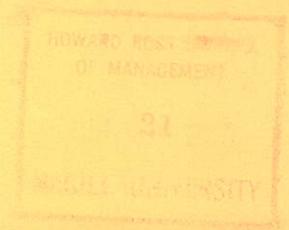


WESTERN CANADA LOTTERY FOUNDATION

EIGHTH ANNUAL REPORT/APRIL 1, 1981 TO MARCH 31, 1982



CHAIRMAN'S REPORT

This year was one of consolidation of the three established games. SUPER LOTO enjoyed the most success, increasing in sales by nearly 24% over 1981. A moderate increase in PROVINCIAL game sales was registered while the EXPRESS declined by 6%.

As a pilot project, the Foundation introduced an instant game in Manitoba only. Nearly 3 million tickets were sold within four weeks without the benefit of supporting advertising. These sales did not materially affect the sale of the three traditional games during the short period that all four games were available.

Inflation took its toll this year. Total expenses, excluding prizes, increased by slightly more than 13% over the previous year.

The amount available as net revenue this year grew from \$71 million to over \$77 million.

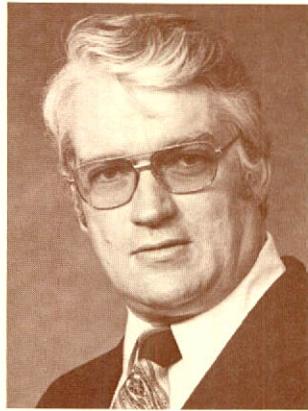
Of this \$6 million increase, the Federal government received nearly half, increasing its payment from Western Canada by \$2.6 million over the previous year (From \$8.7 million to \$11.3 million – See Note 5 – Combined Statement of Operations). The participating provinces in the Foundation saw their share of revenue increase by nearly \$2.2 million (4.5%) and the non-profit groups, who were involved in the distribution of tickets, gained an additional \$1.2 million.

The only cloud on the horizon this year was the announcement by the Federal government in September 1981 of their intent to re-enter the lottery field (See Note 5).

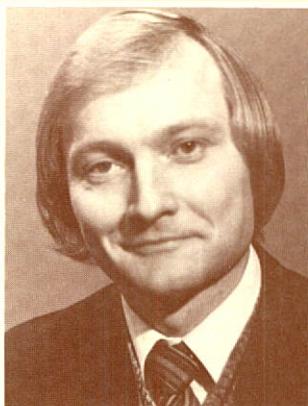


Wm. (Bill) Clarke

BOARD OF DIRECTORS

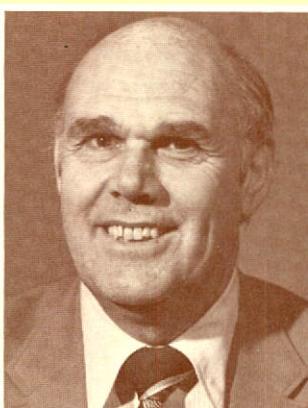


Wm. (Bill) Clarke
Chairman
Saskatchewan



G. (Garth) Mannes
Secretary
Manitoba

GENERAL MANAGER



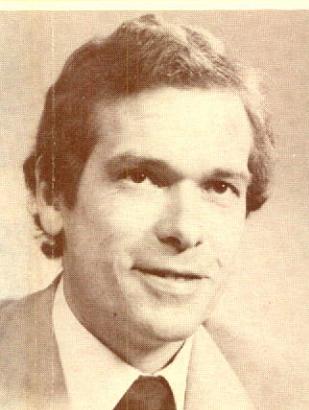
Guy Simonis



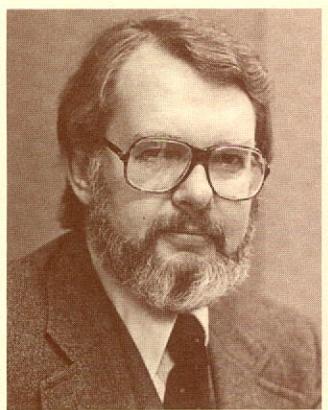
J. F. C. (Frank) Wright
First Vice-Chairman
Alberta



G. (George) Geddes
Second Vice-Chairman
British Columbia



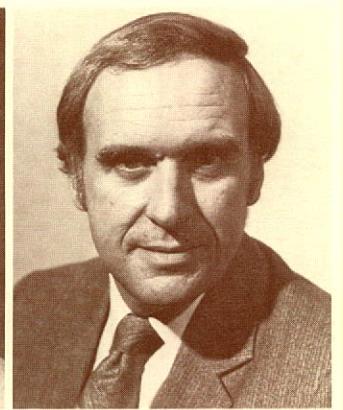
R. L. (Randy) Moffat
Director
Manitoba



B. (Barry) Kelsey
Director
British Columbia



L. (Lou) Hough
Director
Saskatchewan



D. (Don) Hamilton
Director
Alberta

AUDITORS' REPORT

To the Directors of the
Western Canada Lottery Foundation:

We have examined the combined statement of operations of the Western Canada Lottery Foundation and its Provincial Marketing Organizations for the year ended March 31, 1982. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, this statement presents fairly the combined operations of the Western Canada Lottery Foundation and its Provincial Marketing Organizations for the year ended March 31, 1982 in accordance with the accounting principles described in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Winnipeg, Canada,
August 9, 1982.

Clarkson Gordon
Chartered Accountants.

**WESTERN CANADA LOTTERY FOUNDATION
AND ITS PROVINCIAL MARKETING ORGANIZATIONS
COMBINED STATEMENT OF OPERATIONS**
YEAR ENDED MARCH 31, 1982
(with comparative figures for 1981)

	<u>1982</u>	<u>1981</u>
Revenue:		
Lottery ticket sales—		
WESTERN EXPRESS.....	\$ 89,394,597	\$ 95,083,560
PROVINCIAL.....	59,583,730	57,828,950
SUPER LOTO.....	58,605,640	47,312,800
INSTANT.....	2,983,100	
	<u>210,567,067</u>	<u>200,225,310</u>
Deduct commissions on lottery ticket sales—		
Retailers.....	20,633,972	19,798,103
Distributors (other than non-profit organizations).....	2,499,135	3,565,142
	<u>23,133,107</u>	<u>23,363,245</u>
Sales net of commissions.....	187,433,960	176,862,065
Interest revenue.....	10,434,928	7,014,255
	<u>197,868,888</u>	<u>183,876,320</u>
Expenses:		
Prizes—		
WESTERN EXPRESS.....	40,227,570	41,896,960
PROVINCIAL.....	25,343,740	25,970,105
SUPER LOTO.....	26,825,025	20,937,615
INSTANT.....	1,342,395	
	<u>93,738,730</u>	<u>88,804,680</u>
Ticket printing.....	11,270,084	9,291,577
Advertising.....	7,246,580	6,704,887
Operating expenses.....	6,376,559	5,704,602
Dissemination of winning numbers and public relations.....	2,223,538	2,275,809
	<u>120,855,491</u>	<u>112,781,555</u>
Revenue from lottery operations.....	<u>\$ 77,013,397</u>	<u>\$ 71,094,765</u>
Distributed as follows:		
Distributor commissions to non-profit organizations (note 3).....	\$ 15,736,825	\$ 14,593,183
Net revenue to Provincial Marketing Organizations or Provincial Governments (note 4).....	49,959,744	47,801,630
Payment to the Federal Government (note 5).....	11,316,828	8,699,952
	<u>\$ 77,013,397</u>	<u>\$ 71,094,765</u>

(see accompanying notes)

WESTERN CANADA LOTTERY FOUNDATION AND ITS PROVINCIAL MARKETING ORGANIZATIONS NOTES TO COMBINED STATEMENT OF OPERATIONS

MARCH 31, 1982

1. Nature of the Foundation

The Western Canada Lottery Foundation was incorporated under Part II of the Canada Corporations Act on May 13th, 1974. The Provincial Governments of Manitoba, Saskatchewan, Alberta and British Columbia, are equal members in the Foundation, and the Yukon Territory and the Northwest Territories participate with them as associate members in the sale of lottery tickets. Each member has appointed a Provincial Marketing Organization to assist the Foundation in marketing lottery tickets within its jurisdiction.

The Foundation markets four lottery games in Western Canada: the WESTERN EXPRESS, PROVINCIAL, SUPER LOTO, and LOTTO 6/49. The WESTERN EXPRESS lottery is conducted by the Foundation and the Foundation participates in the conduct of the PROVINCIAL, SUPER LOTO, and LOTTO 6/49 lotteries through the Interprovincial Lottery Corporation. The Interprovincial Lottery Corporation is incorporated under the Canada Business Corporations Act, and its shares are held by Her Majesty the Queen in right of the respective provinces. The Western Canada Lottery Foundation is the Regional Marketing Organization for the PROVINCIAL, SUPER LOTO and LOTTO 6/49 in the four western provinces. The Ontario Lottery Corporation, Loto-Quebec, and the Atlantic Lottery Corporation are the Regional Marketing Organizations in Ontario, Quebec and the Atlantic provinces respectively.

2. Accounting principles

The financial statements of the Foundation have been prepared in accordance with accounting principles that are considered appropriate for an organization of this type. The more significant of these accounting principles are summarized below:

(a) Principles of combination

The combined statement of operations includes the revenue and expenses of the Western Canada Lottery Foundation and the revenue and expenses of the Provincial Marketing Organizations only as they relate to the operation of the lotteries marketed by the Foundation.

(b) Accounting for the expenses of the PROVINCIAL and SUPER LOTO

As the Foundation is a Regional Marketing Organization for the PROVINCIAL and SUPER LOTO, it purchases PROVINCIAL and SUPER LOTO lottery tickets from the Interprovincial Lottery Corporation. The net cost of these tickets (1982: \$57,653,816; 1981: \$50,687,701) and the Foundation's share of the administrative and marketing expenses (1982: \$864,551; 1981: \$574,668) and interest revenue (1982: \$5,956,133; 1981: \$3,704,668) of the Interprovincial Lottery Corporation are reflected in the expenses and interest revenue in the combined statement of operations.

(c) Deferred revenue

Revenue and expenses related to draws held during the year ended March 31, 1982 are included in the combined statement of operations on an accrual basis. Net receipts from the sale of lottery tickets related to drawings held subsequent to March 31, 1982 have been recorded as deferred revenue.

(d) Capital expenditures

Fixed asset purchases are charged to current operations at the time of acquisition and are included with operating expenses except those purchases related to the LOTTO 6/49 game (see note 6).

3. Distributor commissions to non-profit organizations

Distributor commissions to non-profit organizations are disclosed as a distribution of net revenues recognizing that volunteer groups or non-profit organizations earn revenues for their respective causes by distributing WESTERN EXPRESS, PROVINCIAL and SUPER LOTO lottery tickets.

4. Net revenue to Provincial Marketing Organizations or Provincial Governments

The net revenue earned accrues to the benefit of the respective Provincial Marketing Organizations or Provincial Governments to be used pursuant to the terms and priorities established in each province or territory.

5. Payment to the Federal Government

The Interprovincial Lottery Corporation has agreed to make quarterly payments of \$6,000,000 in 1979 dollars to the Government of Canada as a result of an agreement between the Provincial Governments and the Federal Government on the withdrawal of the Federal Government from the lottery field. The Foundation, as a Regional Marketing Organization of the Interprovincial Lottery Corporation, has been directed and has agreed to remit the four western provinces' share of the above payments to the Interprovincial Lottery Corporation based on its proportionate share of the sales of Interprovincial Lottery Corporation administered lotteries (which in the 1982 fiscal year represented 35%).

7. Financial position of the Foundation

Assets and liabilities under the administration of the Foundation at March 31, 1982 (with comparative figures at March 31, 1981) are as follows:

	<u>1982</u>	<u>1981</u>
ASSETS		
Cash:		
Prize funds	\$14,005,022	\$10,640,054
Other	11,777,562	17,064,059
Accounts receivable	5,734,199	5,085,010
Prepaid expenses and deposits on equipment (note 6)	4,529,608	33,319
	<u>\$36,046,391</u>	<u>\$32,822,442</u>
LIABILITIES		
Prizes payable	\$14,005,022	\$10,640,054
Accounts payable and accrued charges	7,402,138	6,374,535
Due to Provincial Marketing Organizations or Provincial Governments	7,048,910	6,313,323
Deferred revenue (note 2)	7,590,321	9,494,530
	<u>\$36,046,391</u>	<u>\$32,822,442</u>

8. Comparative figures

Certain comparative figures have been changed to conform with this year's presentation.

6. LOTTO 6/49

On June 4, 1982, the Foundation commenced selling tickets for LOTTO 6/49, a "select your own number" game. A contractual commitment of \$13.5 million was entered into by the Western Canada Lottery Foundation on December 10, 1981 for the computer services and equipment necessary to implement the game in the four western provinces. As at March 31, 1982, \$4,433,409 had been disbursed for deposits on computer hardware and software as part of the contract. These disbursements have been deferred in the accounts and will be expensed in future years against revenue realized from the sale of LOTTO 6/49 tickets.

SOME WESTERN **EXPRESS** WINNERS



\$10,000 Kevin Burton
Edmonton, Alta.



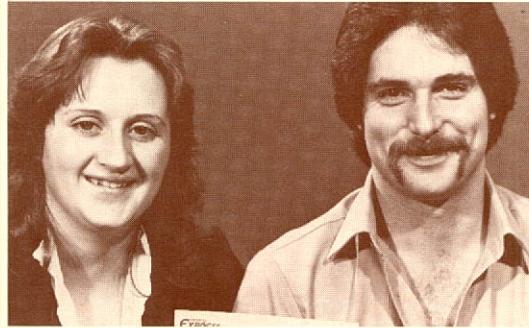
\$10,000 Barbara Morrison
Victoria, B.C.



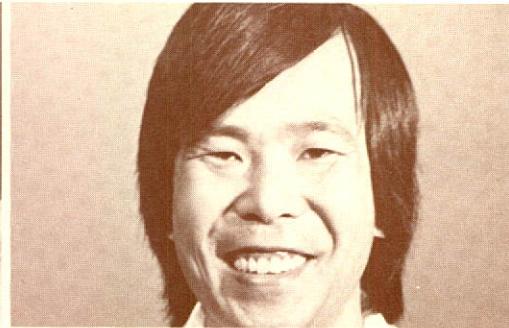
\$100,000 William & Mary McComb
Vancouver, B.C.



\$100,000 Larry & Brenda Kazakoff
Regina, Sask.



\$100,000 Terry & Colleen Gillis
Edmonton, Alta.



\$100,000 George Jang
Surrey, B.C.



\$100,000 Georges Casteran
Vancouver, B.C.



\$100,000 Mike Ward & Terry Lawrence
Winnipeg, Man.

\$100,000 Arlene & Danny Popplestone
Calgary, Alta.



\$100,000 Roswitha Petra Andreas
Port Coquitlam, B.C.



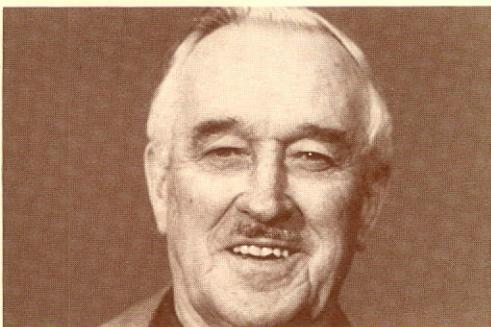
\$10,000 Brian & Jeannie Ried
Winnipeg, Man.



\$100,000 Shirley & Perry Raymont
Rocky Mtn. House, Alta.



\$100,000 Mr. & Mrs. Louie Froment
Prince George, B.C.



\$10,000 John Peden
New Westminster, B.C.



\$100,000 Mr. & Mrs. Bill Blomander
Estevan, Sask.



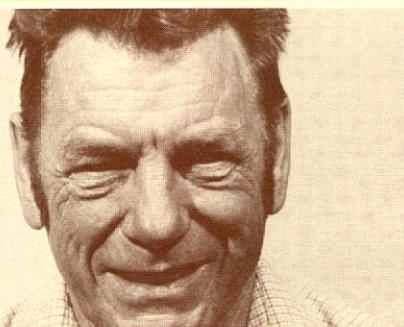
\$100,000 Robert & Linda Bouvette
Lillooet, B.C.



\$100,000 Shirley, Lisa & Ed Bugg
Regina, Sask.



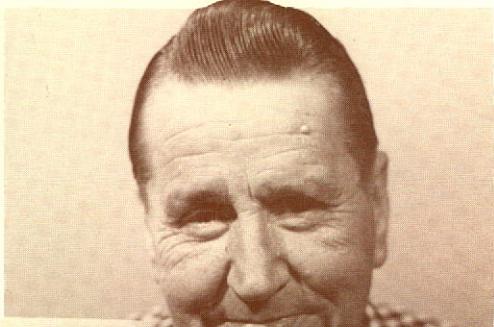
\$100,000 Trygve, Gloria & Fedoska Mamchure
Aldergrove, B.C.



\$100,000 Arthur Piper
Calgary, Alta.



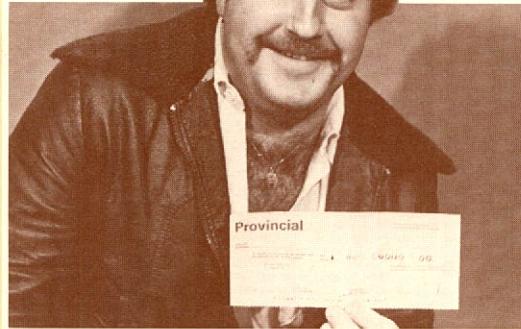
\$100,000 Victor, Margrit &
Monica Littau
Winnipeg, Man.



\$100,000 William Simpson
Vancouver, B.C.



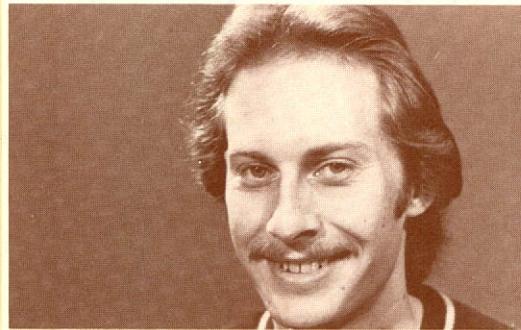
SOME Provincial WINNERS



\$50,000 Norman Fowler
New Westminster, B.C.



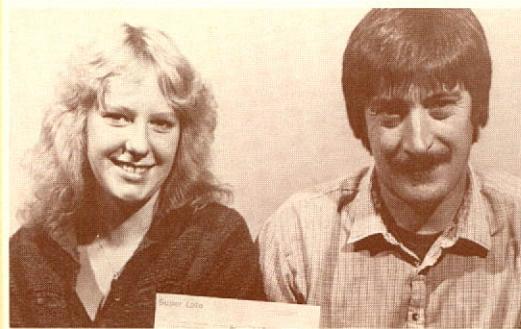
\$50,000 Cindy O'Grady
Edmonton, Alta.



\$50,000 Bill A. Vaughn
Vancouver, B.C.



\$131,313.13 Robert & Vivian Barclay
Edmonton, Alta.



\$100,000 Tony Lidstone & Carol Arffman
N. Vancouver, B.C.



\$1,000,000 Mario Roseto
Edmonton, Alta.



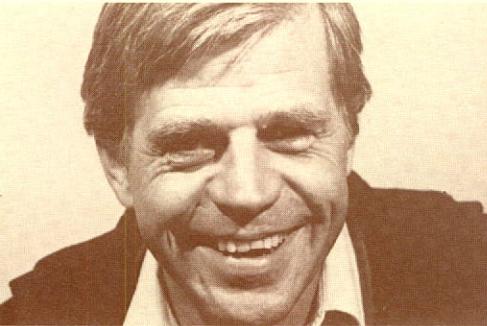
\$100,000 Frank & Frances Afterchuk
Bengough, Sask.



\$100,000 Patricia Lee
N. Vancouver, B.C.



\$100,000 Iris Jurmain
N. Vancouver, B.C.



\$50,000 Norman C. Rauhaus
Winnipeg, Man.



\$50,000 Gordon & Donna Baldic
Kelowna, B.C.



\$50,000 Annette & Harold Loughins
Saskatoon, Sask.



\$50,000 Stanley Mumford
Victoria, B.C.



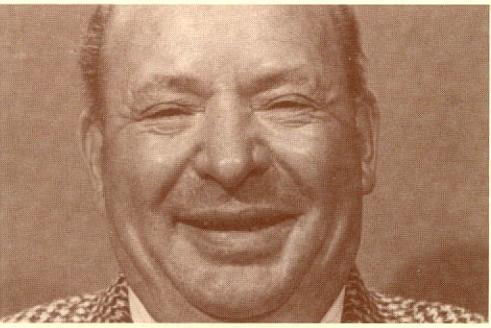
\$50,000 Mr & Mrs. Evan Mack
Lone Pine, Alta.



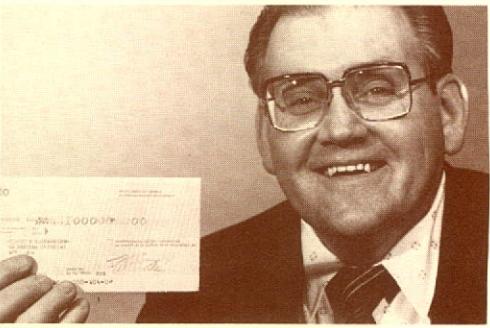
\$50,000 Charmeyn Sinclair
Langley, B.C.



\$100,000 Don & Geneile Eldridge
Lethbridge, Alta.



\$1,000,000 Rudolph Buff
Kamloops, B.C.



\$100,000 George Bjarnarson
Winnipeg, Man.



\$10,000 Elgan & Shannon Bone
Summerland, B.C.



\$10,000 Evelyn & Elgin Beyette
Dauphin, Man.



\$100,000 Reg Maki
Calgary, Alta.

The WESTERN EXPRESS, PROVINCIAL and SUPER LOTO lotteries are providing funds for Western Canada, thereby assisting many organizations to enhance their varied activities.

The province of British Columbia provides lottery funds for cultural, physical fitness, amateur sport, special events, heritage and medical research programs.

In Saskatchewan, the "Saskatchewan Trust for Sport, Culture and Recreation", a division of Sask Sport, distributed grants to over 125 provincial sport, culture and recreation organizations. In addition, over 225 volunteer non-profit organizations benefitted from the sale of lottery tickets through the distributing commissions that are paid.

SUPER LOTO revenue in Alberta pays for commitments to the Northlands Coliseum in Edmonton and the Olds' Disaster Fund, originally made by the Federal Government but assumed by Alberta under the 1979 Federal/Provincial Agreement. Some of the profits from the EXPRESS and PROVINCIAL go to the Calgary Exhibition and Stampede and the Edmonton Exhibition Association Limited to help capital projects carried out by them for the benefit of Albertans generally and the remainder goes to a number of foundations and organizations operating province-wide programs in culture and recreation."

The Government of Manitoba allocates lottery revenue to a wide range of projects and programs in sport, recreation, culture and social agencies throughout the province.

Not to be forgotten is the fact that all provinces in Canada combine to contribute in excess of 29.6 million annually to the Government of Canada for national programs in sport and culture.

Further information on the disbursement of lottery revenue may be obtained by contacting:

MANITOBA

Manitoba Lotteries & Gaming
Control Commission
301-207 Donald Street,
Winnipeg, Manitoba R3C 1M5
Telephone: (204) 944-3524

SASKATCHEWAN

Sask Sport
Administration Centre for Sport,
Culture and Recreation
2205 Victoria Avenue,
Regina, Saskatchewan S4P 0S4
Telephone: (306) 522-3651

YUKON

Yukon Lottery Commission,
8-A, 4078 Fourth Avenue,
Whitehorse, Yukon Y1A 4K8
Telephone: (403) 667-4421

ALBERTA

J.F.C. Wright
c/o Department of Culture
8820-112 Street
Edmonton, Alberta T6G 2P8
Telephone: (403) 427-2923

BRITISH COLUMBIA

Grants Co-ordinator,
Provincial Secretary's Office,
Parliament Buildings,
Victoria, B.C. V8V 1X4
Telephone: (604) 387-5823

NORTHWEST TERRITORIES

Sport North,
Box 504,
Yellowknife, N.W.T. X0E 1H0
Telephone: (403) 873-7723

