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WESTERN CANADA LOTTERY CORPORATION 1989/90 ANNUAL REPORT



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OF MANAGEMENT
JAN 16 1991
MCGILL UNIVERSITY

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BOARD OF DIRECTORS

Jim Burnett
CHAIRMAN
Saskatchewan

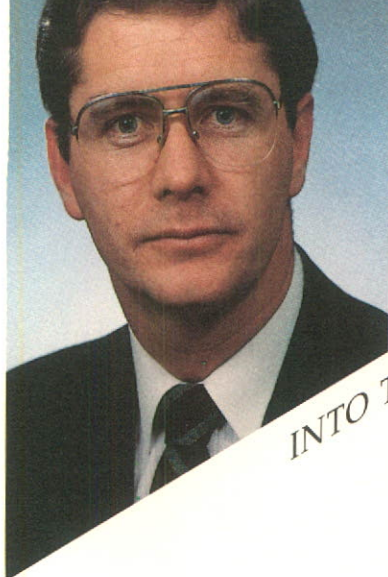
Howard MacDonald
FIRST VICE CHAIRMAN
Alberta

Glenda Russell
SECOND VICE CHAIRMAN
Manitoba

Gary Boddez
SECRETARY
Alberta

Bill Funk
DIRECTOR
Manitoba

Paul Robinson
DIRECTOR
Saskatchewan



INTO THE '90s

Throughout the Prairies and Territories, support for the Lottery remains strong. Fiscal 1989/90 game sales tallied \$516.7 million resulting in a prize payout of \$244.8 million and a revenue return of \$190.1 million.

Much activity went on behind the scenes to achieve this profit picture, starting as it should by taking stock of the day. That meant acknowledging the '80s would deliver the industry from infancy to maturity and, in so doing, shape the challenges of the '90s.

To meet the challenges of the new decade, a strategic planning exercise was undertaken. It brought to focus Western Canada Lottery Corporation's (WCLC) mission "...to manage and conduct gaming and related activities to maximize long-term economic returns to the governments while maintaining a high level of business integrity and social responsibility."

The exercise identified critical success factors for the industry, from product development to communications. It addressed strategic issues, from marketing management to integrity, and it outlined goals, from productivity through to improved and updated system development. These goals chart the Lottery's course to tomorrow.

New thrusts for the 1989/90 fiscal year, from the venue of product development, included launching a daily lottery (DAILY DEAL), testing a new Bonus format for WESTERN EXPRESS (SHOWDOWN) and initiating a group Subscription Service (THE GREAT DIVIDE).

Furthering the goal of "aggressively exploring gaming opportunities," an operational test was conducted to determine the public's interest in sports wagering and the Corporation's capabilities for administering gaming of that nature. The scorecard looks good. That means sports wagering could become a new product line for WCLC!

Product development is a venue of both high priority and high visibility. Should market viability tests be passed, some sure-to-be noticed initiatives could include changes to existing games, or complete new game thrusts like video lotteries. Each has its roots in the long-term strategic plan. Each is goal-oriented.

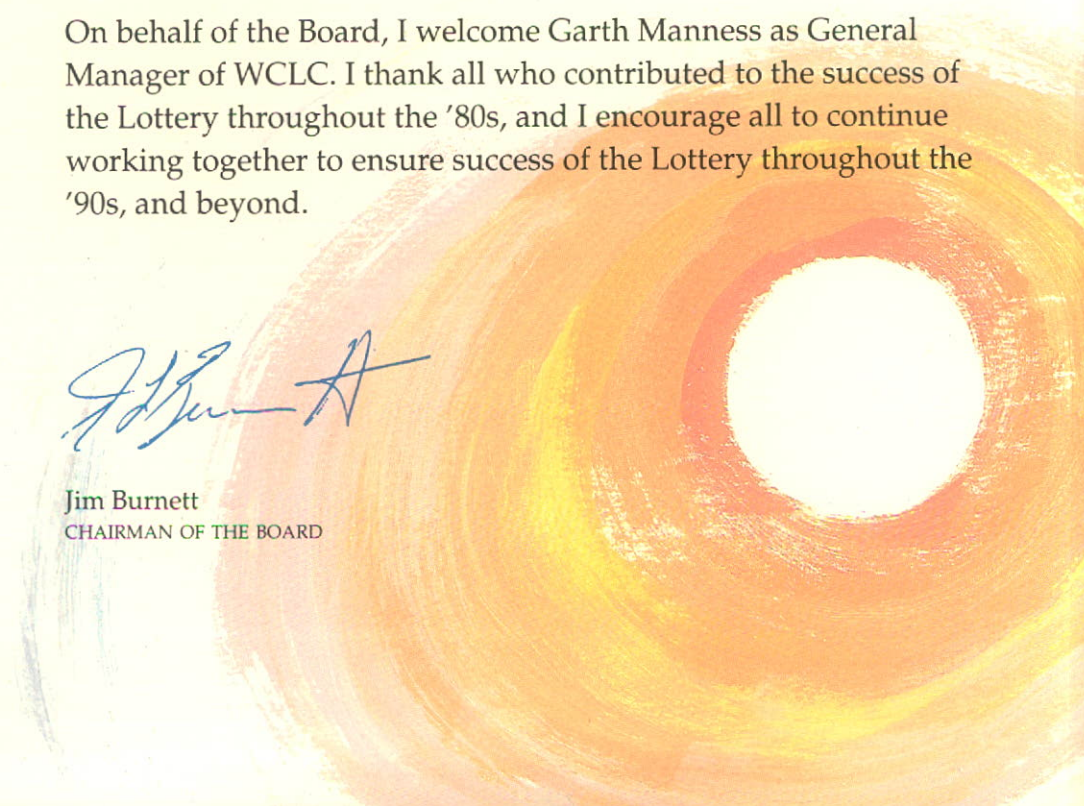
On the immediate horizon are less visible but equally important initiatives like the Autopay Option just introduced to Lottery Retailers, and services currently under investigation such as On-Line Validation and Distributed Prize Payout Centres. Again, each is goal-oriented to achieve the Corporation's mission.

Also goal-oriented and mission-minded is Garth Manness, the Corporation's new General Manager. General Manager of Manitoba Lotteries Foundation for nine years, Board member of WCLC for seven years and of Interprovincial Lottery Corporation for eight years, Manness brings with him an intimate understanding not just of the Lottery's profound significance to the community, but of the coalition of provinces defining the Lottery's shape and success as well.

On behalf of the Board, I welcome Garth Manness as General Manager of WCLC. I thank all who contributed to the success of the Lottery throughout the '80s, and I encourage all to continue working together to ensure success of the Lottery throughout the '90s, and beyond.



Jim Burnett
CHAIRMAN OF THE BOARD





CHALLENGE OF THE '90s

Western Canada Lottery Corporation approached the decade's final year with a game plan tailored to meet the mature market challenge and exited the year satisfied that the challenge was met. Two of three product categories played to new highs.

The pattern of steady sales growth was interrupted for the first time since 1978. A 2.1 percent sales decline resulted. Contributing to the interruption was the Saskatchewan Hospitals Tax. Introduced during the second quarter, it did not meet with player approval and was consequently withdrawn during the third quarter.


Of the \$516.7 million played on games of chance, 63.4 percent was wagered on On-Line games as compared to 61.8 percent in fiscal 1988/1989. While LOTTO 6/49 remained the consumer's choice with transactions totalling \$270.5 million or 52.3 percent of total sales, increased market share for this product category is attributable to the growing popularity of THE PLUS and to the introduction of DAILY DEAL. THE PLUS, a 'tag on' purchase to 38.2 percent of combined LOTTO 6/49 and LOTTO 6/36 transactions, tallied sales of \$35.4 million, up 36.3 percent over its debut year of play. And DAILY DEAL, launched at the close of the third quarter, contributed an additional \$4.4 million in ticket receipts.

The INSTANT game mix continued its upward sales trend. The overlapping game strategy did its job; sales increased 3.4 percent to \$133.6 million. The 'scratch and win' impulse, satisfied through the fielding of 16 games, saw market share for this product category climb to 25.8 percent.

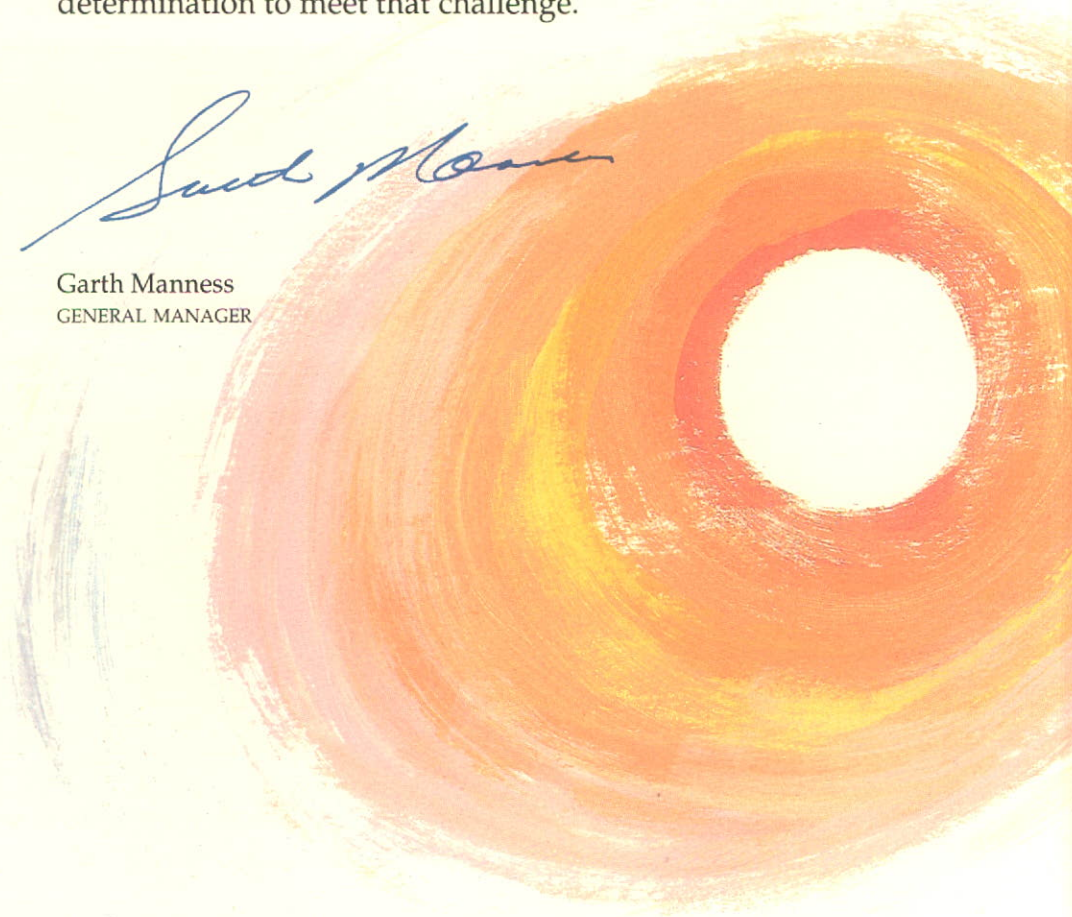
While the Hybrid product category continued its downward trend, total sales of \$55.6 million indicate significant player support. This category, comprised of WESTERN EXPRESS, PROVINCIAL and the SPECIAL EVENT game line, closed the year with a market share of 10.8 percent.

The close of the decade saw not only a levelling out of sales, but a flattening of profitability as well. The expense to sales ratio climbed from 8.2 percent to 9.1 percent for a total operating expenditure of \$47.7 million.

The challenge remains to maximize revenues for the enhancement of significant causes. Many new initiatives are on the drawing board to heighten interest in the Lottery and to increase productivity and efficiencies within the Lottery as gaming moves into the '90s. The challenge has never been greater, nor has the determination to meet that challenge.



Garth Manness
GENERAL MANAGER

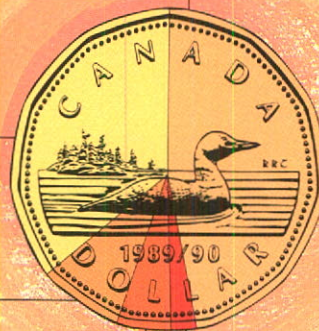


THE LOTTERY DOLLAR

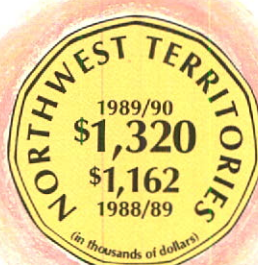
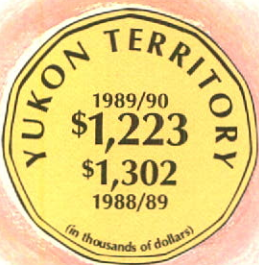
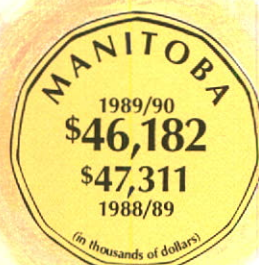
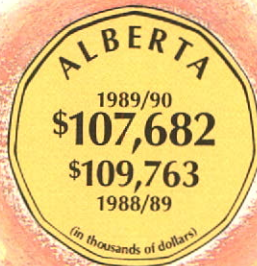
Every dollar wagered on Lady Luck delivers a win, be the win defined as revenue generated, prizes realized or commissions earned.

Fiscal 1989/90 delivered \$516.7 million 'winning' dollars which were disbursed as follows:

Prizes:	46.85%
Revenue to Provinces and Territories:	36.37%
Operating Expenses:	9.12%
Retailer Commissions:	5.90%
Ticket Printing:	1.76%

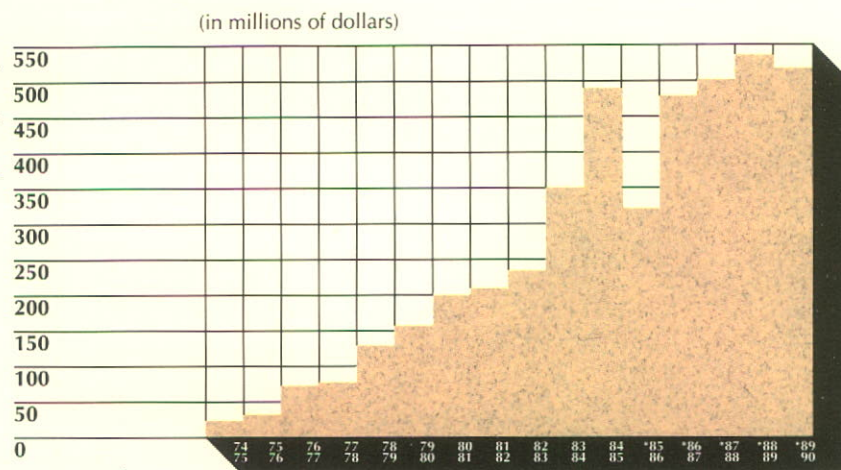


Each province and territory enjoys a return on the lottery dollar proportionate to the dollars they play.

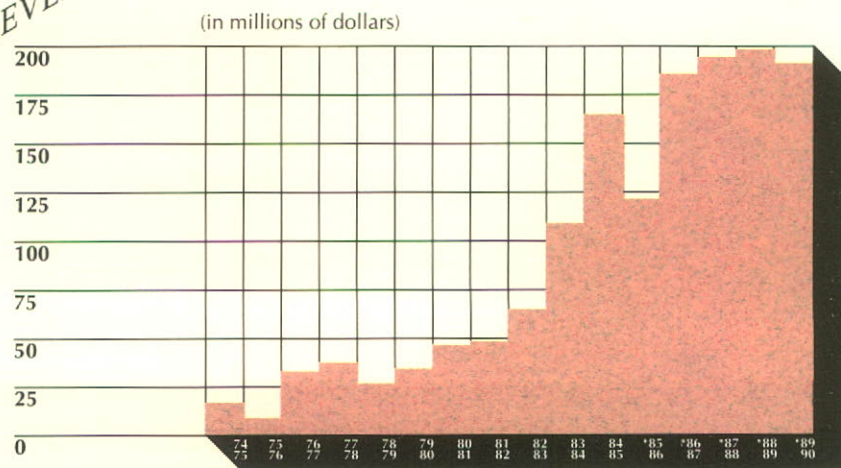


TOTAL SALES

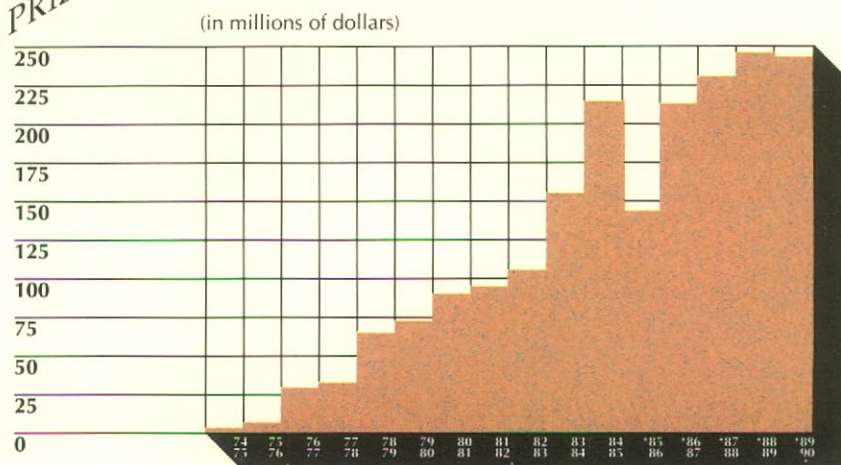
Since its inception in 1974, the Lottery has become a significant thread in the community fabric.



TOTAL NET REVENUE



TOTAL PRIZES



*Note: all figures from 1985/86 onward exclude British Columbia which withdrew from the Corporation at the close of the 1984/85 fiscal year.

THE ULTIMATE LINK TO SUNNY CONNECTIONS

Retailers are the ultimate link between player and Lottery. Working the front line with professionalism and dedication, their efforts have facilitated a significant return. Since the Lottery's inception in 1974/75, approximately \$1.5 billion in revenue has been put to work in the community, quietly but significantly touching the lives of all. Additionally, these vendors of good fortune have passed through their hands the tickets that delivered nearly \$2 billion in prizes over the same 16-year period. The smiles on these and the following pages are a tribute to the unsung heroes of the Lottery industry — Western Canada's 3,800-strong network of Lottery Retailers.

Grey Cup 1989

At the podium before a crowd of 100 eager FIRST AND GOAL MVPs and their companions on Grey Cup morning, Hamilton Tiger-Cats Coach Al Bruno said, "This is what the Grey Cup is all about, bringing people from the east and west together."

Bringing people together — none connects better than the \$2 INSTANT lottery, FIRST AND GOAL.

Said Regina's Harry Prystai when called on stage to select the football which would decide his fate, "Thirty-seven years ago, my wife (Stella) and I came to Toronto and went to the Grey Cup on our honeymoon." Not only did FIRST AND GOAL reunite the Prystais for a second honeymoon, it allowed for reunion of fan and player as well.

Quipped Al Bruno, "I played in that game!"



Showdown At High Noon

When WESTERN EXPRESS rolled out the high noon 'Showdowns' at West Edmonton Mall, CHED Radio's Rob Christie was there to warm the contestants and crowd. "It's been one of the most fun TV projects I've ever worked on. The spontaneous reactions of the winners, all the different age groups and backgrounds,... it's just been great!"

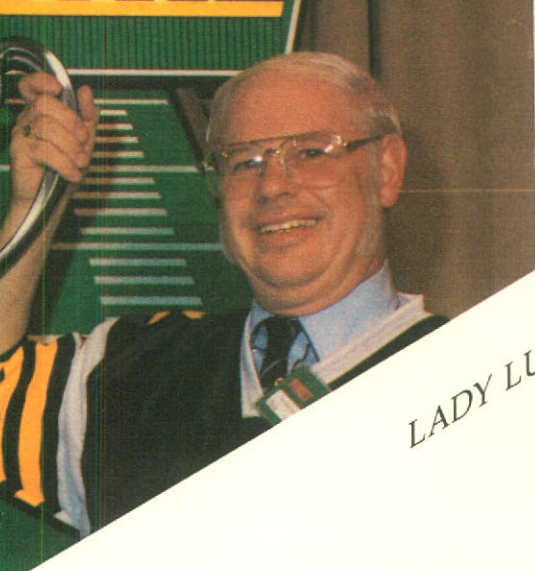
As show host to the weekly debuts of five contestants spinning the Showdown money wheel for prizes ranging from \$2,000 to \$250,000, Christie was soother of stage fright, conveyor of fortune, recipient of joy.

Said Christie, "I remember when Ria Suchar, from Hillcrest, Alberta, put this big hug on me when she won \$25,000,... I tell ya, she can hug! I also remember being swamped, when a big group rushed to the stage after one woman spun,... there were about 15 of them!"

The high noon Showdowns proved memorable connections not only for host, contestants and Lady Luck, but between Lottery and community as well. High noon has never been so exciting!



Calgary's Bob Ware, who cheered for Hamilton in the Grey Cup because it could have put another \$45,000 in his pocket, enthused, "This is just great! I got to shake hands with Normie Kwong. Where else would I get to do that?"



LADY LUCK SHINES TWICE

The chances of winning a lottery prize are often likened to the chances of being struck by lightning and the chances of that happening are said to be one in 609,944. If the likeness is fair, what then would be the odds of a second encounter with Lady Luck? Or a third?

It's a timeless question. And it has no answer. Indeed, for the 106 Western Canadian players who have had their second major encounter with Lady Luck since the inception of lotteries and the seven who have experienced their third, the only answer required was the prize received.

Imagine, if you can, what it would be like to win \$100,000 twice. You can't? Then slip on the shoes of Calgary's Paul Dunstan for a moment.

In June, 1987, this retiree scooped his first major windfall, a \$100,000 WESTERN EXPRESS prize cheque. The replay came in the fall of 1989, thanks to THE PLUS and the luck of the September 23rd draw.



En route to Winnipeg, the 64-year-old playfully awaited the question: 'What business are you in?' "I was going to tell them I'm in the lotto business" joked Dunstan, "but nobody asked me." Asked his reaction to winning yet another \$100,000, he laughed, "I told the girl last time, 'I'll be back.' The lotto was built for me!" The first win "made me independent, at my age it was a gift from heaven. This is just the icing on the cake!"

Dunstan was one of twenty-three exceptionally lucky players who returned to 'ice their cakes' in fiscal 1989/90.

THE JACKPOT

Between headline-making LOTTO 6/49 wins, comes the lament that you have to be an easterner to connect with the JACKPOT. Quick to dispute that theory are 110 players from the Prairies and Territories. All have experienced that ultimate connection of six numbers over the game's short lifespan.

Among them are this year's 18 JACKPOT winners whose prizes ranged in size from \$417,685.50 to \$10 million. Combined, their wins tallied \$36.5 million!

Hailing from Yellowknife, Northwest Territories, was Phoebe Gaudet who connected May 20th for a \$1.09 million bonanza. The retired, part-time replacement cook used the birthdates of six of her 16 grandchildren to compose the winning selection.

In addition to enabling a mortgage-free lifestyle for the Northwest Territories' first lottery millionaire, the windfall will ensure the grandchildren enjoy the benefits higher education can bring.





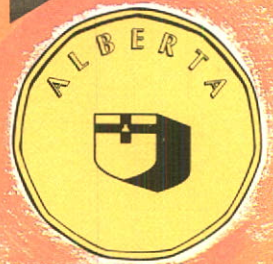
Alberta Environmental Research Trust and for a feasibility study for the Alberta Science Centre Foundation, while continuing assistance makes possible the many lottery benefits administered by organizations such as the Recreation, Parks and Wildlife Foundation, the Alberta Art Foundation, the Rick Hansen Centre, the Wild Rose Foundation, the Alberta Sport Council and others.

As we enter the new decade, the Government of Alberta continues its commitment to respond to needs expressed at the community level, using revenues generated from the sale of lottery products in Alberta.

This year, more than 2,500 grants totalling over \$100 million from the Alberta Lottery Fund were provided to support a variety of sport, cultural, recreation, health, family and other community endeavors. Local non-profit and volunteer organizations from all corners of rural and urban Alberta put lottery dollars to work in their communities, providing Albertans with many important and innovative benefits.

In keeping with evolving community interests, lottery funding has been made available for unique initiatives such as the Alberta Centre for Well-Being,

Lottery revenues are helping realize an even brighter future for all Albertans.





the provision of grants to communities for development of recreation facilities and Saskatchewan First — a program for the development of elite athletes.

In Saskatchewan, 1,200 community sport, culture and recreation groups benefit directly from the sale of lottery tickets. These groups have thousands of volunteers who give freely of their time, talent and energies. They utilize the lottery proceeds to provide hundreds of opportunities for the people of Saskatchewan. Lotteries promote our artists, recreation groups and athletes through such projects as Saskatchewan Express Performing Arts Group, Saskatchewan Hall of Fame,

Lotteries make an important contribution to preventative health through their support and promotion of healthy life-styles. Exercise, community involvement and heritage activities all provide enhanced life-styles in the province.

Operated by Sask Sport Inc., the Saskatchewan Lottery and the Sask Trust for Sport, Culture and Recreation raise and distribute more than \$20 million a year to community groups.

One of the objectives of Sask Sport Inc. and the sport, culture and recreation groups, is to educate the public on the benefits of Saskatchewan Lotteries, thus increasing lottery sales in our province.

The benefits to the province are job creation, tourism through major sport and cultural events and a sophisticated network of volunteers, business, professionals and communities.



1989's goal was to "make lottery dollars work better for all Manitobans."

Based upon the findings of a Needs Assessment Review, revisions were made which created a funding system more flexible, accountable and accessible.

Lottery revenue in Manitoba continues to support multi-cultural, heritage, recreational, community service, arts, sports and health-related programs.

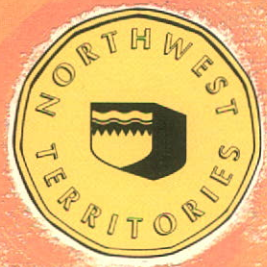
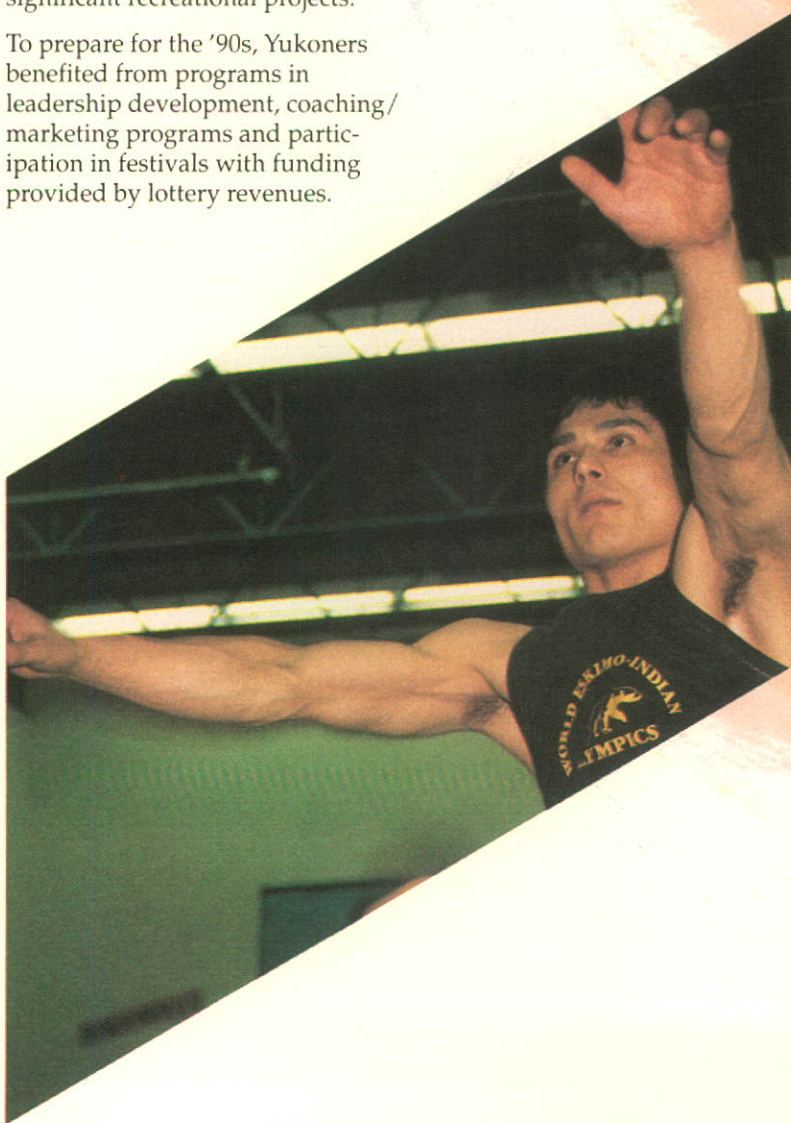
New funding areas, such as conservation projects, and a wider selection of community support programs, are now included in the funding system.

Lottery revenue continues to enrich the lives of Manitobans through the Lotteries Distribution System designed to respond to the changing needs presented by a new decade.



In the Yukon Territory, lottery revenues support recreational activities including sport, arts, culture, heritage and leisure activities. Administered by the Yukon Lottery Commission, funds are distributed to Yukon communities to enhance local activities; to Sport and Arts Umbrella organizations for program support; to Territorial Sports, Arts, Recreational and Cultural organizations for basic funding support; to Elite Athletes and Advanced Artists for pursuit of excellence; and to groups and individuals for significant recreational projects.

To prepare for the '90s, Yukoners benefited from programs in leadership development, coaching/marketing programs and participation in festivals with funding provided by lottery revenues.



In the Northwest Territories, Sport North provides lottery revenue to help finance the Arctic Winter Games, territorial competitions, coaching, officiating and player development clinics in addition to the Elite Athlete Assistance and Awards.

It is also used to assist cultural and recreational organizations, winter regional sports and summer sports.

**AUDITORS'
REPORT**

To the Members of the
Western Canada Lottery Corporation:

We have examined the combined balance sheet of the Western Canada Lottery Corporation and its related lottery organizations as at March 31, 1990 and the combined statements of operations and changes in amounts due to Provincial Governments or appointed organizations for the year then ended. 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, these combined financial statements present fairly the financial position of the Western Canada Lottery Corporation and its related lottery organizations as at March 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Winnipeg, Canada,
July 9, 1990

Ernst & Young

Chartered Accountants.

**COMBINED STATEMENT
OF OPERATIONS**

YEAR ENDED MARCH 31, 1990

	1990 (in thousands of dollars)	1989
Lottery sales (note 3)	<u>\$516,674</u>	<u>\$527,744</u>
Direct expenses:		
Prizes	244,829	246,295
Retailer commissions	30,853	31,993
Ticket printing	<u>9,199</u>	<u>10,771</u>
	<u>284,881</u>	<u>289,059</u>
 Gross income	 <u>231,793</u>	 <u>238,685</u>
 Operating expenses:		
Ticket distribution and administration (note 4)	13,684	11,989
Marketing	15,938	13,824
Computer information and gaming systems	11,813	11,313
Depreciation and amortization	<u>6,220</u>	<u>6,030</u>
	<u>47,655</u>	<u>43,156</u>
 Operating income	 184,138	 195,529
Interest and other income	<u>5,915</u>	<u>4,009</u>
Net income	<u><u>\$190,053</u></u>	<u><u>\$199,538</u></u>
 Net income allocated to the following provinces or territories:		
Alberta	\$107,682	\$109,763
Saskatchewan	33,646	40,000
Manitoba	46,182	47,311
Yukon Territory	1,223	1,302
Northwest Territories	<u>1,320</u>	<u>1,162</u>
	<u><u>\$190,053</u></u>	<u><u>\$199,538</u></u>

(see accompanying notes)

**COMBINED STATEMENT OF
CHANGES IN AMOUNTS DUE TO
PROVINCIAL GOVERNMENTS OR
APPOINTED ORGANIZATIONS**

YEAR ENDED MARCH 31, 1990

	1990	1989
	(in thousands of dollars)	
Due to Provincial Governments or appointed organizations, beginning of year	\$ 14,785	\$ 15,410
Add:		
Net income	190,053	199,538
	<u>204,838</u>	<u>214,948</u>
Deduct:		
Distributions during the year	182,101	192,659
Payment to Federal Government on behalf of the Provincial Governments (note 6)	7,836	7,504
	<u>189,937</u>	<u>200,163</u>
Due to Provincial Governments or appointed organizations, end of year	<u>\$ 14,901</u>	<u>\$ 14,785</u>
Due as follows:		
Alberta	\$ 9,211	\$ 7,148
Saskatchewan	2,797	3,751
Manitoba	2,692	3,663
Yukon Territory	80	122
Northwest Territories	121	101
	<u>\$ 14,901</u>	<u>\$ 14,785</u>

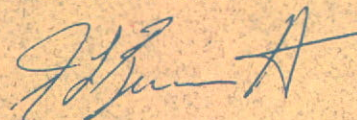
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**COMBINED
BALANCE SHEET**
MARCH 31, 1990

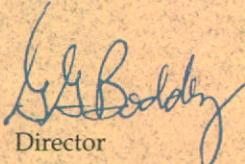
	1990	1989
	(in thousands of dollars)	
ASSETS		
Cash—		
Prize funds	\$22,825	\$19,269
Other	<u>10,402</u>	<u>2,479</u>
	33,227	21,748
Accounts receivable	5,870	4,537
Prepaid expenses	1,416	1,480
Fixed assets (note 5)	<u>10,268</u>	<u>15,454</u>
	<u>\$50,781</u>	<u>\$43,219</u>
LIABILITIES		
Prizes payable	\$22,825	\$19,269
Payable to Interprovincial Lottery Corporation	4,958	1,843
Accounts payable and accrued charges	4,168	3,381
Deferred revenue	3,929	3,941
Due to Provincial Governments or appointed organizations	<u>14,901</u>	<u>14,785</u>
	<u>\$50,781</u>	<u>\$43,219</u>

(see accompanying notes)

On behalf of the Board:



Director



Director

**NOTES TO COMBINED
FINANCIAL STATEMENTS**

MARCH 31, 1990

1. Nature of the Corporation

The Western Canada Lottery Corporation was incorporated without share capital under Part II of the Canada Corporations Act on May 13, 1974. The Provincial Governments of Manitoba, Saskatchewan and Alberta are members in the Corporation, and the Yukon Territory and the Northwest Territories participate with the provinces as associate members in the sale of gaming and related products. Each province and territory has appointed a lottery organization to assist the Corporation with the distribution of gaming and related products in its jurisdiction.

Under the terms of its incorporation, the Corporation is responsible for the conduct and management of lottery games in Western Canada. The WESTERN EXPRESS, LOTTO 6/36, THE PLUS, DAILY DEAL and INSTANT lottery games are conducted solely by the Corporation. The Corporation participates in the conduct of the PROVINCIAL, SPECIAL EVENT games 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 Corporation is the Regional Marketing Organization for the PROVINCIAL, SPECIAL EVENT games and LOTTO 6/49 in its members' jurisdiction. The Ontario Lottery Corporation, Loto-Québec, the Atlantic Lottery Corporation and the British Columbia Lottery Corporation are the Regional Marketing Organizations in Ontario, Québec, the Atlantic provinces and British Columbia, respectively.

2. Summary of significant accounting policies

The financial statements of the Corporation have been prepared in accordance with generally accepted accounting principles. The more significant of these accounting principles are presented below in order to assist the reader in understanding these financial statements:

a) Principles of combination

In addition to the results of the operation of the Western Canada Lottery Corporation and its financial position, the combined financial statements include the costs of delivery of lottery tickets incurred by related lottery organizations in each province or territory and their related assets and liabilities.

b) Accounting for the expenses of the PROVINCIAL, SPECIAL EVENT games and LOTTO 6/49

As the Corporation is a Regional Marketing Organization for the PROVINCIAL, SPECIAL EVENT games and LOTTO 6/49, it pays the Interprovincial Lottery Corporation its share of the cost of prizes for these games as well as its share of the ticket printing costs for the PROVINCIAL and SPECIAL EVENT games. These costs (\$140,609,000), and the Corporation's share of the Interprovincial Lottery Corporation's operating expenses (\$694,000), and interest revenues (\$1,041,000) are reflected in the expenses and interest revenues in the combined statement of operations.

c) Income recognition

Lottery revenue is recorded as of the date of the draw with the exception of INSTANT game revenue which is recorded at the time of sale to the retailer. For lotteries with draws subsequent to March 31, 1990, the receipts, net of direct expenditures, as at March 31 are recorded as deferred revenue.

d) Fixed assets

Expenditures for fixed assets are capitalized at cost and are depreciated over their estimated useful lives. Expenditures for repairs and maintenance are charged to income. When assets are sold or retired, their costs and related accumulated depreciation are removed from the accounts and any gain or loss resulting from their disposal is included in income.

Depreciation is provided on a straight line basis using the following rates:

Computer systems and other related game equipment	20%
Office furniture and fixtures	10%
Leasehold improvements	10%
Retailer fixtures and signage	20%

e) Accounting for free ticket prizes

Lottery tickets issued as a consequence of the redemption of free ticket prizes are not recorded as ticket sales or as prizes paid.

f) Pension costs and obligations

The Corporation accounts for pension costs and obligations using the recommendations of The Canadian Institute of Chartered Accountants with prospective application from April 1, 1987. Pension costs are actuarially determined based on the value of pension plan assets and management's best estimate of the effects of future events on the actuarial present value of accrued pension obligations. Adjustments arising from plan amendments, experience gains and losses, changes in actuarial assumptions and the pension plan surplus at April 1, 1987 are amortized on a straight line basis over the employees' average remaining service life of 12 years.

The Corporation contributes to the pension plan based on the latest actuarial valuation of the plan. The cumulative difference between amounts expensed and the Corporation's funding contributions is included in prepaid expenses on the balance sheet.

3. Lottery sales

Sales revenue by product is as follows:

	1990	1989
	(in thousands of dollars)	
LOTTO 6/49	\$270,470	\$ 276,404
INSTANT	133,565	129,208
THE PLUS	35,373	25,954
WESTERN EXPRESS	24,148	35,179
PROVINCIAL	20,901	22,848
LOTTO 6/36	17,254	23,649
SPECIAL EVENT	10,551	14,502
DAILY DEAL	4,412	—
	<u>\$516,674</u>	<u>\$527,744</u>

4. Ticket distribution and administration expenses

Ticket distribution and administration expenses include expenses of related lottery organizations which represent provincial costs related to the distribution of lottery tickets to Retailers as follows:

	1990	1989
	(in thousands of dollars)	
Alberta	\$1,897	\$1,755
Saskatchewan	981	1,044
Manitoba	1,498	1,351
Yukon Territory	146	119
Northwest Territories	124	64
	<u>\$4,646</u>	<u>\$4,333</u>

5. Fixed assets

Fixed assets are comprised of:

	Cost	Accumulated Depreciation	1990 Net	1989 Net
	(in thousands of dollars)			
Computer systems and other related game equipment	\$28,942	\$22,966	\$ 5,976	\$10,554
Office furniture and fixtures	1,031	516	515	619
Leasehold improvements	5,030	2,776	2,254	2,742
Retailer fixtures and signage	6,564	5,041	1,523	1,539
	<u>\$41,567</u>	<u>\$31,299</u>	<u>\$10,268</u>	<u>\$15,454</u>

6. Payment to Federal Government

The Interprovincial Lottery Corporation makes payments to the Government of Canada as a result of an agreement made between the Provincial Governments and the Federal Government on the withdrawal of the Federal Government from the lottery field. The agreement requires the provinces, on a combined basis, to make on-going payments of \$24 million in 1979 dollars annually on an inflation adjusted basis (currently \$44 million).

The Corporation, as a Regional Marketing Organization of the Interprovincial Lottery Corporation, remits its member provinces' share of the above payments to the Interprovincial Lottery Corporation which is based on current population statistics and amounted to 18% of the total in 1990. The cost is allocated between each member province based on their share of lottery ticket sales.

7. Pension costs and obligations

The Corporation maintains a defined benefit pension plan covering substantially all of its employees. Based on the latest actuarial report the estimated present value of accrued pension benefits as at March 31, 1990 amounted to \$2,450,000 (1989 - \$1,850,000). The market value of the net assets available to provide these benefits was \$2,938,000 (1989 - \$2,369,000).

The pension expense recorded in the accounts during 1990 amounted to \$390,000 (1989 - \$226,000).

8. Statement of cash flows

A statement of cash flows has not been included with the financial statements as it would provide no additional information.



INFORMATION

Each provincial and territorial government has established priorities for the disbursement of lottery revenue. *For information on revenue disbursements, contact:*

Government of Alberta Canada
Lotteries and Financial Assistance
to Major Exhibitions and Fairs
14th Floor, Royal LePage Building
10130-103rd Street
Edmonton, Alberta
T5J 3R2

Sask Trust for Sport,
Culture and Recreation
1870 Lorne Street
Regina, Saskatchewan
S4P 2L7

(Manitoba) Lotteries
Distribution System
201-379 Broadway Avenue
Winnipeg, Manitoba
R3C 0T9

Lotteries Yukon
312 Wood Street
Whitehorse, Yukon Territory
Y1A 2E6

Sport North
P.O. Box 504
Yellowknife, Northwest Territories
X1A 1H0

*For further information on lotteries,
contact:*

Western Canada Lottery
Corporation
9th Floor, 125 Garry Street
Winnipeg, Manitoba
R3C 4J1

(204) 942-8217

