

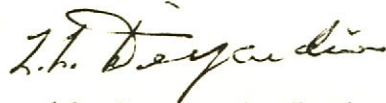




His Honour W. J. McKeag,  
Lieutenant Governor of the  
Province of Manitoba.

I have the honour to submit the Annual Report  
of the Manitoba Lotteries Commission for the year ended  
March 31, 1975.

Respectfully submitted,

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

Honourable Laurent L. Desjardins,  
Minister of Health and Social  
Development and Minister responsible  
for the administration of The  
Manitoba Lotteries Act.

# Report from the Chairman

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The year 1974-75 brought major changes in the operation of lotteries under the authority of the Manitoba Lotteries Commission.

With the establishment of the Western Canada Lottery Foundation on July 4, 1974, the Manitoba Lotteries Commission assumed a different responsibility by focusing on the marketing of "WESTERN" tickets. Because of this new function, the Commission's Selkirk operations division gradually was converted wholly to the processing of the Foundation's tickets, and by year-end was transferred in its entirety to the Western Canada Lottery Foundation.

In January, 1975, approval was given for the sale of Olympic lottery tickets in Manitoba. The province joined in the selling of the "Olympic" in the midst of Series 5, and immediately undertook the building of retail outlets.

In this important year of changes, the Manitoba Lotteries Commission Board of Directors, its management and staff, have been pleased to accept the challenge which its new role has demanded. As a result of the alterations of the past twelve months, we are confident about the future success and development of lotteries in Manitoba.

A handwritten signature in black ink, appearing to read 'D. J. Perfumo', with a large, stylized initial 'D' and a long, sweeping horizontal stroke at the end.

**DARIO J. PERFUMO**  
**Chairman of the Board**

# Auditor's Report

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PROVINCE OF MANITOBA  
PROVINCIAL AUDITOR

I report that the accounts and financial statements of The Manitoba Lotteries Commission have been examined under my direction for the fiscal year ended March 31, 1975. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the financial statements, being Exhibits A, B, C, D and E, present fairly the financial position of The Manitoba Lotteries Commission as at March 31, 1975 and the results of its operations for the year then ended. The financial statements were prepared on an accounting basis consistent with that of the preceding year and are in agreement with the books of the Commission.



W. K. ZIPRICK, C.A.,  
Provincial Auditor.

June 26, 1975,  
Winnipeg, Manitoba.

# Balance Sheet

as at March 31, 1975 (with 1974 figures for comparison)

## Assets

	1975	1974
Cash on hand and in bank . . . . .	\$ 590,812.56	\$ 250,514.11
Funds on deposit with the Minister of Finance, interest bearing . . . . .	643,000.00	1,200,000.00
Accrued interest receivable . . . . .	9,419.73	22,590.99
Accounts receivable:		
Western Canada Lottery Foundation . . . . .	122,999.97	-
Other . . . . .	6,540.85	1,922.50
	<u>129,540.85</u>	<u>1,922.50</u>
Prepaid expenses . . . . .	325.11	17,632.85
Olympic Lottery of Canada Corporation tickets on hand, at cost . . . . .	104,513.50	-
Deferred expenditures . . . . .	-	23,444.15
Furnishings and equipment, at cost . . . . .	63,630.35	101,805.47
Less - Accumulated depreciation . . . . .	48,697.39	40,610.67
	<u>14,932.96</u>	<u>61,194.80</u>
Capital contributed to the Western Canada Lottery Foundation . . . . .	50,000.00	-
	<u>\$1,542,544.68</u>	<u>\$1,577,299.40</u>

## Liabilities

Cheques issued and outstanding . . . . .	\$ 275,048.17	\$ 71,962.53
Accounts payable and accrued liabilities:		
Grants to selling agencies . . . . .	123,653.30	528,439.00
Prizes . . . . .	-	400,000.00
Western Canada Lottery Foundation . . . . .	26,616.00	-
Other . . . . .	39,247.00	72,637.36
	<u>189,516.30</u>	<u>1,001,076.36</u>
Lottery Series in progress:		
Series "AC", Exhibit D . . . . .	202,541.65	(324,363.54)
Olympic Lottery of Canada Corporation, Series "5", Exhibit E . . . . .	7,616.47	-
	<u>210,158.12</u>	<u>(324,363.54)</u>
General Reserve, Exhibit B . . . . .	867,822.09	828,624.05
	<u>\$1,542,544.68</u>	<u>\$1,577,299.40</u>

## EXHIBIT B

# Statement of General Reserve

for the year ended March 31, 1975 (with 1974 figures for comparison)

	1975	1974
Balance, beginning of year . . . . .	\$ 828,624.05	\$ 35,792.10
Add:		
Excess of revenues over expenditures, Exhibit C . . . . .	1,664,673.93	1,959,668.08
Book value adjustments on disposal of furnishings and equipment . . . . .	2,722.62	-
	<u>1,667,396.55</u>	<u>1,959,668.08</u>
Deduct:		
Funds transferred to the Trust and Special Division of the Consolidated Fund for cultural and recreational purposes. These funds are administered by the Government and reported on in the Public Accounts of the Province. . . . .	1,600,000.00	1,160,792.10
Adjustment of prior years' revenues and expenditures . . . . .	28,198.51	6,044.03
	<u>1,628,198.51</u>	<u>1,166,836.13</u>
Balance, at end of year, Exhibit A . . . . .	<u>\$ 867,822.09</u>	<u>\$ 828,624.05</u>

# Statement of Revenues and Expenditures for completed Lottery Series

for the year ended March 31, 1975 (Note 1) (with 1974 figures for comparison)

	Lottery Series			Totals	
	"M"	"AA"	"AB"	1975	1974
Revenue:					
Gross ticket sales	\$2,796,740.00	\$2,022,428.71	\$1,787,317.50	\$6,606,486.21	\$6,953,005.00
Less — Commissions retained by selling agencies	539,646.00	561,656.00	458,400.00	1,559,702.00	1,334,310.00
Net ticket sales	2,257,094.00	1,460,772.71	1,328,917.50	5,046,784.21	5,618,695.00
Investment income	73,016.05	9,771.46	15,541.35	98,328.86	99,372.91
Total net revenues	2,330,110.05	1,470,544.17	1,344,458.85	5,145,113.07	5,718,067.91
Expenditures:					
Western Canada Lottery Foundation:					
Prize Fund	-	256,831.57	249,999.75	506,831.32	-
Administration and promotion charges	-	251,147.56	266,913.38	518,060.94	-
Ministerial Special Fund (Note 2)	-	96,823.87	89,365.87	186,189.74	-
	-	604,803.00	606,279.00	1,211,082.00	-
Administration, General and Promotion Expenses:					
Acknowledgement receipts—					
postage, printing and supplies	74,372.87	-	-	74,372.87	186,282.06
Advertising and promotion	83,817.44	29,451.28	25,240.77	138,509.49	248,889.48
Amortization of organization expenses	-	-	-	-	3,597.47
Audit	1,770.00	1,215.00	1,125.00	4,110.00	4,350.00
Board members' fees and expenses	1,159.98	1,957.71	1,064.85	4,182.54	2,697.05
Building rental and maintenance	10,069.72	1,875.00	1,875.00	13,819.72	24,519.24
Cartage	1,152.40	347.10	401.25	1,900.75	1,492.42
Data processing services	10,789.36	-	-	10,789.36	31,695.99
Depreciation—furnishings and equipment	8,113.92	6,620.21	5,270.12	20,004.25	20,008.98
Draws—exclusive of salaries	4,737.84	-	-	4,737.84	24,186.24
Equipment rental and maintenance	888.10	741.21	234.97	1,864.28	5,831.69
Marketing survey	-	1,900.00	1,900.00	3,800.00	-
Miscellaneous	1,638.45	300.43	494.58	2,433.46	4,386.39
Office supplies	4,629.23	1,829.78	1,453.22	7,912.23	10,653.22
Postage, telephone and telegraph	5,579.54	1,749.69	1,418.25	8,747.48	12,716.64
Printing of lottery tickets	27,112.68	-	-	27,112.68	66,019.48
Salaries	69,220.09	27,447.50	27,760.78	124,428.37	155,655.91
Travel	1,068.99	344.65	1,535.16	2,948.80	3,086.82
	306,120.61	75,779.56	69,773.95	451,674.12	806,069.08
Commissions to selling agencies	704,110.50	378,462.24	335,110.28	1,417,683.02	1,752,330.75
Prizes	400,000.00	-	-	400,000.00	1,200,000.00
Total expenditures	1,410,231.11	1,059,044.80	1,011,163.23	3,480,439.14	3,758,399.83
Excess of revenues over expenditures, Exhibit B	\$ 919,878.94	\$ 411,499.37	\$ 333,295.62	\$1,664,673.93	\$1,959,668.08

# Statement of Revenues and Expenditures for Lottery Series "AC" in progress

as at March 31, 1975 (Note 1) (with 1974, Series "M", figures for comparison)

	1975	1974
<b>Revenues:</b>		
Gross ticket sales	\$921,367.50	\$240,835.00
Less—Commissions retained by selling agencies	152,095.00	47,958.00
Net ticket sales	769,272.50	192,877.00
Investment income	11,470.87	11,986.49
Miscellaneous income	519.38	-
Total net revenues	<u>781,262.75</u>	<u>204,863.49</u>
<b>Expenditures:</b>		
Western Canada Lottery Foundation:		
Prize Fund	184,273.50	-
Administration and promotion charges	138,205.12	-
Ministerial Special Fund (Note 2)	46,068.38	-
	<u>368,547.00</u>	<u>-</u>
Administration, General and Promotion Expenses:		
Acknowledgement receipts—		
postage, printing and supplies	-	4,903.94
Advertising and promotion	12,531.52	14,484.57
Audit	540.00	150.00
Board members' fees and expenses	290.20	341.32
Building rental and maintenance	1,250.00	2,168.27
Cartage	245.70	261.60
Data processing services	-	540.83
Depreciation—furnishings and equipment	4,320.33	1,877.81
Equipment rental and maintenance	248.76	382.32
Miscellaneous	341.97	326.58
Office supplies	4,105.70	945.12
Postage, telephone and telegraph	1,228.41	1,345.59
Printing of lottery tickets	-	27,112.68
Salaries	15,586.51	13,719.84
Travel	567.62	405.56
	<u>41,256.72</u>	<u>68,966.03</u>
Commissions to selling agencies	168,917.38	60,261.00
Prizes	-	400,000.00
Total expenditures	<u>578,721.10</u>	<u>529,227.03</u>
Excess of revenues over expenditures, Exhibit A	<u>\$202,541.65</u>	<u>\$(324,363.54)</u>

# Statement of Revenues and Expenditures for Olympic Lottery of Canada Corporation Series "5" in progress

as at March 31, 1975 (Note 3)

Revenues:	
Gross ticket sales	\$185,150.00
Deduct cost of tickets sold	168,486.50
	<u>16,663.50</u>
Less—Commissions retained by sellers	8,230.50
Net ticket sales	8,433.00
Investment income	58.97
Total net revenues	<u>8,491.97</u>
Expenditures:	
Agency charges	620.29
Miscellaneous	44.51
Salary	210.70
Total expenditures	<u>875.50</u>
Excess of revenues over expenditures, Exhibit A	<u>\$ 7,616.47</u>

## Notes to Financial Statements March 31, 1975

1. On completion of Series "M" of the Manitoba Golden Sweepstakes lotteries, The Manitoba Lotteries Commission discontinued its Golden Sweepstakes Series. Under a joint agreement with the Provinces of Saskatchewan, Alberta and British Columbia, the Commission commenced participation in an inter-provincial lottery scheme managed by the Western Canada Lottery Foundation. Western Canada Lottery Foundation was incorporated by the four Provinces under the Canada Corporation Act for purposes of carrying on a joint lottery scheme.
2. In accordance with a provision, participants contribute five percent of gross ticket sales to a "Ministerial Special Fund" administered by the Western Canada Lottery Foundation. The "Ministerial Special Fund" is used to provide financial support to national and inter-provincial sporting events as authorized by the Provincial Ministers.
3. During the fiscal year ended March 31, 1975, The Manitoba Lotteries Commission has completed an agreement for participation in the selling of Olympic Lottery tickets.



