

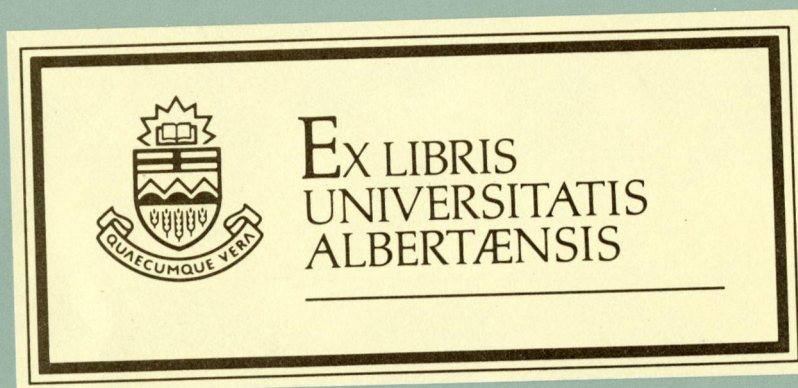
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WESTERN CANADA LOTTERY ALBERTA DIVISION
A N N U A L R E P O R T



In just ten years, the Western Canada Lottery Alberta Division has grown to become one of the province's most remarkable success stories. While proof of this success may be seen in sales figures which march steadily upwards on graphs, the "winning spirit" is most clearly visible in the faces of those whose lives have been touched and changed by funds from lotteries.

Our cover photography shows people who have enjoyed expanded opportunities in sport, in recreation and in culture. These three individuals represent countless thousands who have seen tangible evidence of the "winning spirit" at work in Alberta since 1974.

MESSAGE FROM THE CHAIRMAN

The past year was an important landmark in the history of the Western Canada Lottery Alberta Division. For the first time, sales soared over the \$100 million mark to total a remarkable \$125 million. This achievement was especially significant in the context of the Alberta Division's tenth year of operations.

The Alberta Division was incorporated in June of 1974, and a group of Albertans went to work to achieve a goal many observers considered ambitious — even unrealistic.

Hard work, enthusiasm and total dedication to improving the quality of life for Albertans have seen this “unrealistic” vision become a reality in just one decade. The winning spirit — a blend of innovation, efficiency and commitment — has been the driving force behind the success and growth of the Alberta Division's operations.

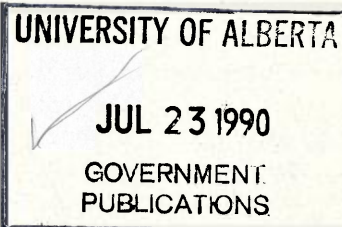
Throughout 1985, this winning spirit has continued. Innovation was the keynote, and saw the introduction of Lotto West and the special 10th Anniversary Gala Draw. Through the efforts of our management and staff, sales rose more than 25 per cent over 1984. Once again the on-line games, Lotto 6/49 and Lotto West, led the way with increasing sales matched by a steady expansion of the province-wide Ticket Issuing and Validating Machine network.

Together, these factors saw the Alberta Division provide increased financial support to beneficiaries, ultimately fostering the development of recreational, cultural and athletic activities throughout the province.

Over the past year, a great number of individuals and groups have contributed to the Alberta Division's success. Foremost among them are the Honorable Constantine E. Osterman, Minister of Consumer and Corporate Affairs, and members of her department. The Board gratefully acknowledges their continuing assistance.

Board members also salute all those who have, over the past decade, contributed their time and talents to achieving the goals of the Alberta Division. Many thousands of Albertans have shown the “winning spirit” and helped to see it at work in Alberta.

In closing, I would like to thank the management and staff for their loyalty and dedication, and my fellow Board members for their assistance and support. It has been a pleasure to work with you during the past year.



Graham O'Connor

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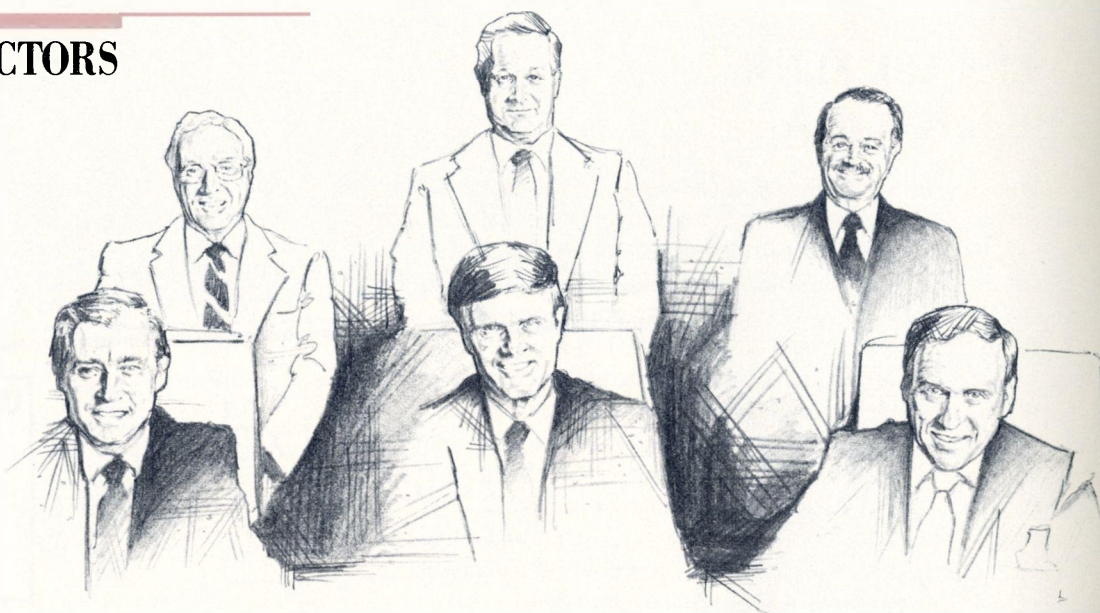
Not shown:

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Assistant Deputy Minister
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and Corporate Affairs

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Jack Rutherford
Western Canada Lottery
Alberta Division



THE YEAR'S HIGHLIGHTS

Over the past decade, computer technologies have made their mark on society, altering consumer purchasing patterns and affecting the very nature of retailing philosophies.

Under the guidance of the Board, which has recognized these gradual shifts and encouraged advances in marketing and sales, the Alberta Division has kept pace with the changing demands of the marketplace. In concert with the other partners in the Western Canada Lottery Foundation, sophisticated new techniques have been implemented. Where once consumers could purchase tickets only in traditional over-the-counter situations, they now have the opportunity to play "on-line" games where their purchases are made electronically — instantly.

This increasing sophistication has been matched in all Alberta Division operations, from a streamlined administrative system through to an ambitious identification program.

Other highlights of 1985:

- The popularity of the active game concept continued to gain momentum. On March 31, 1985, there were 597 Ticket Issuing and Validating Machines in Alberta, an increase of 176 over the 421 machines in place as of March 31, 1984.
- Ticket sales reached record levels in 1985, totalling \$125,730,628. Lotto 6/49 sales of over \$70 million were responsible for 55 per cent of overall revenues.
- The Interprovincial Lottery Licence, which governs the operations of the Alberta Division, was revised in 1985. (See *Note 1, Financial Statements.*) As a result, profits from revenues were distributed by the Western Canada Lottery Foundation to the designated beneficiaries. These included:
 - The Alberta Art Foundation
 - The Alberta Band Association
 - The Alberta Choral Federation
 - The Alberta Crafts Council
 - The Alberta Cultural Heritage Foundation
 - The Alberta Foundation for the Literary Arts
 - The Alberta Foundation for the Performing Arts
 - The Alberta Historical Resources Foundation
 - The Alberta Museums Association
 - The Alberta Sport Council
 - The Banff Television Foundation
 - The Fort Macleod Provincial Historic Area Society
 - The Recreation, Parks And Wildlife Foundation
 - The Wild Rose Foundation

- History was made on January 26, 1985, when a Lotto 6/49 prize exceeding \$5 million was won by an extended family group in Edmonton. This \$5,079,198.90 prize was the largest ever to be awarded in Western Canada.
- On June 12, 1984, Lotto West was launched across the four western provinces. The newest member of the TIVM "electronic family" of games, Lotto West proved popular among consumers, as ticket sales closely approximated forecasts.
- An Anniversary Gala Draw was held in December, 1984, and generated unprecedented response. Sales of the \$25 "Whole" and "Street" tickets reached the highest levels in Alberta, largely due to the strength of the province's retail network. Appropriately, an Albertan won one of two major million-dollar prizes. A Banff ski instructor will receive \$100,000 each Christmas for ten years.
- Funds from lotteries were used by the Calgary Exhibition and Stampede to service and reduce debt incurred in the construction of the Calgary Stampede grandstand and the Round-up Centre. During the year, millions of visitors — Albertans and visitors from around the world — enjoyed an impressive range of events, exhibitions and activities at both outstanding facilities.
- Lottery funds assisted Edmonton Northlands to proudly open the doors of its \$35 million Northlands AgriCom on April 14, 1984. The city, the province, the nation and the Great Trade Show and Cultural Exhibition of China joined together to celebrate the official opening. The Chinese Trade Show and Exhibition, a spectacular 22-day event, attracted over one-quarter million visitors. Since its opening, the 450,000 square foot AgriCom has continued to draw record-breaking crowds to a variety of consumer and industrial trade shows, agricultural shows and sales, sporting events, private parties and meetings, receptions and Edmonton's Klondike Days Exposition.
- On April 1, 1984, the Alberta Games Council welcomed the establishment of a new crown corporation called The Alberta Sport Council. Funded by lotteries and operating with expanded responsibilities, the Alberta Sport Council's role was set forth as advancing amateur sport in Alberta by providing increased opportunities for coaches, officials and developing athletes.
- The Wild Rose Foundation was created by the Government of Alberta to foster the strong spirit of volunteerism in Alberta, and to support worthy undertakings which, through their unique nature, fall outside the parameters of established funding organizations. Through the Foundation, grants were provided for individual projects and volunteer, non-profit organizations.

OVERVIEW

The Western Canada Lottery Foundation

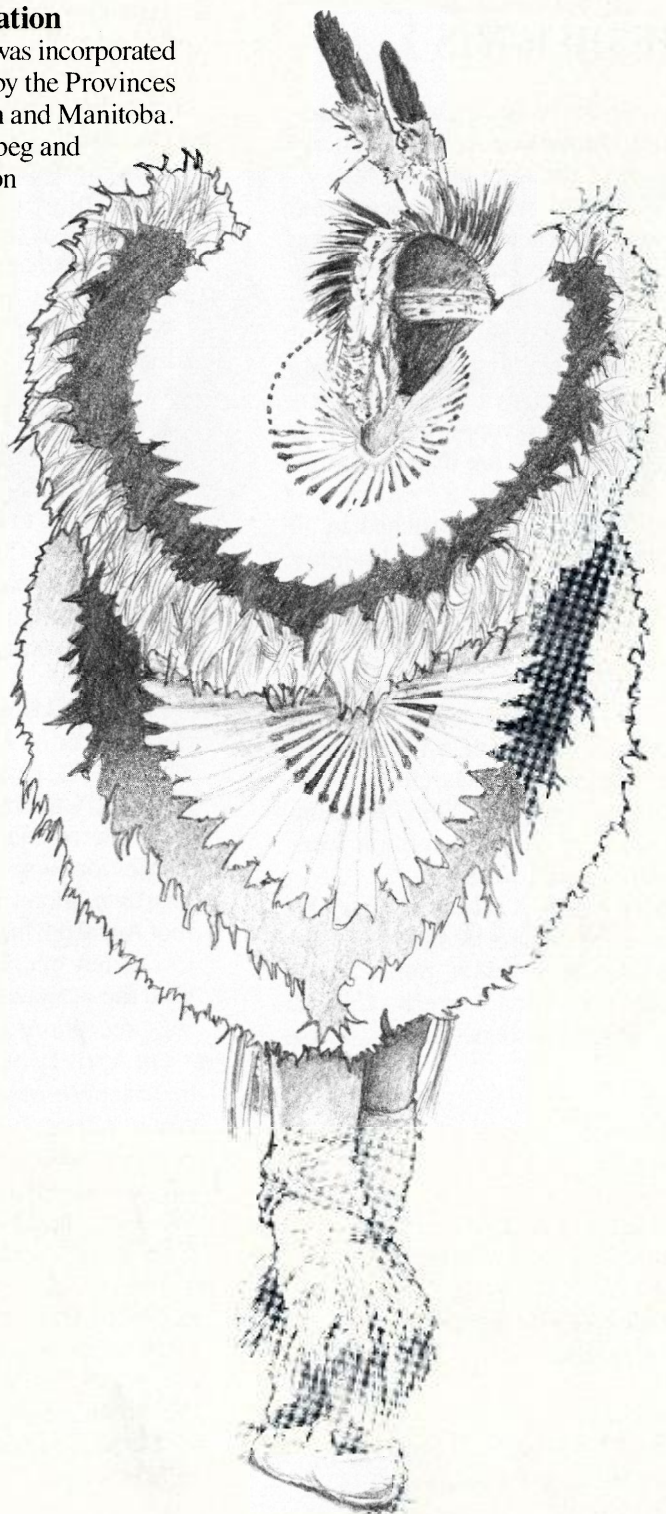
The Western Canada Lottery Foundation was incorporated under the Canada Corporations Act in 1974 by the Provinces of British Columbia, Alberta, Saskatchewan and Manitoba. The Foundation has its head office in Winnipeg and serves as a central organization for the creation of lottery games, the production of lottery tickets, and other centralized functions such as the advertising and publishing of winning numbers.

The Alberta Division

The Alberta Division has operated since June, 1974 under licences granted by the provincial minister responsible for the Interprovincial Lottery Act. The Licensee is a partnership of the Edmonton Northlands and the Calgary Exhibition and Stampede Limited. An eight-person Board of Directors administers all lottery functions related to the sale and distribution of tickets. The Division has headquarters in Edmonton and sales offices in both Edmonton and Calgary.

Lotteries In Alberta

During the year in review, the Division operated five separate, ongoing lotteries and a one-time only 10th Anniversary Gala Draw.



The New Western Express

This lottery was exclusive to the citizens of the four western provinces. Draws were televised every Wednesday evening. A \$1 Western Express ticket gave the buyer a chance to win one major prize as follows:

- \$100,000** for the complete seven-digit number, for which there were three numbers drawn
- \$50,000** for the complete seven-digit number, for which there were two numbers drawn
- \$2,000** for the last six digits
- \$200** for the last five digits
- \$50** for the last four digits
- \$10** for the last three digits

Provincial

Draws were held each Friday for this national lottery. A \$5 ticket gave the buyer one chance to win in five consecutive weekly draws as follows:

- \$500,000** one prize per draw for the correct seven-digit number
- \$50,000** for the last six digits
- \$1,000** for the last five digits
- \$100** for the last four digits
- \$25** for the last three digits
- \$10** for the last two digits



Super Loto

Draws for this national lottery were held on the last Sunday of each month. A \$10 ticket gave the buyer one chance to win as follows:

- \$1,000,000** for the complete seven-digit number, for which four numbers were drawn
- \$100,000** for the complete seven-digit alpha number, for which five alpha numbers were drawn
- \$50,000** for the last six digits
- \$5,000** for the last five digits
- \$500** for the last four digits
- \$100** for the last three digits
- \$10** for the last two digits

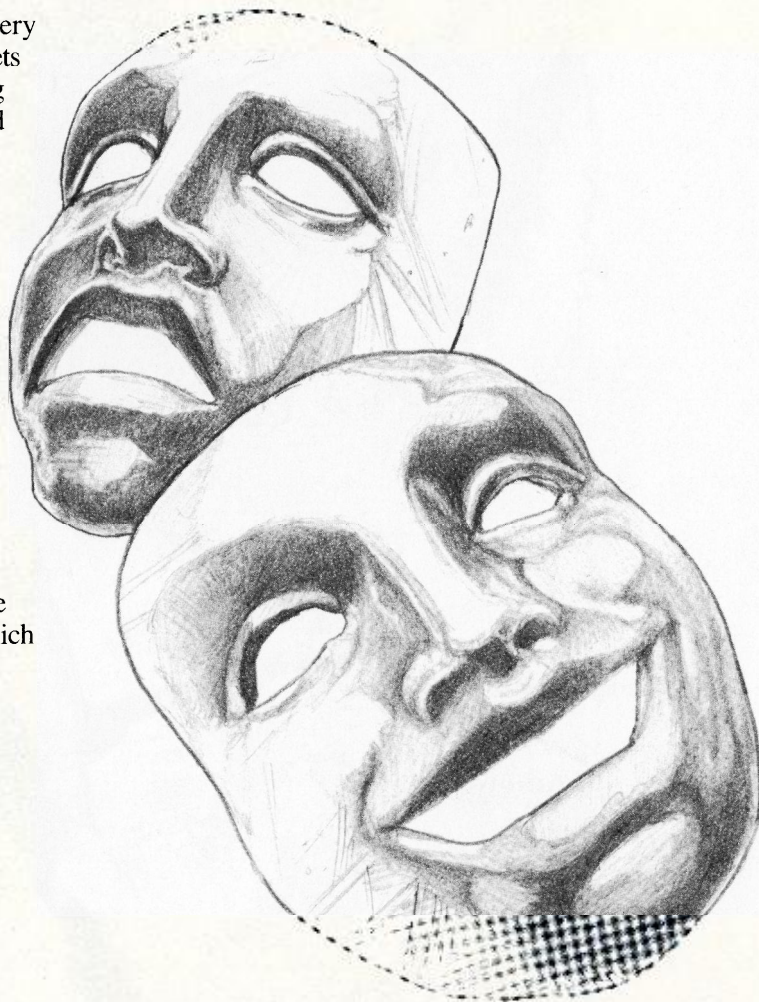
Lotto 6/49

This national lottery was conducted every Saturday afternoon with a televised draw. Tickets cost \$1, and were issued through the Ticket Issuing and Validating Machines (TIVM) which allowed the purchaser to select six numbers from 1 to 49 inclusive. During the draw, six winning numbers from 1 to 49 and one bonus number were drawn at random. Prizes were awarded as follows:

- \$10** for three out of six winning numbers

The remaining prize pool was divided into four categories:

- 25%** for four winning numbers
- 13%** for five winning numbers
- 17%** for five winning numbers and the bonus number
- 45%** for six winning numbers, until the jackpot reached \$7 million, at which time the percentage was reduced to 15%



Lotto West

This active game was introduced in June of 1984. A \$1 ticket gave the purchaser the opportunity to choose six of 56 numbers. Draws for eight winning numbers, plus a bonus number, were held every Wednesday and televised on the "Winsday" show and prizes were awarded as follows:

\$5 for three of eight winning numbers

The remaining Pools Fund was divided into four categories:

50% for six of eight digits

3% for five of eight digits, plus the bonus number

12% for five of eight digits

35% for four of eight digits

10th Anniversary Gala Draw

This one-time-only lottery offered a limited number of tickets to purchasers, who had a choice of \$25 Whole tickets offering opportunities to win a major prize, or \$25 Street tickets guaranteeing the purchaser would win two or more smaller prizes. The Anniversary Draw was televised live on December 9, 1984, during an Anniversary Entertainment Special Broadcast. Twelve winning numbers were drawn and prizes were awarded as follows:

\$10 for matching last digit

1st and 2nd numbers drawn

\$100 for matching last two digits

3rd and 4th numbers drawn

\$1,000 for matching last three digits

5th and 6th numbers drawn

\$10,000 for matching last four digits

7th and 8th numbers drawn

\$100,000 for matching last five digits

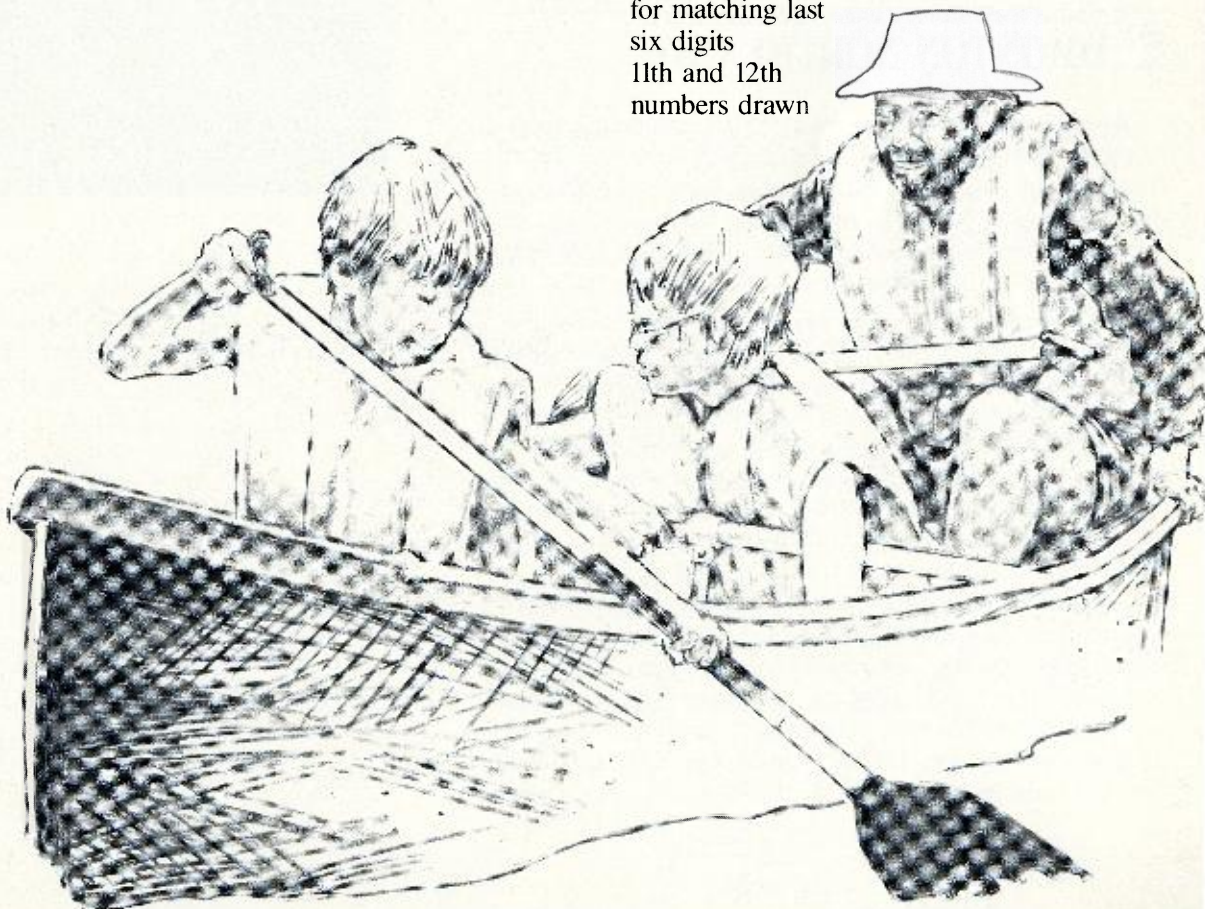
9th and 10th numbers drawn

\$1,000,000 (\$100,000/year for 10 years)

for matching last six digits

11th and 12th

numbers drawn



THE SPIRIT

For a decade, the winning spirit has touched and changed the lives of Albertans. Evidence of these accomplishments is visible in community centres and halls, in facilities which have been built or improved over the past ten years. Less tangible — but equally important — are the recreational, cultural and athletic programs which have been created and implemented for the benefit of Albertans.

The spirit of volunteerism, so much a part of this province's tradition, has gained strength and gathered momentum over the past decade, with the invaluable assistance of funds from lotteries. While the manner in which funds are distributed was changed in 1984, the principle remained unaltered. Hundreds of individuals, groups and associations demonstrating commitment to a worthy goal were aided in their quests to improve and enrich the lives of others.

The "winning spirit" was at work throughout the province, throughout the year, as funds from lotteries were distributed to thousands of Albertans through the 14 designated beneficiaries.

EDMONTON NORTHLANDS

Agriculture was the base upon which Edmonton Northlands was built 106 years ago. The promotion of this industry remains of primary importance today, even as the focus of the non-profit, volunteer organization has broadened. As Alberta's population has become increasingly urban, Edmonton Northlands has met those changing needs by establishing a number of other major objectives. These include: the development of tourism, trade and commerce in Alberta and Canada; the development and provision of facilities and programs for a wide variety of entertainment and recreational purposes; the development of exhibitions and educational programs for a variety of audiences; and the participation and cooperation with the provincial government and other public and private organizations in programs for the benefit of Edmonton and northern Alberta.

Northlands AgriCom, a world-class venue, is the newest of Edmonton Northlands' facilities. Lottery funds assisted in the construction of this \$35 million complex, the largest of its kind in western Canada. Spacious exhibit halls, meeting rooms, a pedestrian mall, concessions and kiosks provide exciting opportunities for agriculture, business, sport and entertainment for the benefit of all Albertans.

CALGARY EXHIBITION AND STAMPEDE

By encouraging the development of agriculture, trade, recreation, entertainment and education, the Calgary Exhibition and Stampede is dedicated to enhancing and preserving Alberta's agricultural and historical traditions. This volunteer, non-profit organization directs its energies to fulfilling this mandate in Southern Alberta in particular and Alberta in general.

Lottery funds received in 1985 were directed towards capital projects to continue this legacy and enrich the lives of Albertans. In recent years, these funds have been used for the purpose of servicing and repaying debt incurred in the construction of the 15,000 seat grandstand and the Roundup Centre. The Centre features 200,000 square feet of space designed to meet the needs of organizers of a broad range of exhibitions, agriculture and trade shows.

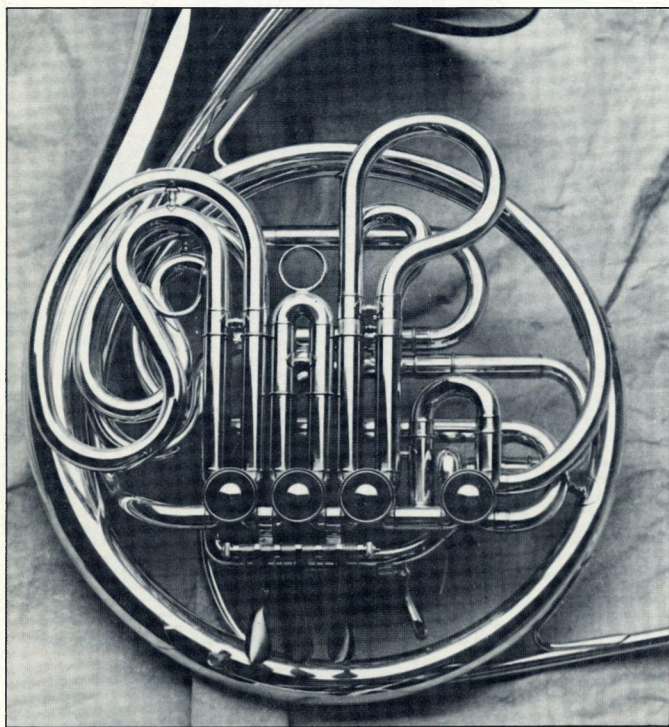
Over four million people each year are attracted to events held at these facilities. While many live in Calgary and southern Alberta, visitors arrive from centres throughout North America and from countries around the world to attend keynote attractions. Best known is the annual 10-day Calgary Stampede. Millions have captured the spirit of the west, and thrilled to the moment at Stampede Park, during the "Greatest Outdoor Show on Earth."

CULTURE



Alberta's thriving visual, literary and performing arts communities have been given vital support over the past decade by funds from lotteries. During the past year, a wide range of cultural activities touched and changed the lives of Albertans in a number of ways:

- The Alberta Band Association hosted the largest-ever Provincial Concert Band Festival in Red Deer, giving 9,700 students from 34 communities the opportunity to take part in this adjudicated festival.
- One of the many highlights of the year for the Alberta Choral Federation was the opportunity for 200 members from across the province to sing under the direction of internationally-acclaimed conductor/arranger Norman Luboff.
- Alberta's literary community applauded the creation of the Alberta Foundation for the Literary Arts, established in October, 1984, to support the growth and development of writers, publishing initiatives and libraries.
- A record number of program entries, a record number of participating countries and a record number of paying delegates were highlights of the 1984 Banff Television Festival. The Festival, Canada's only international television competition and conference, is an event with a global reputation among television professionals.
- The Fort Macleod Provincial Historic Area Society was aided in its efforts to build pride in its community — and pride in the area's past — with initiatives ranging from the preservation of historic buildings to the staging of a Santa Claus Parade.
- The Alberta Crafts Council was able to initiate and co-ordinate the province's first-ever travelling crafts exhibition. "Hand Spirits," a showcase of works of talented craftspeople, will tour seven Alberta centres and will be staged at Expo '86 in Vancouver.
- In May, 1984, the Hon. Mary LeMessurier, Minister of Culture, announced a five-year lottery funding program for the Alberta Museums Association. The Association, which had previously operated on a volunteer basis with an annual budget of \$12,000, found itself in a position to employ several professionals and establish valuable and far-reaching granting programs of benefit to Alberta museums. The Association will ensure that "a collection of our heritage will be preserved in the best possible conditions, and people trained to look after them."
- In 1985, a fascinating and meaningful chapter in Alberta's history was preserved by the Alberta Historical Resources Foundation, which, among other initiatives, restored its recently-acquired Gushul Photographic Studio in Blairmore, Alberta.



- The mandate of the Alberta Cultural Heritage Foundation was expanded on November 13, 1984, with the proclamation of the new Alberta Cultural Heritage Act. Under the Act, the Foundation will now work to build recognition of how the presence of Alberta's ethnocultural groups provides opportunities to develop relationships with other countries, and to foster an environment in which volunteer groups and individuals can contribute to Alberta's cultural heritage. The new Act also provided for restructuring the Alberta Cultural Heritage Council, which is made up of eight regional councils and a provincial coordinating committee, all of which are funded by the Foundation. Substantially-increased funding from lotteries enabled the Foundation to support several new project categories such as publications, media and educational materials, and to fund multicultural centres around the province. During the 1984/85 fiscal year, the Foundation provided funds to more than 180 projects.

In 1984/85, the Alberta Art Foundation and the Alberta Foundation for the Performing Arts were also given increased responsibility for the distribution of funds.

ALBERTA ART FOUNDATION HIGHLIGHTS

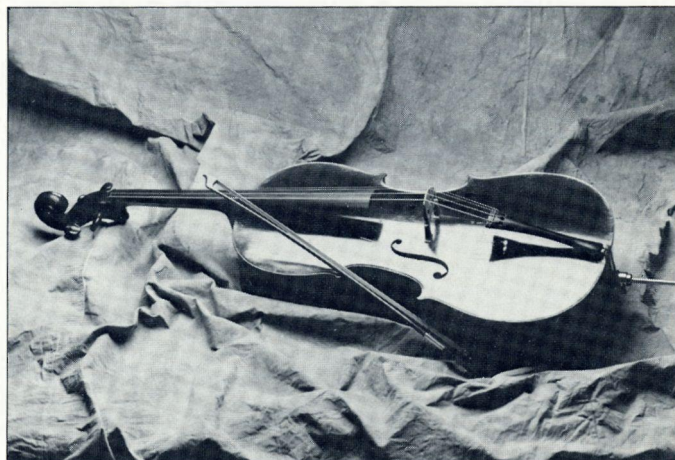
In April of 1984, the Foundation began an entirely new phase in its operations. An amendment to the Alberta Art Foundation Act gave the Foundation the authority to provide grants to galleries and art organizations in Alberta. This expanded mandate, coupled with increased funding from the Western Canada Lottery Alberta Division, saw the Foundation take this major step forward.

- A new series of exciting art exhibitions and projects was sponsored by the Foundation. Keynote events included the Illingworth Kerr Retrospective Exhibition, "Harvest of the Spirit," held at the Edmonton Art Gallery, and "Sharing Vision," which was organized by the Alberta Society of Artists as a cultural exchange project with Japan.
- The Foundation established endowments at the University of Alberta and the University of Calgary for scholarships to be awarded to students advancing to their second year of the Master of Visual Art Program. With matching grants from the Advanced Education Endowment Fund, each University will be able to award three \$5,000 scholarships each year by 1990.
- Special effort was devoted to the promotion of integrating art in public places. Artworks from the Alberta Art Foundation's collection were loaned to public buildings and a special budget for major art commissions was established. The first of the commissions was a sculpture for the Calgary Centre for Performing Arts, awarded to Calgary sculptor Ray Arnatt. The Foundation also made a two-year commitment to provide \$30,000 to the Red Deer College for a fibre art commission in its new art centre.
- With assistance from the provincial Economic Development department, the Foundation conducted a survey on the economic impact of the visual arts in Alberta. Findings confirmed that the visual arts contribute some \$63.6 million to the provincial economy.
- The Foundation purchased 228 artworks representing a cross-section of Alberta artists. This was a significant increase over the number of artworks purchased in previous years.
- Through the Travelling Exhibition Program, ten exhibits of works from the Foundation's collection were circulated to over 50 schools and libraries in Alberta. In addition, five major exhibitions were shown in the province's major centres. The Foundation's collection was also included in a project sponsored by Alberta Education. "Sightlines" will enable Alberta teachers to show students Alberta art on video discs.

THE ALBERTA FOUNDATION FOR THE PERFORMING ARTS HIGHLIGHTS

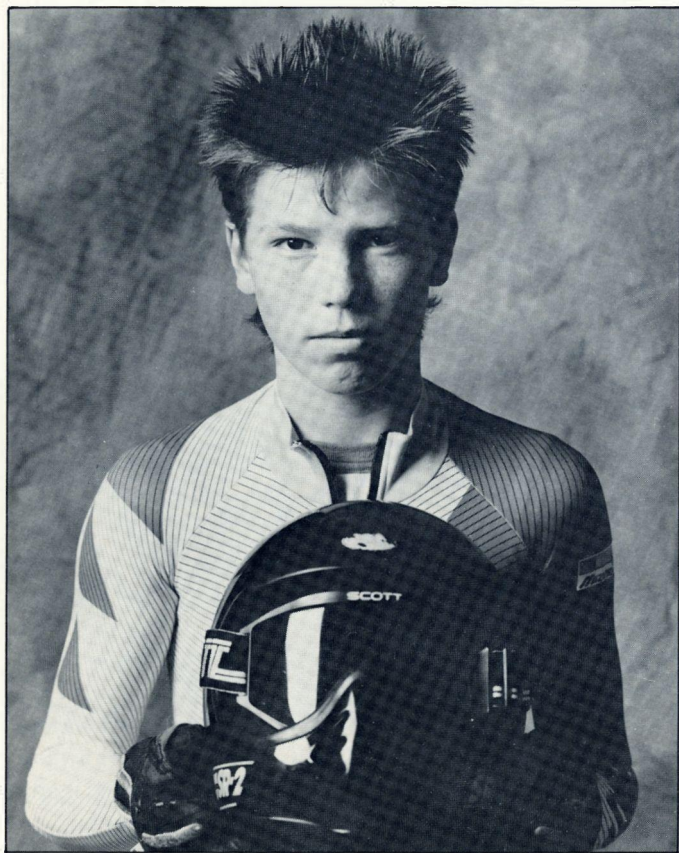
Last year, over \$574,000 was provided by the Foundation through grants to more than 80 performing artists and arts groups, over twice the number supported in 1984. While increasing the scale of support provided, the Foundation also expanded its mandate to provide funding to festivals, as well as to projects involving exposure, marketing and audience development, management and administration, and research. Support was provided for individuals and organizations, both professional and non-professional, who were involved in or contributed to the performance, production and creation of performing arts in Alberta. Artistic endeavours encouraged by the Foundation included dance, mime, music and theatre projects.

- Funds from lotteries saw artists and musicians take "centre stage" in performances and festivals throughout the province, and sent individuals and troupes abroad to gain valuable international exposure.
- To pave the way for Albertans to perform and compete, grants were provided on an individual basis to a number of established and emerging artists. Among them were violinist Julie Kang, who was awarded a grant to participate in the Canadian Music Competition in Quebec; Pierre Bokor who received a grant to travel to France to attend the world premiere of his award-winning play "Amooooor;" and singer K.D. Lang, who through a grant in support of her tour to eastern Canada and the United States, was catapulted into her international career.
- Grants were provided in support of a wide range of Alberta festivals and concerts. These included Edmonton's internationally-renowned Jazz City, the Calgary Folk Festival, the Violet Archer Festival, the Chinook Piano Festival, and the Edmonton International Children's Festival.



- Alberta artists and groups "travelling the world" included The Alberta Ballet Company, which appeared in Cuba; Carrol McLaughlan, who made a recital debut in England; the Arete Mime Troupe, which performed in the Israel Arts Festival; and pianist Brent Krawchuk, who received a grant to perform in Vienna.
- A major grant was provided to the Calgary Philharmonic for the Gala Opening of the Calgary Centre for the Performing Arts, enabling the Edmonton Symphony to participate in the performance of Mahler's "Symphony of a Thousand."
- Support was provided for The North Country Fair, one of Alberta's foremost rural folk festivals, held in June at Spruce Point near Kinuso.

SPORT



It takes more than desire to transform promising athletes into first-class competitors. Time, training, facilities, competition opportunities and dedicated coaching staff are all essential to see signs of talent produce trophies and medals. Alberta's amateur athletes were given this "competitive edge" through funds from lotteries and the efforts of the Alberta Sport Council, a crown corporation in the province. Programs of the Council have been developed to increase participation opportunities, to promote participation excellence, to develop technical expertise, and to prepare Albertans to take part in the XV Olympic Winter Games.

ALBERTA SPORT COUNCIL HIGHLIGHTS

Through the Council, Alberta sport associations which demonstrated the "winning spirit" were provided with resources and support. In September of 1984, just six months after being formed, the Sport Council, while establishing new program criteria, provided \$635,000 in interim financing for the 76 sport associations for which it is responsible.

Providing this direct financial assistance was just one aspect of the Council's operations. Other highlights of the first year of operations were equally impressive.

- In October, 1984, the Council hosted the first annual Alberta Olympic Game Plan Symposium. Representatives from the nine Provincial Winter Olympic Associations met to develop and coordinate plans for the 1988 Olympic Winter Games, to meet the objective of having Albertans comprise 20% of the Canadian delegation to the Games.
- Results of the Game Plan were apparent by the close of the year, when it was determined that seven of the 14 members of the National Luge Team would be Albertans.
- Twenty-two communities throughout Alberta hosted an '88 Olympic Search Winter Sport Festival. This Festival included sport camps, "try-it" clinics and other activities in many or all of nine Olympic Winter sports. The Alberta Sport Council provided \$138,100 to the participating communities.
- The Council also provided \$100,000 to the Calgary Olympic Development Association (CODA) to host the 1985 Alberta Winter Sport Festival. This exuberant culmination of community-level winter festivals and zone playoffs saw winners advance to the Alberta Winter Sport Festival.
- More than 27,000 young Albertans participated in Sport Outreach clinics, held in 160 communities throughout the province. Thirty-one sports were offered in the clinics.
- Six major sport camps were organized by the Sport Council, and saw 1,274 young Albertans take advantage of the opportunity to train intensively in their chosen sports.
- Through 27 provincial sports associations and the Alberta Schools Athletic Association, more than 800 Alberta athletes received scholarships and/or travel subsidies to attend a summer sport camp. The Council's contribution to the scholarship fund was \$68,520.

- The pursuit of excellence is not restricted to youth! While young athletes are the focus of many programs, Alberta seniors also benefit from lottery funds through the endeavours of the Alberta Sport Council. For the third time, Camrose was the site of the Alberta Seniors Games where the oldest participant, Bess Waldref, a 93-year-old Albertan from Peace River, lit the torch to signal the opening of the Games.
- An invitation to become part of the Olympic Winter excitement was delivered to Albertans around the province through the Travelling Van program. This new program saw representatives travel 10,000 kilometers in visiting 20 communities and explaining how every Albertan could be involved as a participant, coach or official.
- A total of \$67,041 was granted to groups in the province through the Council's Innovative Projects program.



RECREATION



Providing opportunities to enjoy recreational activities ... preserving Alberta's natural heritage ... managing and conserving fish and wildlife in the province. Many individuals and private associations recognize the importance of these goals and wish to make contributions towards achieving them. Their enthusiasm is given support and is channeled into tangible results by the Recreation, Parks and Wildlife Foundation. Funds from lotteries play an important role in the Foundation's commitment to identify and finance valid ways to enhance recreation, parks and wildlife opportunities in the province. For close to a decade, the Foundation's activities have provided expanded recreational opportunities for Albertans from all parts of the province, from all walks of life.

RECREATION, PARKS AND WILDLIFE FOUNDATION HIGHLIGHTS

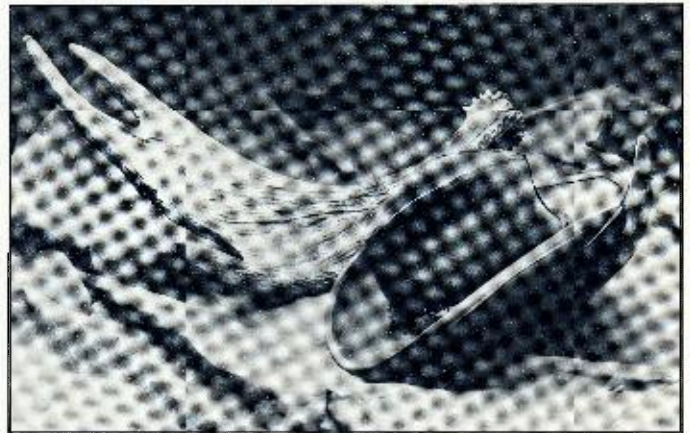
An increase in lottery funds announced in 1984 enabled the Foundation to lay the groundwork for an ambitious Enrichment Funding program. With an additional budget of approximately \$900,000, this program was developed to place a specific emphasis on technical and participation activities undertaken by associations throughout the province.

■ Dr. Bill Samuels, noted wildlife researcher, was given financial support to continue his investigations into the impact of environment on Alberta's wildlife. Working with "Maggie," a halter-trained moose, Dr. Samuels was assisted by lottery funds in studying the effects of climate on wildlife. Just one of his many findings is of vital importance, revealing a potentially severe problem. Because Alberta's climate has experienced a warming trend since 1900, the natural habitat of moose and deer now overlap, and moose are exposed to a parasite for which they have no natural immunity. Otherwise healthy, mature animals are falling prey to this parasite. Without the warning signal sounded by this dedicated researcher, Alberta's moose population could face serious threat.

■ The smile on the face of a child sitting on a pony for the first time is a wonderful sight — and even more moving when that child has a handicap. The therapeutic value of establishing a bond between a person and a horse has been well-documented, as has the positive effect of providing the opportunity to move from a wheelchair onto a saddle. For these reasons, the Foundation has since its inception been a long-term supporter of provincial branches of the worldwide Riding for the Disabled organization. Most recently, funding was provided for the Waskasoo Handicapped Riding Association, operating from Red Deer's Heritage Ranch. For 64 handicapped children and adults, funds from lotteries helped achieve the "impossible dream" of riding a horse.

■ During the year, parks and nature areas were preserved for Albertans to enjoy for all time to come, through the Foundation's bequest program. Perrenoud Park, located near Cochrane, was created by the Foundation at the request of a rural landholder, who wished to protect the rolling foothills from future development, and to make a contribution of lasting value to the province.

A wolf caught yawning, a beaver nursing her kits in the seclusion of her lodge, a fox alert for any sign of movement. These are just three of the stunning images captured on film and presented in Arthur and Candace Savage's outstanding wildlife photography book, "*Wild Mammals of Western Canada*." Funding from the Foundation saw a copy of the work placed on the shelf of every school library in Alberta. In a similar undertaking, 1800 copies of the Savage's equally beautiful "*Wonder of Canadian Birds*" book were placed in all libraries. Together, these works provide students with the enthusiasm to learn more about their province's rich wildlife heritage.



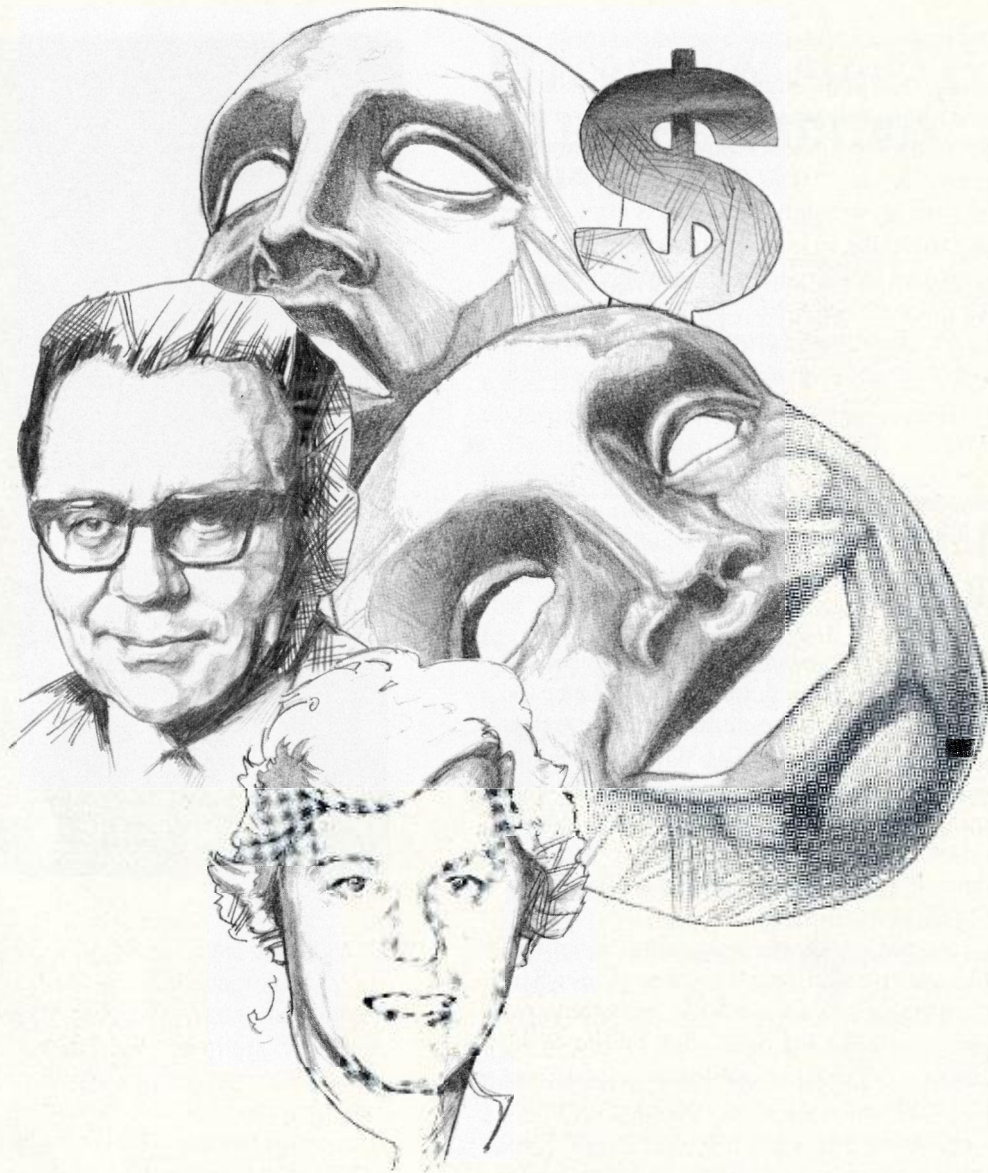
THE WILD ROSE FOUNDATION

This new Foundation was created by the Government of Alberta to fulfill a clear and exceptional purpose. Over the years, many foundations have been established to serve particular areas of community interest. The Wild Rose Foundation was not formed to support a particular segment of the community. It was established for "everyone else;" for all the volunteer-spirited, non-profit groups with no previous funding source; for all the projects which do not fit the specific criteria of other funding bodies.

Like the wild rose for which the Foundation is named, groups of dedicated, creative volunteers may appear anywhere in the province, eager and able to provide necessary and valuable community services not otherwise supported by government foundations. Without volunteers these programs would not function; without funding they could not survive.

Many of the applications received and grants approved were unusual and exciting. The Foundation welcomed such applications and looked forward to launching new community activities throughout the province. Not restricted to the type of projects supported, nor the locations in which they appeared, the Foundation in its first few months supported a diverse range of initiatives. These included such groups as the Elizabeth Fry Society of Edmonton; the Edmonton Handi Buses Association; the Big Sisters Society; the Citizen Advocacy Society of Camrose; the Norwood Community Service Centre; and the Canadian Mental Health Association.

TEN YEARS OF PROGRESS!



July 12, 1974

With the interprovincial Lottery Licence issued to Edmonton Northlands and The Calgary Exhibition and Stampede, "Lotteries in Alberta" come to life, with the Commonwealth Games as the first beneficiary. The Hon. Horst A. Schmid, as Minister of Culture, is responsible for Alberta Division operations.

November, 1974

The first draw in Alberta is held for "The Western" lottery. Tickets cost \$2.50.

April, 1975

The "Western Express" is introduced, and features bi-weekly draws and \$1.00 tickets.

September, 1976

Albertans are introduced to "The Provincial," with \$5.00 tickets and weekly draws.

September, 1978

Strong sales and growing popularity see the Western Express go to a weekly draw. With her appointment as Minister of Culture, The Hon. Mary LeMessurier assumes responsibility for the Alberta Division.

March, 1979



January, 1980

The national game, Super Loto, is introduced to Alberta.

July, 1981

Amid fanfare and rave reviews, the Calgary Exhibition and Stampede officially opens the new Roundup Centre in the Stampede Grounds.

June, 1982

Lotteries in Alberta enter the age of the computer, with the introduction of Lotto 6/49 and the installation of the province's first Ticket Issuing and Validating Machine.

April, 1984

Edmonton Northlands proudly opens the doors of the AgriCom and welcomes the Great Trade Show and Cultural Exhibition of China.

June, 1984

Lotto West arrives in Alberta — sales are strong from “day one” on.

October, 1984

“Lotteries in Alberta” celebrate the first decade with the 10th Anniversary Gala Draw, with \$25 tickets offering the chance to win the \$1 million major prize.

FINANCIAL STATEMENTS

AUDITORS' REPORT

To the Partners of the
Western Canada Lottery Alberta Division:

We have examined the balance sheet of the Western Canada Lottery Alberta Division as at March 31, 1985 and the statements of partners' equity and changes in financial position for the year then ended. We have also examined the statement of lottery operations in Alberta as derived from the financial statements of the Western Canada Lottery Foundation for the year ended March 31, 1985. Our examinations were 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 financial statements present fairly the financial position of the Western Canada Lottery Alberta Division as at March 31, 1985, the changes in its financial position and the results of lottery operations in Alberta for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Edmonton, Canada
July 12, 1985



Chartered Accountants

ALANCE SHEET MARCH 31, 1985

(with comparative figures at March 31, 1984)

ASSETS		1985	1984
Current assets:			
Cash		\$ 230,587	\$ 842,885
Accounts receivable — Western Canada Lottery Foundation		1,948	1,944,877
Accounts receivable — Lottery Alberta Ltd. (Note 4)			380,006
Accounts receivable — other		95,699	70,311
Prepaid expenses and deposits		4,357	2,056
Inventory of tickets at distributors		560,316	
		<u>892,907</u>	<u>3,240,135</u>
Non-current assets:			
Fixed assets at cost less accumulated depreciation (Notes 4 and 5)		185,446	153,401
Total assets		<u>\$ 1,078,353</u>	<u>\$ 3,393,536</u>
LIABILITIES AND PARTNERS' EQUITY			
Current liabilities:			
Accounts payable		\$ 128,076	\$ 450,887
Due to designated beneficiaries (Note 7)		8,461	1,047,117
Due to partners		12,692	
Deferred revenue			320,000
Due to Western Canada Lottery Foundation for tickets		560,316	
		709,545	1,818,004
Advances from Western Canada Lottery Foundation		368,808	
Total liabilities		<u>1,078,353</u>	<u>1,818,004</u>
Partners' equity			<u>1,575,532</u>
Liabilities and partners' equity		<u>\$ 1,078,353</u>	<u>\$ 3,393,536</u>

(See accompanying notes)

Approved by the Board:


Chairman of the Board


Secretary Treasurer

STATEMENT OF PARTNERS' EQUITY FOR THE YEAR ENDED MARCH 31, 1985

	Edmonton Northlands	Calgary Exhibition and Stamped- Ltd.	Total
Partners' equity, March 31, 1984	\$ 787,766	\$ 787,766	\$ 1,575,532
Payments to partners during the year of prior year's income and equity	787,766	787,766	1,575,532
Partners' equity, March 31, 1985	\$ —	\$ —	\$ —

(See accompanying notes)

STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED MARCH 31, 1985

Working capital provided from:	
Advances from Western Canada Lottery Foundation	\$ 4,465,097
Working capital applied to:	
Operating expenses (less depreciation of \$ 60,702 which did not require an outlay of funds)	4,035,587
Payment to partners	1,575,532
Assumption of assets and liabilities of Lottery Alberta Ltd. (Note 4)	83,730
Acquisition of fixed assets	9,017
	<u>5,703,866</u>
Decrease in working capital	1,238,769
Working capital, beginning of year	1,422,131
Working capital, end of year	<u>\$ 183,362</u>
Represented by:	
Current assets	\$ 892,907
Less current liabilities	709,545
	<u>\$ 183,362</u>

(See accompanying notes)

STATEMENT OF LOTTERY OPERATIONS IN ALBERTA (NOTE 2) FOR THE YEAR ENDED MARCH 31, 1985

Revenue:	
Western Express ticket sales	\$ 13,206,475
Provincial ticket sales	10,920,575
Super Loto ticket sales	15,844,910
Lotto 6/49 ticket sales	70,209,738
Lotto West ticket sales	11,255,278
Anniversary game	2,507,975
Other income	1,785,677
	<u>125,730,628</u>
Direct expenses:	
Share of the cost of prizes, tickets and administration	70,791,785
Distribution expenses	7,222,922
Payment to Federal government	2,751,840
	<u>80,766,547</u>
Income before operating expenses of Western Canada Lottery Alberta Division	<u>44,964,081</u>
Operating expenses	<u>4,096,289</u>
Net income from lottery operations in Alberta available for distribution pursuant to the Interprovincial Lottery Licence	40,867,792
Net income paid to the partners (Note 1)	5,500,000
Remaining income available for distribution	<u>\$ 35,367,792</u>

(See accompanying notes)

OPERATING EXPENSES FOR THE YEAR ENDED MARCH 31, 1985

Salaries and benefits	\$ 1,823,287
Advertising and promotion	1,111,867
Travel	509,701
Special retailers (Note 8)	242,733
Maintenance utilities and rent	74,014
Telephone and telex	73,624
Depreciation	60,702
Miscellaneous	44,763
Postage and office supplies	42,172
Professional fees	40,601
Insurance and bonding	25,914
Directors meetings and expenses	24,818
Sales seminars and meetings	20,602
Furniture and equipment	15,527
Redemption expenses	12,275
Alberta Government liaison office	8,987
Bad debt expense (recovery)	(9,056)
	<u>4,122,531</u>
Less interest income	<u>(26,242)</u>
	<u>\$ 4,096,289</u>

(See accompanying notes)

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 1985

1. Nature of the Partnership

Effective May 15, 1974, Edmonton Northlands and the Calgary Exhibition and Stampede Ltd. formed a partnership for the purpose of conducting and operating a continuing lottery to be marketed throughout the Province of Alberta. The Alberta Division operates under the authority of the Interprovincial Lottery Licence issued by the Minister of the Province of Alberta responsible for the Interprovincial Lottery Act.

The Alberta Division acts as agent of the Government of Alberta which is a member of the Western Canada Lottery Foundation. The Foundation provides, without financial gain, in Manitoba, Saskatchewan, Alberta and British Columbia, services concerning the conduct and management of lotteries. Effective April 1, 1985 British Columbia withdrew from the Western Canada Lottery Foundation.

The Interprovincial Lottery Licences covering the year ended March 31, 1985 licenced the Foundation to manage and operate in Alberta as the agent of the Government of Alberta such lottery schemes as authorized by the Minister. The Alberta Division is licenced as agent of the Government to act as the Provincial Marketing Organization and to assist the Foundation in the conduct and management of the authorized lottery schemes. The lottery schemes designated by the Minister pursuant to the licence are "Express," "Provincial," "Super Loto," "Lotto 6/49" and "Lotto West."

Effective for the year ended March 31, 1985 the Western Canada Lottery Foundation was required under the Interprovincial Lottery Licence to distribute the net profits arising from the sales of authorized lottery schemes in Alberta in the manner prescribed in the licence. In prior years, the profits from Express and Provincial Lotteries were paid by the Foundation to the Alberta Division, the Alberta Division in turn was responsible for the distribution of the net profits as prescribed in the licence, and the profits from the other authorized lotteries were distributed by the Foundation in accordance with the provisions of the licence.

Under the licence in effect for the year ended March 31, 1985, each partner receives 15% of the net income from lottery operations in Alberta to a maximum of \$2,750,000 each.

2. Statement of Lottery Operations in Alberta

The statement of Lottery Operations in Alberta is derived from the financial statements of the Western Canada Lottery Foundation. It reflects total lottery ticket sales in Alberta and the direct expenses related thereto such as the cost of prizes, tickets, administration and distribution. Operating expenses represent the costs incurred by the Alberta Division in its capacity as Provincial Marketing Organization together with other costs relating to the conduct of its business. The Foundation reimburses the Alberta Division for these costs which are deducted in arriving at the net income from lottery operations in Alberta available for distribution pursuant to the Interprovincial Lottery Licence.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MARCH 31, 1985

Significant accounting policies

a) Fixed assets

Fixed assets are recorded at cost and are depreciated at rates designed to write off the cost of the asset over its estimated useful life. The principal rates and methods used are:

Furniture, fixtures and improvements	20%	Declining balance
Automotive equipment	30%	Declining balance
Hot airship	25%	Straight line

In the year of acquisition, depreciation is prorated from the month of purchase.

b) These financial statements do not include any assets, liabilities, revenues and expenses of the partners.

Acquisition of Lottery Alberta Ltd.

Effective April 1, 1984, Western Canada Lottery Alberta Division acquired the assets and liabilities of Lottery Alberta Ltd. and assumed responsibility for the distribution and sale of lottery tickets in Alberta.

The assets acquired were equal to the liabilities assumed and were as follows:

Current assets	\$ 530,764
Fixed assets	83,730
Current liabilities	634,493

Fixed assets are comprised as follows:

	Cost at March 31, 1985	Accumulated depreciation March 31, 1985	Net book value March 31, 1985	Netbook value March 31, 1984
Hot airship	\$ 120,000	\$ 60,000	\$ 60,000	\$ 90,000
Automobiles	46,277	22,054	24,223	32,394
Furniture and office equipment	59,863	15,404	44,459	31,007
Leasehold improvements	69,998	13,234	56,764	
	<u>\$ 296,138</u>	<u>\$ 110,692</u>	<u>\$ 185,446</u>	<u>\$ 153,401</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MARCH 31, 1985

6. Comparative figures

Comparative figures for 1984 statements of Lottery operations in Alberta and changes in financial position are not presented. Comparison to the 1985 statements would not be meaningful in view of the significant changes in the operations of the Alberta Division as described in Note 1.

7. Due to designated beneficiaries

Transactions in the account for the year were as follows:

Due to designated beneficiaries, March 31, 1984
Interest earned on funds held in trust
Payments during the year
Due to designated beneficiaries, March 31, 1985

\$ 1,047,117
8,461
(1,047,117)
<u>\$ 8,461</u>

8. Special retailers

Special retailers are charitable organizations that buy and sell tickets in the same manner as regularly licensed retailers. Special retailers are paid an additional amount equal to the commission earned by regularly licensed retailers less any administrative expenses incurred in selling lottery tickets.

9. Lease commitments

Western Canada Lottery Alberta Division is committed to minimum operating lease payments for office space until December 31, 1986 as follows:

April 1, 1985 - March 31, 1986
April 1, 1986 - December 31, 1986

\$ 73,335
55,000
<u>\$ 128,335</u>

