

SASK SPORT INC

A Federation of Provincial Sport Governing Bodies



2005-2006 ANNUAL REPORT



VOLUNTEER BOARD OF DIRECTORS

FINANCIAL HIGHLIGHTS

Operating Figures Year Ended March 31, 2006

This financial summary was prepared from a consolidation of the audited financial statements of the following entities:

- Western Canada Lottery-Sask Division Inc.
- Sask Sport Distributors Inc.
- Sask Sport Inc.
- Administration Centers for Sport, Culture and Recreation (1989) Inc.

REVENUES

Ticket Sales	\$139,058,813
Rent & Service Income	1,429,008
Interest	529,955
Other	2,230,563
	<u>\$143,248,339</u>

EXPENSES

Net Lottery Profits Transferred to Trust	\$44,372,055
Prizes & Retail Commissions	79,016,543
Federal & Provincial Taxes	1,574,808
Ticket Printing & Operating Expenses	12,034,387
Provincial Expenses	6,261,990
	<u>\$143,259,783</u>
Net Operating Expenses	<u>\$11,444</u>



George Rathwell
President



Cheryl Willoughby
Past President



Bryan Hillis
Vice President, Sport



Emile St. Amand
Vice President, Trust



Don MacAulay
Vice President, Lotteries



Ed Bankowski
Secretary/Treasurer



Brenda Bathgate



Sue Schmidt



Donna Lang



Gord Lang



Trevor Forrest



Barbara Deets



Harvey Lavigne

OVERVIEW

Since its inception in 1972, Sask Sport Inc. has strived to ensure Saskatchewan residents of all ages can participate in the sport of their choice at their own ability level. By participating in sport, people are receiving much more than just a good workout – they are increasing their physical fitness levels, improving their health, boosting the economy, and creating friendships that will last a lifetime. Children who participate in sport learn the value of hard work, dedication, teamwork and responsibility, which are values that will make them future leaders in our communities. Simply put, Sport – It's More Than A Game.

Sask Sport Inc. came into existence when the provincial amateur sport community realized there was a need to work together to develop common programs and fundraising initiatives. From a dozen organizations at its founding convention, Sask Sport Inc. has grown to more than 70 active and affiliate members, representing more than 300,000 registered participants throughout the province.

The scope of the amateur sport community in Saskatchewan is enormous. Member organizations coordinate sporting activities and distribute funds to clubs, teams and athletes in communities throughout the province. Provincial sport organizations also provide governance, professional guidance, ensure safety, provide insurance, set rules, raise funds, acquire sponsorships, and train athletes, coaches and officials. Saskatchewan is home to almost 19,000 certified coaches and over 15,000 certified officials.

These sport organizations provide program services to approximately 6,000 local sport organizations and teams, which support a variety of programs and services such as skills clinics, high performance training, sport science, medical services and leadership development. As well, sport organizations initiate programs that are directed at increasing participation by under-represented groups such as youth at risk, people with disabilities, aboriginal people, women, northern residents, the economically disadvantaged and seniors.

In addition, each year more than 100 major sporting events are organized by provincial sport governing bodies and managed by volunteers in Saskatchewan. These events increase participation, have a significant economic impact to the host communities, provide an opportunity to promote the benefits of sport, and increase the opportunities for more Saskatchewan athletes to participate in these events.

Sask Sport Inc. operates Saskatchewan Lotteries as the fundraiser for sport, culture and recreation through a licensing agreement with the Government of Saskatchewan to operate major lotteries in the province. Proceeds from Saskatchewan Lotteries are deposited in the Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation. Volunteer committees from the sport, culture and recreation communities adjudicate all requests made to the Trust Fund. Funding is provided to more than 12,000 volunteer, non-profit, sport, culture and recreation groups in the province.

The Saskatchewan Lotteries system has fostered the development of a tremendous volunteer network in Saskatchewan and is a contributor to why the province is the volunteer capital of Canada. By providing a fundraiser for the sport, culture and recreation community, Saskatchewan has developed programs and services that provide a lifestyle that makes the province a great place to live. Low administration costs, strong community support, and responsibility for funding decisions have made Saskatchewan a model for the distribution of lottery proceeds.

Sask Sport Inc. offices are located at the Administration Centers for Sport, Culture and Recreation. These centers allow volunteer organizations the opportunity to collaborate and share resources and ideas. They also provide a variety of services including administrative support, bookkeeping services, printing services, website development, and affordable rent.

For more information visit www.sasksport.sk.ca.



Sport Is More Than a Game

because it builds pride in every community where people gather to participate. The local hockey or curling rink, baseball diamonds or soccer fields are often the hub of a community and act as a gathering place for people of all ages.

Sport Is More Than a Game

because it builds people. It teaches the value of teamwork, dedication and responsibility, which are values that last a lifetime.





SPORT HIGHLIGHTS

Sport Is More Than A Game

because it's taken me to places I never thought I could go. That's the sentiments of the 2005 Female Athlete of the Year, speed skater Kerry Simpson of Melville. A member of the national team, Simpson represents her country and her province at speed skating competitions around the world.

Sport Is More Than A Game

because sporting events provide big economic spinoffs for local communities. The 2005 Canada Summer Games left a legacy of new facilities, equipment to community organizations, volunteer development, national attention, and a surplus of \$3.2 million which will be used to assist current and future athletes and artists.



Enhanced Excellence

In 2006, a strong contingent of Saskatchewan athletes, coaches, and support personnel were members of the Canadian team which headed to Turin, Italy to participate at the Winter Olympic and Paralympic Games. Several of our high performance athletes with ties to Saskatchewan received medals at the games including four gold, two silver and four bronze medals.

Saskatchewan hosted what Canada Games Council Chair Larry Smith called "the best games ever". The 2005 Canada Summer Games were held in Regina and the surrounding area and featured more than 6000 volunteers, 4,500 athletes and support staff, 200 media, 750 VIPs, and 12,000 visitors. The games left behind a legacy of programs, volunteers, sporting equipment, funding and state-of-the-art sporting facilities to help develop our future athletes and attract other major sporting events to the province.

The Dreams and Champions Legacy Program is another aspect of the Canada Games Legacy. The program will utilize the games' \$3.2 million surplus to create several programs that are geared towards creating excellence in our young athletes and artists. It consists of two components – Inspiring Dreams and Building Champions. Inspiring Dreams contains nine initiatives that will help individuals reach their dreams and goals. These initiatives include creating new opportunities for inner city youth and assisting Aboriginal artists. The seven initiatives of the Building Champions component – including the provision of grants for athletes and coaches and arts bursaries – will be used to help organizations and individuals strive towards excellence.

The Canadian Sport Centre Saskatchewan (CSCS) provides programs and services to assist in the development of high performance athletes and coaches. This year 150 athletes were registered with the CSCS and qualified to receive a variety of services to meet their needs both on and off the field.

The Future Best program provided assistance to high performance athletes who were neither national team members nor carded athletes, but have the potential to join their national teams. Future Best provided \$100,000 in support to 69 Saskatchewan athletes. Since the inception of this program, 30 athletes have achieved carding status with Sport Canada, which is an indication of the success and the need for this program.

Enhanced Participation

The greatest area of potential for increasing participation is within the First Nation and Métis communities. The sport federation has placed a priority on improving opportunities for Aboriginal people through several initiatives. The 2005 Canada Summer Games provided an excellent opportunity to develop Aboriginal volunteers. Sask Sport Inc. partnered with the games to create the Diversity in Sport initiative, which was designed to increase the number of underrepresented populations (including Aboriginal people, people with disabilities, visible minorities, women and seniors) involved in the games and truly reflect the cultural diversity of Canada. The games also reached an agreement with the Gordon First Nation in which Aboriginal volunteers would be trained at the games in order to develop their skills for the 2006 Saskatchewan First Nation Winter Games.

These initiatives were in addition to existing Sask Sport Inc. programs such as the Aboriginal Sport Development Program, which provides funding to provincial sport governing bodies for sport initiatives within the Aboriginal community. Building Future Champions is a federal/provincial initiative which consists of several components to increase Aboriginal participation.

Sask Sport Inc. continued to support Saskatchewan *in motion* as one of its delivery partners. *In motion* is a province-wide strategy aimed at increasing physical activity for health benefits. Its vision is that the people of Saskatchewan will be the healthiest, most physically active in Canada.

KidSport™ reached a new all-time high for funds raised and children helped. A total of \$382,287 was raised for registration fees, equipment and sport programs so 7,623 children could participate in community sport programs in 2005. KidSport™ is now active in 41 communities across Saskatchewan thanks to the establishment of eight new KidSport™ Committees.

The Team Sport Speakers' Bureau utilizes athlete role models to promote healthy lifestyle choices through speaking engagements in Saskatchewan schools and communities. Since April 1, 2005, a total of 39 bureau members have addressed 4,017 people, primarily children and youth.

Enhanced Capacity

The Building Better Communities (BBC) initiative released its final report and recommendations. The BBC was created to review the regional and zone delivery system and seek ways to enhance the system to ensure people and communities have the best possible access to sport, culture and recreation programs and services. The final report recommended that the current nine Zone Sport Councils and 23 Regional Recreation Associations merge to form nine new and separate district organizations. These organizations will have a mandate to further community development through sport, culture and recreation. The Northern Recreation Coordinating Committee and five northern regional recreation associations will also merge with other sectors – including education, municipal governments and Aboriginal organizations – to form a single northern organization. The reconfigured system will create greater benefits for participants, improve cost efficiencies and human resources, and offer “one stop” shopping for sport, culture and recreation contacts in each district. There will also be increased interaction and involvement with all Saskatchewan communities including First Nations and Métis, Regional Tourism Authorities, Regional Health Authorities, and Regional Economic Development Authorities. The transition to these new districts is expected to be completed by March 31, 2009.

The Sport Legacy Fund provides much needed funding for amateur sport in Saskatchewan. This program enables those who have either benefited from or believe in the importance of sport to give back and help our province's future and current sport programs. A total of \$3.2 million has been donated to amateur sport organizations since its inception and contributions continue to grow each year.

Events ... Saskatchewan! released a five-year report on the economic impact of sporting events in Saskatchewan. The report concluded visitors spent over \$66 million at regional, national and international events supported by the Sask Sport Inc. Hosting Grant program. This trend is expected to continue as the events leave behind legacies of new or improved facilities and an experienced volunteer base, which attracts more events to the province each year.

Enhanced Interaction

Outstanding athletes and volunteers were honoured at the Saskatchewan Sport Awards in front of 600 guests. Five-time Olympian Diane Jones Konihowski was the keynote speaker. This is the premiere sports banquet in the province and continues to be a major initiative to promote sport in our province and recognize the achievements of our athletes and volunteers.

The Sport It's More Than A Game program promotes the importance of the social, health, economic and educational benefits of sport. Promotional materials continue to be distributed to provincial sport governing bodies and displayed at all Sask Sport Inc. events.

RespectED is a project that is jointly managed by the Canadian Red Cross, Sask Sport Inc., SaskCulture Inc. and the Saskatchewan Parks and Recreation Association Inc. It is designed to create an environment where everyone can participate in sport, culture and recreation programs without fear of experiencing abuse and harassment from other children and adults. Through RespectED, sport, culture and recreation members receive training on abuse and harassment; support for leaders, coaches and instructors; response procedures at the grassroots level; and assistance in creating and establishing abuse and harassment policies. RespectED is a component of Sask Sport Inc.'s Keep Sport Healthy, Safe and Fun campaign. Posters and various other educational materials – such as booklets, videos and pamphlets – were distributed to help address the issue of abuse and harassment in sport.



Sport Is More Than a Game

because it helps people set and achieve their goals. This year there were 29 athletes, coaches and support personnel from Saskatchewan who achieved their dreams of competing at an Olympic or Paralympic Games. Congratulations!

Sport Is More Than a Game

because it provides positive role models for youth. People like Terry Mountjoy, one of the 2005 Volunteer Recognition Award Recipients, has had a positive impact on hundreds of young athletes. Mountjoy has been a volunteer coach, official and administrator with Saskatchewan Athletics for more than 30 years.





SASKATCHEWAN LOTTERIES

05/06 LOTTERY PRODUCT PERCENTAGE OF TOTAL SALES



31%



31%



12%



12%



6%



5%

DAILY
ON-LINE
GAMES

3%



Sales of Saskatchewan Lotteries products have remained stable. With the increase in the number of other gaming options in the province, it is difficult to increase sales to match inflation and rising expectations of the sport system within the general public. This year sales exceeded \$139 million, which is a 4.6 per cent increase from the previous year. Sales were particularly strong for Scratch 'N Win tickets and Western 649, and the resumption of the National Hockey League increased sales of Sport Select by 18 per cent from the previous year. We continue to develop marketing strategies to ensure sales will remain strong for the coming year.

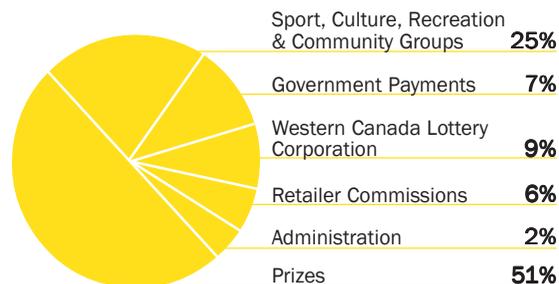
The provincial government has recognized major increases in lottery sales in upcoming years is likely not forthcoming. It agreed to reduce the lottery license fee in a new three year agreement from five per cent last year to three per cent. This agreement provides long-term funding stability for the more than 12,000 volunteer sport, culture and recreation groups in the province that rely on Saskatchewan Lotteries to provide their base funding. The agreement also calls for strengthening full engagement with First Nations, Métis and northern communities in sport, culture and recreation activities.

Saskatchewan residents laid claim to some of the biggest jackpots in lottery history this year. On February 15, 2006, a Saskatoon couple won more than \$14.6 million, and on March 15, two Regina co-workers shared \$14.2 million. There was also a record Lotto 6/49 jackpot this year — \$54.2 million on Oct. 26, 2005.

Lottery retailers were extremely successful in encouraging people to say “yes” to the Extra games - 83 per cent for Super 7 players; 82 per cent, Lotto 649; and 82 per cent, Western 649.

Proceeds of lottery tickets are placed in the Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation, which are distributed to approximately 1,200 sport, culture, recreation and community groups. The funds were then allocated by the organizations to over 12,000 volunteer, non-profit groups across Saskatchewan. These organizations range from Scouts and drama clubs to water polo and recreation centres. Volunteer committees adjudicate all requests made to the Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation.

How the Lottery Dollar is Spent





Over 1,100 beneficiary groups received grants from the Saskatchewan Lotteries Community Grant Program. Community recreation boards, First Nation Bands, Tribal Councils, the Northern Recreation Coordinating Committee, Northern Regions and rural municipalities were among the groups who received funding from this excellent program. The Community Grant Program is delivered through a partnership of Sask Sport Inc., SaskCulture Inc., and the Saskatchewan Parks and Recreation Association Inc.

Saskatchewan Lotteries also supports more than 200 community organizations in the province through the Participating Non-Profit Community Group Program. These community service organizations founded the original retail lottery network in Saskatchewan. These organizations receive funding in recognition of their work and determination to establish the lottery network and to support the programs and services they currently provide in their communities.

Everyone wins with Saskatchewan Lotteries

Neither Dante Potoma nor Donna Eason needed coffee to jump start their day on March 16, 2006. Their normal routine of drinking coffee with a former colleague before work was interrupted with the exciting news that their lottery ticket was the only one in Canada to exactly match the LOTTO 6/49 numbers drawn to win \$14,271,188 – the largest lottery Jackpot in Regina.

Donna, who usually buys the tickets on behalf of the duo, discovered the win. “We usually meet at a friend’s house to have coffee and read the newspaper. I was there before Dante and saw the LOTTO 6/49 numbers. I told our friend, “I think I won the LOTTO 6/49,” and ran to the truck. On her way there, she saw Dante and let him know of the discovery.

“When Donna said ‘I think we’ve won,’ I asked, ‘Is it April Fool’s Day?’” Dante remembered.

Every time Donna bought a ticket, Dante would optimistically say, “It’s going to be our day.” He didn’t say this for the Wednesday draw. “Maybe I should have been quiet a long time ago,” he laughed.

Largest Jackpot Ever!

Congratulations to Dante Potoma and Donna Eason who won the largest lottery jackpot in Regina history. But they’re not the only winners with Saskatchewan Lotteries. Every ticket sold benefits more than 12,000 sport, culture and recreation organizations.

Our Winning Numbers

Saskatchewan Lotteries provides funding to more than 70 provincial sport governing bodies that provide opportunities for 300,000 participants, 19,000 coaches and 15,000 officials.



SASK SPORT INC.

1870 Lorne Street
Regina, Saskatchewan S4P 2L7
Tel: (306) 780-9300
Fax: (306) 781-6021
Email: sasksport@sasksport.sk.ca
www.sasksport.sk.ca



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Events ... Saskatchewan!

