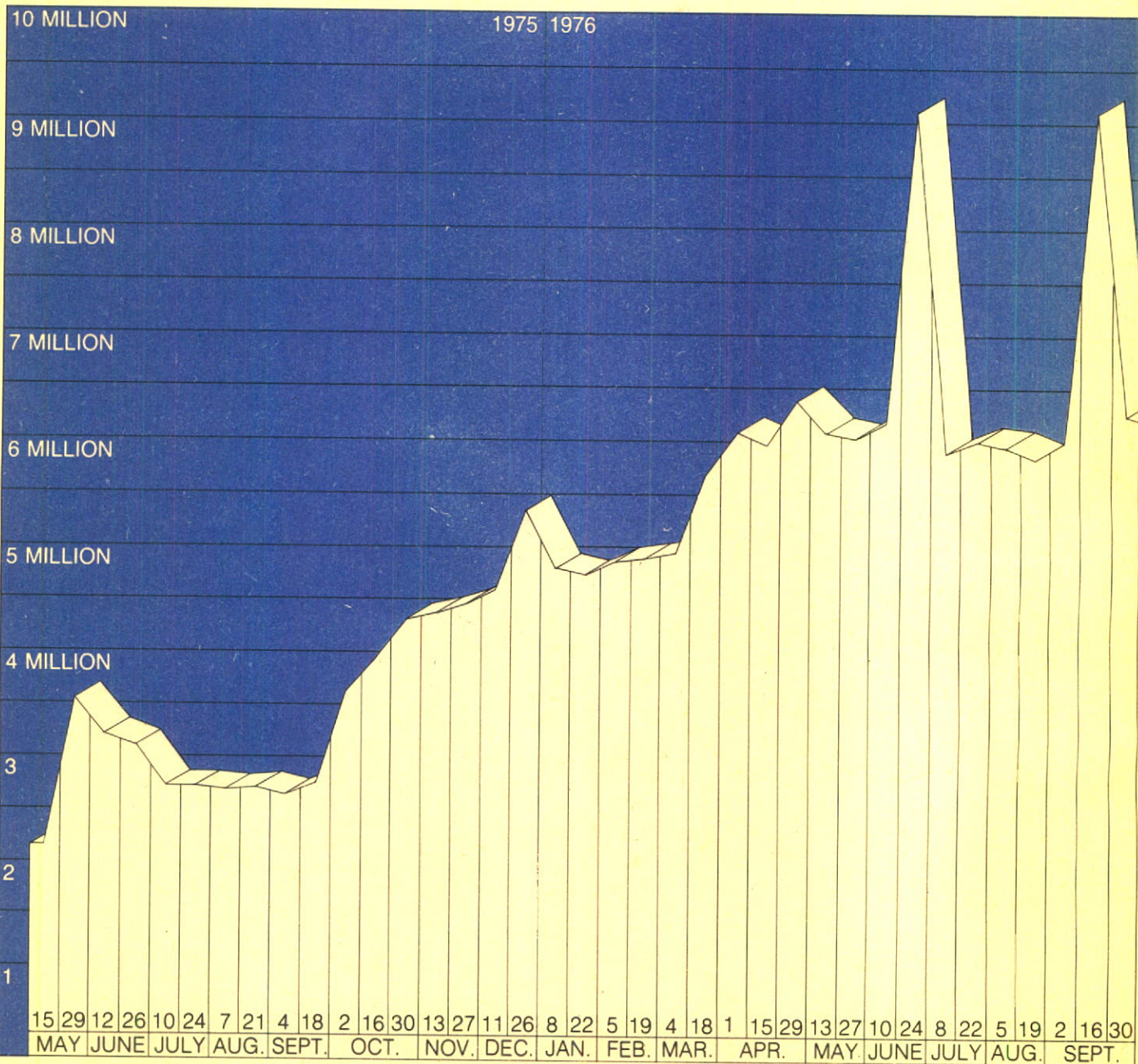
"Well, I won't be retiring on it," explained Fred Davis when he claimed his \$50 Provincial prize, "but it's great fun and I can think of hundreds of ways to spend it!"

Anne and Fred Nash — En route to have her baby, Anne Nash stopped to buy a lottery ticket. It was a lucky stop — she won \$100,000 in the May 12, 1977 draw.



Net Sales

WINTARIO



Getting the tickets to market

1976 1977

PROVINCIAL

5 MILLION

4 MILLION

3

2

1

OCT 31 1976
DEC 31 1976
FEB 28 1977
APR 30 1977

To get both Provincial and Wintario tickets from the Corporation to the public, Mike Holroyde, Manager of Distribution and Sales, directs a system of 46 independent distributors, who are responsible for the distribution of tickets to the hundreds of retailers in each area.

As of May 1976, distributors' gross commissions on Wintario sales were reduced to 3 cents per ticket for the first 100,000 tickets sold (including a 1/2 cent allowance for promotion and advertising) and 2 cents per ticket on sales exceeding 100,000. For the Provincial, distributors receive a gross commission of 15 cents for each ticket sold.

One of the most important elements in the sales and distribution chain is the network of more than 21,000 Wintario/Provincial retailers. These independent sales outlets, which include trust companies, cigar stores, news stands, variety stores, and individual retailers who service commercial and industrial areas, earn commissions of 8 cents per ticket on Wintario and 25 cents per ticket on the Provincial.

But not all of our retailers are commercial outlets. Many are charitable organizations who sell Wintario and Provincial tickets to earn money for a wide variety of worthwhile projects. One such organization is the Kidney Foundation of Niagara Falls. In the past year, they earned \$5334 by selling 63,102 tickets.

President Alfie Hicks terms Wintario "a life saver" for the Foundation. "Last year we earned \$2500 for medical research and this year we gave \$5,000 to find the causes and cures of kidney disease."

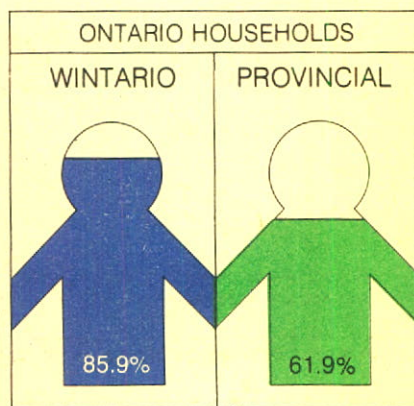
Who buys lottery tickets?

The February 1977 Gallup Poll showed that participation in both Wintario and the Provincial cuts across every socio-economic group in the province. With 85.9 percent of all Ontario households having purchased a Wintario ticket and 61.9 percent having bought a Provincial ticket, almost all of Ontario has participated — all types of people from diverse backgrounds and occupations.

There does not appear to be a significant difference in participation by income group — except as

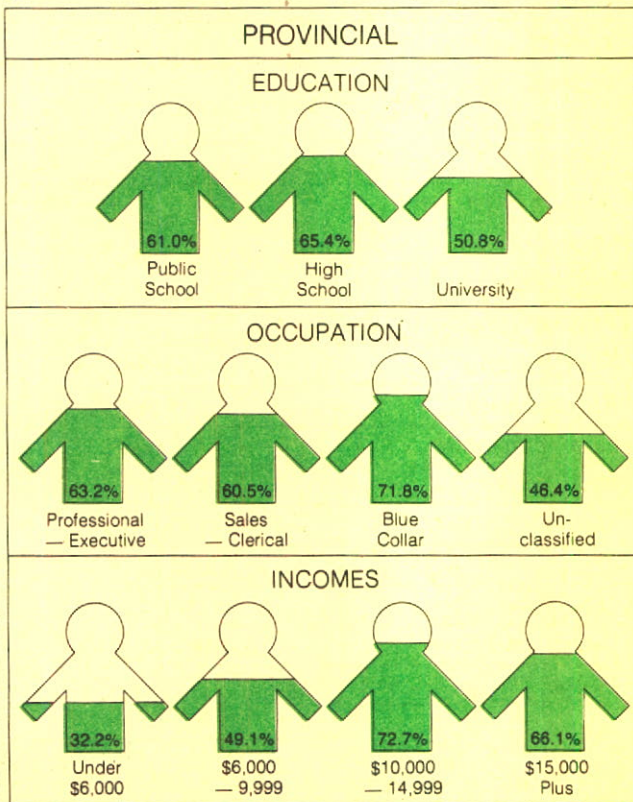
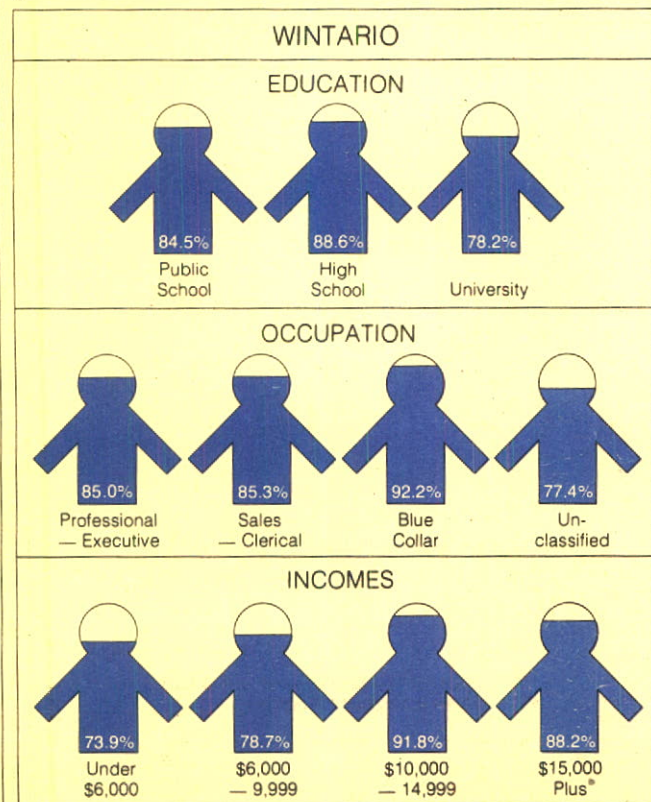
you might expect those people in higher income levels tend to participate to a greater extent, 90 percent over \$10,000 as compared to 76.3 percent under that figure.

Who is the Average Wintario Ticket Purchaser? As you can see from the demographic breakdown of the Gallup Poll (below), he or she would probably be a blue collar or clerical worker with a high school education who earns between \$10,000 — \$14,999 a year and lives in a community of 10,000 — 100,000.



DEMOGRAPHIC CHARACTERISTICS OF PARTICIPATION (EXPRESSED AS A % OF THE WHOLE IN EACH CATEGORY)

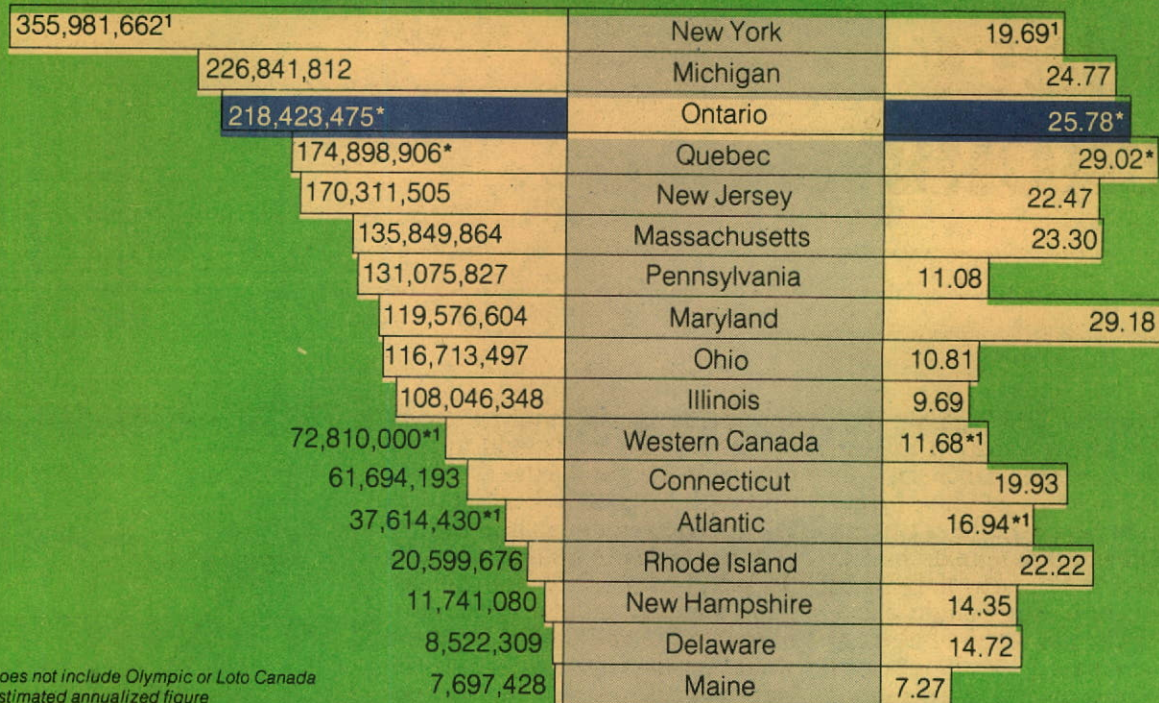
Source: Gallup Poll February, 1977



GROSS ANNUAL LOTTERY SALES (\$MILLIONS)

1976-1977

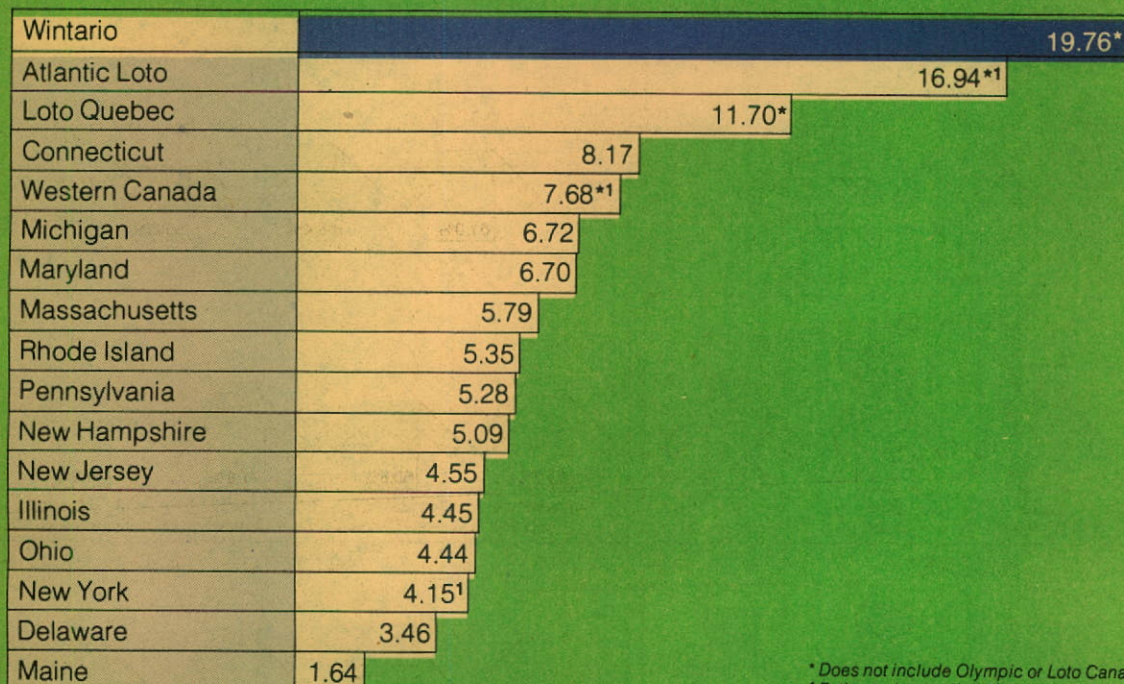
PER CAPITA SALES (\$)



* Does not include Olympic or Loto Canada

¹ Estimated annualized figure

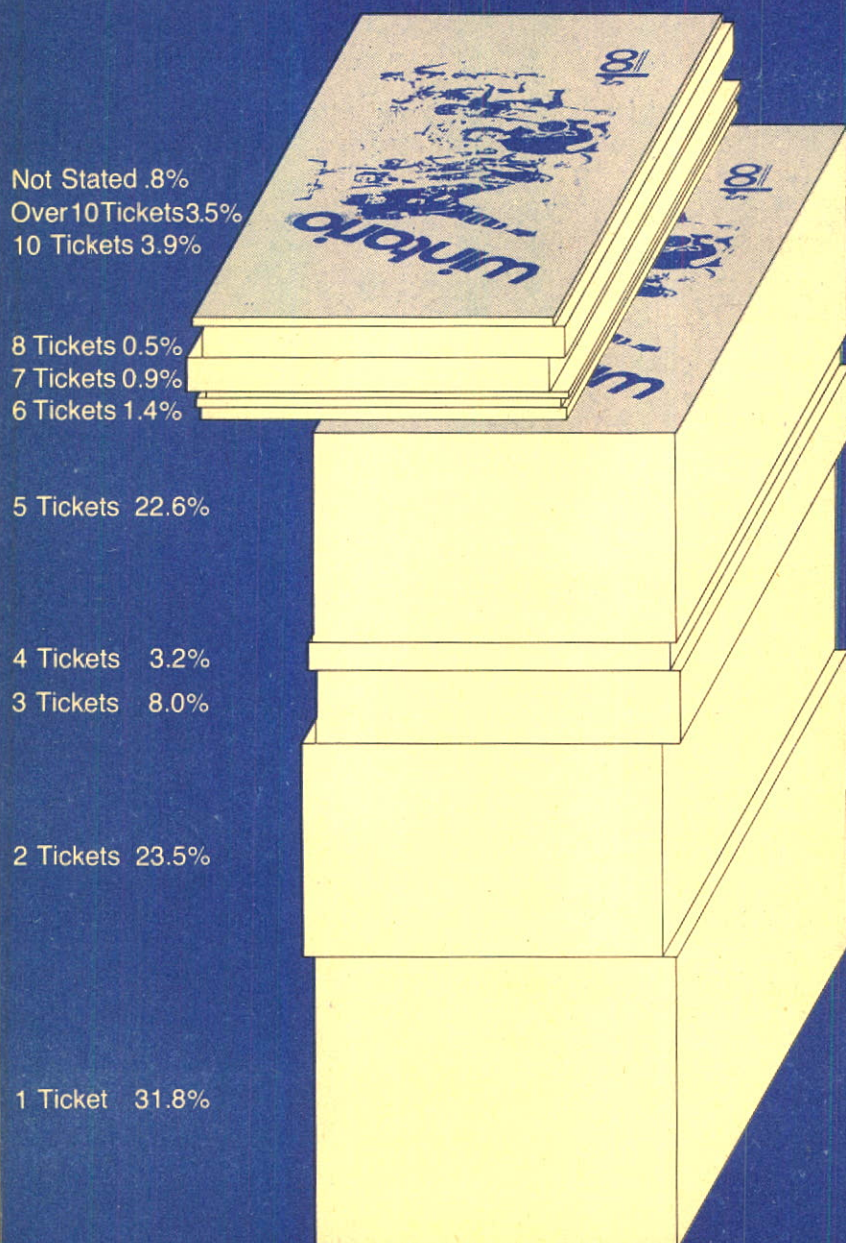
ANNUAL PER CAPITA SALES OF WEEKLY/BIWEEKLY LOTTERIES (\$)



* Does not include Olympic or Loto Canada

¹ Estimated annualized figure

How many tickets do people buy?

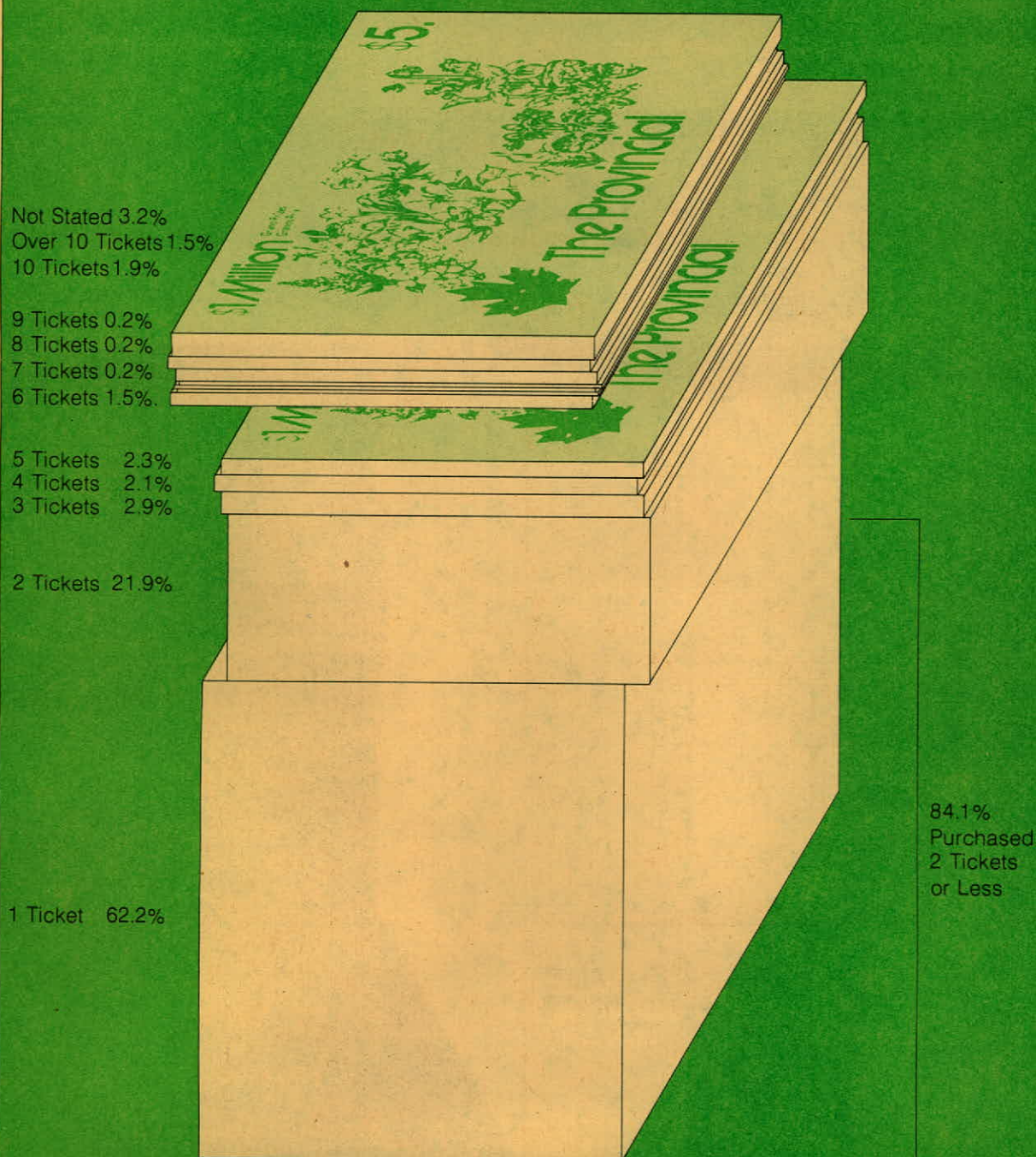


Perhaps the most significant Wintario statistic can be found in that part of the survey relating to the number of tickets purchased for each draw. As can be seen from the illustration, over 89 percent of all purchases are of five tickets or fewer per draw, with the largest group — 31.8 percent — purchasing only one ticket. The second largest group of ticket purchasers — 23.5 percent — buy two tickets per draw.

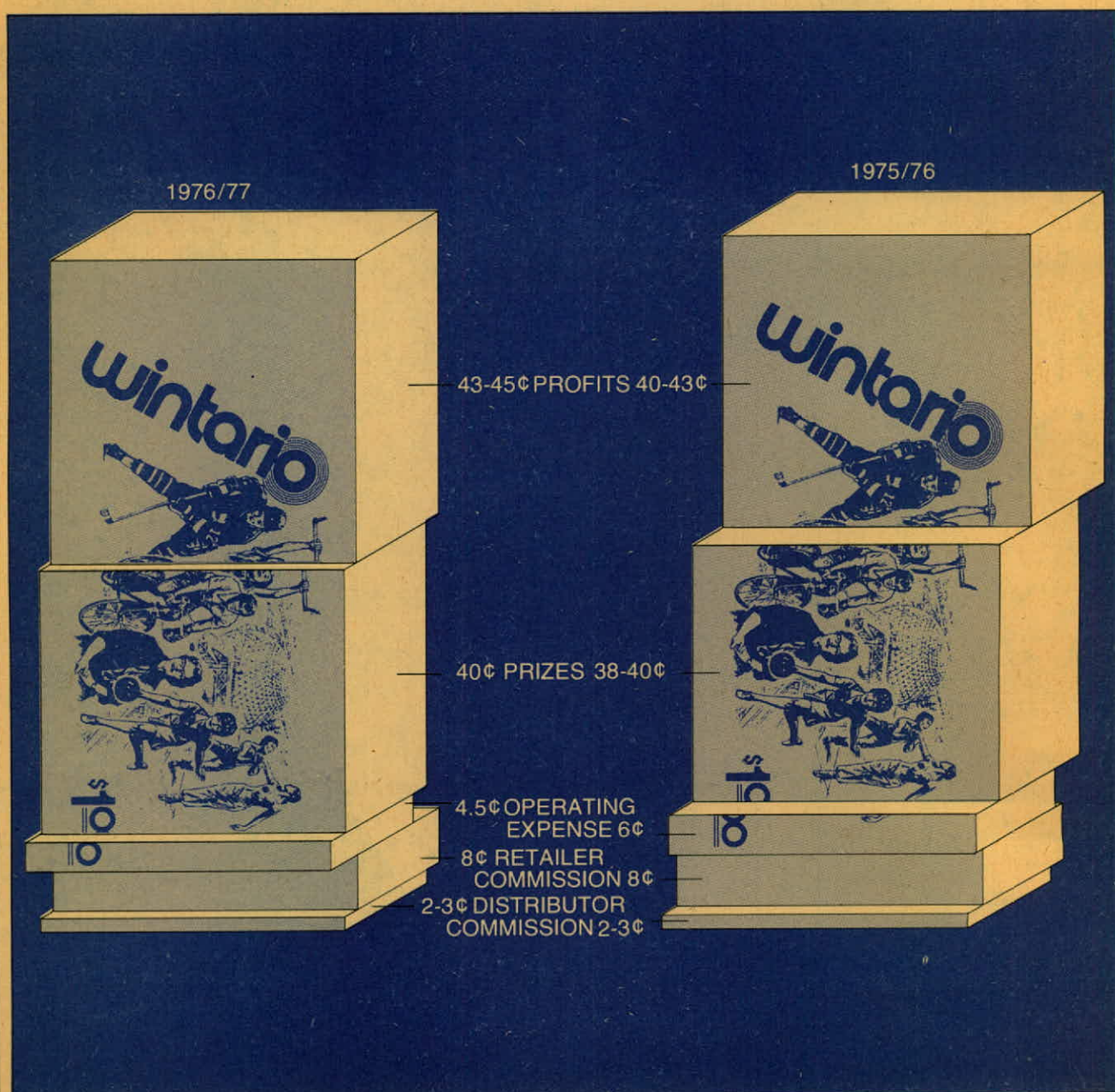
89.1%
Purchased
5 Tickets
or Less

Source:
Gallup Poll February, 1977

Like Wintario participants, those who buy Provincial tickets do not spend large amounts of money. Our largest portion of buyers — 62.2 percent — purchase only one ticket per draw and 21.9 percent buy only two tickets per draw.



Where Wintario dollars go



Ontario Lottery Corporation

(Incorporated without share capital under
The Ontario Lottery Corporation Act, 1974)

Balance Sheet

as at March 31, 1977

Assets

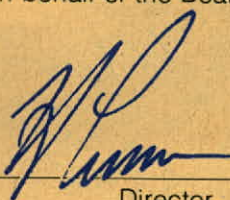
	1977	1976
	\$	\$
Current assets		
Cash	10,021,767	5,372,514
Prize funds	8,809,225	6,384,100
Accrued interest	135,587	104,315
Accounts receivable	443,469	13,080
Prepaid expenses	3,484,917	93,188
	<u>22,894,965</u>	<u>11,967,197</u>

Liabilities

Current liabilities		
Prize money unclaimed	8,809,225	6,384,100
Net profit due to the Treasurer of Ontario — Wintario (note 2c)	2,366,049	1,289,085
Net proceeds due to the Treasurer of Ontario — The Provincial (note 2d)	5,722,717	—
Accounts payable and accrued liabilities	1,683,223	561,529
Deferred income (note 2a)	4,313,751	3,732,483
	<u>22,894,965</u>	<u>11,967,197</u>

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

Ontario Lottery Corporation

(Incorporated without share capital under
The Ontario Lottery Corporation Act, 1974)

Statement of Operations and Net Profit

Due to the Treasurer of Ontario
WINTARIO
for the year ended March 31, 1977
(note 2a)

	1977	1976
	\$	\$
Lottery ticket sales	168,359,565	97,137,440
Less Commissions: Distributors	4,584,037	4,639,026
Retailers	13,468,765	7,770,995
	18,052,802	12,410,021
Net ticket sales	150,306,763	84,727,419
Prizes	67,293,875	36,094,700
Operating Expenses		
Advertising	2,419,237	2,315,853
Ticket Printing	2,815,174	1,606,748
Administration	2,035,563	2,036,792
Bonuses to retailers (note 2f)	289,400	118,250
	7,559,374	6,077,643
Total prizes and expenses	74,853,249	42,172,343
Operating income	75,453,514	42,555,076
Interest income	1,623,450	759,817
Net profit for the year	77,076,964	43,314,893
Net profit due to the Treasurer of Ontario, beginning of year	1,289,085	(25,808)
	78,366,049	43,289,085
Deduct: Payments to the Treasurer of Ontario on account of net profit (note 2c)	76,000,000	42,000,000
Net profit due to the Treasurer of Ontario, end of year	2,366,049	1,289,085

See accompanying notes to financial statements.

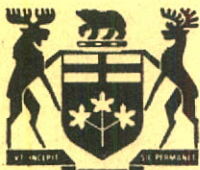
Statement of Operations and Net Proceeds

Due to the Treasurer of Ontario
The PROVINCIAL
for the period ended March 31, 1977
(Notes 1, 2b)

	\$
Lottery ticket sales	50,432,665
Less Commissions: Distributors	1,470,180
Retailers	2,521,633
	3,991,813
Net ticket sales	46,440,852
Prizes	27,648,618
Operating Expenses	
Advertising	2,298,492
Ticket printing	587,548
Administration	522,326
Bonuses to retailers (note 2f)	18,500
	3,426,866
Total prizes and expenses	31,075,484
Operating income	15,365,368
Interest income	357,349
Net proceeds for the period	15,722,717
Deduct: Payments to the Treasurer of Ontario	10,000,000
Net proceeds due to the Treasurer of Ontario	5,722,717

See accompanying notes to financial statements.

Ontario Lottery Corporation



Ontario

Office of
Provincial
Auditor

To the Board of Directors of the
Ontario Lottery Corporation and
to the Minister of Culture and Re-
creation.

I have examined the balance sheet of the Ontario Lottery Corporation as at March 31, 1977, the statement of operations and net profit due to the Treasurer of Ontario — Wintario, and the statement of operations and net proceeds due to the Treasurer of Ontario — The Provincial for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1977 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Corporation and to the Minister.

A handwritten signature in blue ink, appearing to read 'F.N. Scott'.

F.N. Scott, C.A.,
Provincial Auditor.

Toronto, Ontario,
June 3, 1977.

Notes to Financial Statements

March 31, 1977

1. The Provincial

Pursuant to section 7(b) of the Ontario Lottery Corporation Act, 1974, the Corporation was authorized by the Lieutenant Governor in Council to enter into agreements with other provinces regarding an interprovincial lottery scheme provided that net proceeds accruing to Ontario under such lottery shall be paid into the Consolidated Revenue Fund to be held in trust by the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs pursuant to sub-section 1 of section 16 of The Financial Administration Act, for such purposes as the Lieutenant Governor in Council may direct. The Provincial lottery is a joint undertaking by Ontario and the four western provinces acting through the Interprovincial Lottery Corporation, a company incorporated under the Canada Business Corporations Act, the shares of which are held by Her Majesty the Queen in right of the respective provinces.

The Ontario Lottery Corporation is the Regional Marketing Organization for The Provincial in Ontario, and the Western Canada Lottery Foundation is the Regional Marketing Organization for The Provincial in the four western provinces.

Each of the above two Regional Marketing Organizations purchases tickets for The Provincial from the Interprovincial Lottery Corporation and, subject to the cost of sales, each region is entitled to the profits from the sale of those tickets within their respective jurisdictions. The cost of tickets purchased from the Interprovin-

cial Lottery Corporation is inclusive of the costs of printing, other central administrative costs, and the proportional share of prizes represented by the number of tickets purchased.

2. Accounting Policies

(a) Wintario operations

All income and expenses related to the 26 biweekly Wintario lotteries (1976 — 24) held from April 15, 1976 to March 31, 1977 inclusive are included in the statement of operations and net profit due to the Treasurer of Ontario. Net receipts from the sale of tickets for the lottery held on April 14, 1977 have been treated as deferred income.

(b) The Provincial operations

All income and expenses related to the sales of The Provincial in Ontario for the 3 bimonthly lotteries held from October 31, 1976 to February 28, 1977 inclusive, as well as the net receipts less applicable expenses to March 31, 1977 for the lottery held on April 30, 1977, are included in the statement of operations and net proceeds due to the Treasurer of Ontario — The Provincial.

(c) Net profits — Wintario

Pursuant to Order in Council 2151/75, the net profits of the Corporation, after provision for prizes and the payment of expenses of operations, are paid into the Consolidated Revenue Fund of the Province of Ontario, to be identified as Wintario revenue.

(d) Net proceeds — The Provincial

Pursuant to Order in Council 3034/76, all moneys attributed to or accruing to Ontario under The Provincial, after providing for prizes and the payment of operating expenses, are paid into the Consolidated Revenue Fund of the Province of Ontario, to be held in trust.

(e) Fixed assets

Fixed asset purchases are written off to operations at the time of acquisition.

(f) Bonuses to Retailers

Retailers who sell Wintario tickets which win prizes of \$10,000 or more are paid a bonus of 1 per cent. Retailers who sell The Provincial tickets which win prizes of \$1,000,000 are paid a bonus of \$1,500 and for prizes of \$250,000 are paid a bonus of \$1,000.

3. Anti-Inflation Legislation

Pursuant to the terms of an agreement between the Province of Ontario and the Government of Canada, the Corporation is subject to controls on compensation instituted by the Government of Canada in the Anti-Inflation Act, effective October 14, 1975.

4. Comparative Figures

Comparative figures for 1976 have been reclassified where necessary to conform to 1977 presentation.



The Ontario Lottery Corporation is a Crown Corporation established on February 7, 1975, by an Act of the Ontario Legislature to develop and manage lotteries within the Province.

Through the Ministry of Culture and Recreation, funds from Wintario are used to promote physical fitness, sports and cultural activities and through the Ministries of Health, Environment and Labour, funds from the Provincial are used for health research and health-related environmental projects, thereby contributing to the overall quality of life in Ontario. That is why we say, "with Wintario we all win" and the Provincial is a "better chance for everyone."

The symbol of the Corporation is a stylized combination of the letter "O" for Ontario and the letter "L" for Lottery. Together they are descriptive of the Ontario Lottery Corporation and its efforts to enable Ontarians to participate in the fun and excitement of a provincial lottery, while at the same time, contributing to a wide variety of worthwhile activities across the Province.