



**SASK LOTTERIES**

Trust Fund For Sport, Culture and Recreation

## 2022-23 PERFORMANCE PLAN

The Sask Lotteries Trust Fund for Sport, Culture and Recreation (the Fund) was established in 1974 by Sask Sport Inc., pursuant to *The Interprovincial Lotteries Act*, for the purpose of granting funds to eligible, non-profit volunteer organizations in the areas of sport, culture, and recreation. The original Act has since been replaced by *The Interprovincial Lotteries Act, 1984*.

The Fund distributes Sask Lotteries proceeds to eligible sport, culture and recreation organizations in Saskatchewan. These eligible organizations are designated by the Minister of Parks, Culture and Sport based on recommendations from the Lottery Strategic Review Committee through an open and transparent process. Eligible organizations range from provincial sport, culture and recreation groups to Tribal Councils and First Nation Band Councils. Today, there are over 1,200 organizations which receive direct funding support and through them, more than 12,000 affiliated groups receive some form of support.

The lottery-funded system for sport, culture and recreation is delivered to the people of Saskatchewan through three, independent community partners. These "global" organizations - [Sask Sport Inc.](#), [Saskatchewan Parks and Recreation Association Inc. \(SPRA\)](#) and [SaskCulture Inc.](#) - collectively represent hundreds of community organizations and ensure that lottery proceeds benefit every community in the province. The global organizations are responsible for establishing funding criteria for their respective section of the Fund.

Volunteer committees from the sport, culture and recreation communities review all requests made to the Fund. These committees review and make decisions on funding requests from eligible provincial organizations based on funding criteria developed by the three global organizations.

The Fund's focus is to distribute lottery profits in compliance with the "Agreement for the Distribution of Funds from the Sask Lotteries Trust Fund for Sport, Culture and Recreation" and account for those expenditures.

**OBJECTIVE:**

**License directed payments made from the Fund are done in accordance with the Distribution Agreement.**

**GOAL:**

- Make payments to government organizations as prescribed in the Distribution Agreement (Ex. General Revenue Fund, Government of Canada, provincial and federal taxes).

**Performance Measure:**

- Percentage of government payments made as required in the Distribution Agreement.

**GOAL:**

- Make an annual mitigation payment to Sask Sport Distributors Inc. (SSDI) to be granted to former lottery ticket distributors, with this payment not exceeding \$1.5 million.

**Performance Measure:**

- Total payment made to SSDI to be granted to former lottery distributors.

**GOAL:**

- Make an annual mitigation payment to the Saskatchewan Association of Agricultural Societies and Exhibitions (SAASE) of \$310,000.

**Performance Measure:**

- Total payment to SAASE.

**OBJECTIVE:**

**All Sask Lotteries' net profits are transferred to the Fund.**

**GOAL:**

- Have an external auditor perform an annual audit of the lottery operations.

**Performance Measure:**

- Variance between the audited lottery profit figure and amount received by the Fund.

**OBJECTIVE:**

**Grants are distributed to beneficiaries as recommended by the Fund adjudication committees.**

**GOAL:**

- Allocate funds available to grant to the sport, culture and recreation sections of the Fund at the following percentages - 50% sport, 35% culture and 15% recreation.

**Performance Measure:**

- Percentage of eligible funds allocated to each section of the Fund.

**GOAL:**

- Approve and pay grants only to organizations on the Minister's Eligibility List.

**Performance Measure:**

- Percentage of grants paid to organizations on the Minister's Eligibility List.

**GOAL:**

- Ensure grant payments are supported by the appropriate grant minutes or Board motions from Sask Sport, SaskCulture, SPRA and the Community Funding Committee.

**Performance Measure:**

- The percentage of grant payments supported by the appropriate grant minutes or Board motions from Sask Sport, SaskCulture, SPRA and the Community Funding Committee.

**GOAL:**

- Ensure the Fund has policies and procedures that govern its overall operations.

**Performance Measure:**

- The manuals that govern the operations of the Fund are reviewed on an annual basis.

**OBJECTIVE:**

**Every dollar granted out through the Fund is accounted for, as prescribed by the Distribution Agreement.**

**GOAL:**

- Receive follow-up reports for every grant paid by the Fund on a timely basis, including financial verification of money spent.

**Performance Measure:**

- Number of communities not eligible to receive funding through the Community Grant Program because they have an unresolved follow-up report.

**GOAL:**

- Keep the Fund's administrative expenses below 0.5% of annual net lottery ticket sales.

**Performance Measure:**

- Percentage of the Fund's administrative expenses compared to annual net lottery ticket sales.

**OBJECTIVE:**

**Funding stability is provided to the beneficiary groups.**

**GOAL:**

- Continue to provide two-year funding commitments to eligible organizations.

**Performance Measure:**

- Number of eligible organizations that received a two-year funding commitment.

**GOAL:**

- Maintain a year-end restricted fund balance of at least 20% of the following year's granting projections.

**Performance Measure:**

- Restricted fund balance as a percentage of the following year's granting projections.

## STRATEGIC CONSIDERATIONS

The majority of the revenue the Fund receives is from the profits of the Western Canada Lottery – Saskatchewan Division (WCL-SK), with the remainder coming from interest revenue. As the gaming environment is volatile and competitive, the proceeds received by the Fund are difficult to predict. As many beneficiary organizations rely on these grants for a significant portion of their programming costs, it is a focus of the Fund to provide stability to organizations and give them protection from a reduction in lottery profits available to grant.

## 2022-23 FINANCIAL OVERVIEW

In 2022-23 granting to beneficiary organizations is projected to be \$58.9 million. Administration expenses as a percentage of Net Lottery Ticket Sales from Lotteries are projected to be 0.39%. There are 9.8 Full-Time Equivalent positions projected as a staff complement.

<b>2022-23 ESTIMATES</b>	<i>(in thousands of dollars)</i>
<b>REVENUES</b>	
Net Proceeds from Lotteries	\$ 66,479
Fund Investment Income	2,237
	\$ 68,716
<b>EXPENSES</b>	
General Revenue Fund	\$ 6,500
Federal Government	2,614
License Directed Payment	2,500
Mitigation Payments	1,741
Fund Administration Expenses	943
Grants to Beneficiary Organizations	58,950
	\$ 73,248
(Deficit) for the year	\$ (4,532)
FTE Staff Complement	9.8

- Net Proceeds from Lotteries are projected to be down by \$1.8 million from the 2021-22 revised budget.
- Net payment to the General Revenue Fund is projected to be \$6.5 million based on the terms of the five-year license (\$9.0 million minus license direct stadium payment).