

Break Open Ticket Program Management Alliance



2002 Annual Report

www.botpma.com

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Our Mission

The Break Open Ticket Program Management Alliance is a professional association of entrepreneurs whose members provide fundraising products, services and leadership for the charitable gaming industry in Ontario.

Adopted April 22nd, 1999

Ontario's Break Open Ticket Industry

Founded in 1993, the Break Open Ticket Program Management Alliance (BOTPMA) is one of the partners in Ontario's charitable break open ticket (BOT) industry. BOTPMA is the professional association that represents the registered suppliers of break open tickets and services to Ontario's charitable gaming sector.

Ontario's BOT industry is a unique combination of private sector firms providing quality products and services to charitable and not-for-profit organizations across Ontario. The Alcohol and Gaming Commission of Ontario (AGCO), an independent crown agency of the Government of Ontario, and municipalities, regulates the industry. The AGCO regulates all aspects of the industry under the authority of the *Gaming Control Act*, 1992.

Ontario is one of the largest charitable gaming jurisdictions in North America. The National Association of Fundraising Ticket Manufacturers estimated that in 1995, sales of BOT's in Ontario reached a record \$1.2 billion and generated in excess of \$120 million for charitable and not-for-profit organizations across Ontario.

Break Open Tickets (BOT's) provide unique benefits in communities across Ontario by supporting the work of thousands of charitable and not-for-profit organizations. Unlike government sponsored gaming such as casinos and slots, proceeds of BOT sales **remain** in our communities and support worthy charitable and not-for-profit organizations.

As an example, over the past twelve years volunteer hospital auxiliary associations in some 146 hospitals in communities across Ontario have raised over \$30 million from the sale of break open tickets. The proceeds have been used to purchase hospital equipment, fund research and support volunteer education in each community as well as contributing to the quality of health care received in these communities.

BOT's also serve to encourage and foster Ontario's volunteer sector. By providing funding for charitable and not-for-profit organizations, volunteer opportunities are created and enhanced in communities across Ontario. Volunteers across Ontario benefit through the opportunity to contribute to their community, gain new experience and share fellowship.

Ontario's BOT Industry Continued

Ontario's BOT industry consists of a number of partners who play a significant role in the industry:

Charitable / Not-for-profit Organizations

Under the Criminal Code of Canada, only charitable or not-for-profit organizations can profit from gaming. In Ontario, charitable or not-for-profit organizations are licensed to conduct BOT events and receive a guaranteed percentage of the gross profits.

Manufacturers of Break Open Tickets

Currently, two manufacturers are under contract with the Alcohol and Gaming Commission of Ontario (AGCO) to supply BOT's to the Ontario market. At present, Bazaar & Novelty of St. Catharines manufactures BOT's for sale in all third party (retail) locations. Specialty Print, also of St. Catharines, manufactures tickets exclusively for sale in bingo centres and charity-owned premises. These firms were selected as a result of a request for proposal issued by the AGCO in August of 1997.

Gaming Equipment Suppliers

Gaming Equipment Suppliers are registered with the AGCO, and are permitted to distribute BOT's to charitable and not-for-profit organizations across Ontario. Gaming Equipment Suppliers purchase unimprinted stock from manufacturers, imprint licence numbers, and track the serial numbers of BOT's sold to charitable and not-for-profit organizations. In 1996, the AGCO, in consultation with BOTPMA, established a series of Standards for Gaming Equipment Suppliers that ensure the integrity of the supply of BOT's.

Gaming Service Suppliers

Gaming Service Suppliers are registered with the AGCO and provide a variety of professional services to charitable and not-for-profit organizations. Gaming Service Suppliers seek out potential retail locations on behalf of charitable and not-for-profit organizations, and provide a series of administrative services. In 1996, the AGCO, in consultation with BOTPMA, developed a series of Standards for Gaming Service Suppliers that established minimum standards for reporting and accountability.

Ontario's BOT Industry Continued

Gaming Assistants

Gaming Assistants are registered with the AGCO and work with Gaming Service Suppliers and Gaming Equipment Suppliers. Gaming Assistants provide sales services and undertake a number of administrative functions on behalf of charitable and not-for-profit organizations. All Gaming Assistants are investigated by the AGCO prior to registration to ensure the integrity of the industry.

Break Open Ticket Sellers

Also known as third party locations, break open ticket sellers are the thousands of retail locations that sell BOT's on behalf of charitable and not-for-profit organizations in Ontario. These sellers are registered with the AGCO, and are investigated prior to being registered to ensure the integrity of sales. There are approximately 7,000 registered BOT Sellers across Ontario.

Municipalities

Municipalities provide the first level of regulation of the industry by issuing licenses to charitable and not-for-profit organizations to sell Break Open Tickets within their boundaries. Municipalities determine the eligibility of organizations, issue lottery licences and are responsible for scrutinizing reports submitted by organizations upon completion of sales. This authority is delegated by the AGCO to municipalities.

Alcohol and Gaming Commission of Ontario

The Alcohol and Gaming Commission of Ontario (AGCO) is an independent crown agency of the Government of Ontario responsible for administering the *Liquor Licence Act*, 1990, and the *Gaming Control Act*, 1992. The AGCO reports to the Government of Ontario through the Minister of Consumer and Business Services. In partnership with the industry, the AGCO establishes the rules and regulations that govern the BOT industry, including registration of suppliers, enforcement of regulations and policy development.

Ontario's BOT Industry Continued

Strategic Working Group for Break Open Tickets

BOTPMMA is a member of the Strategic Working Group for Break Open Tickets that was formed in the fall of 2001.

By working together with our charity, industry and government partners, we have a unique opportunity to bring about meaningful, positive change to our industry that will benefit all partners.

Each member of the Working Group has identified the priorities of their respective organization and the Working Group has developed an overall industry priority list that reflects the needs of each partner

The Working Group has a mandate to:

- To continually develop strategies and initiatives in support of the break open ticket strategic directions that have been approved by all partners.
- To provide a forum for the provincial associations involved in the break open ticket program in Ontario to discuss break open ticket and related issues, as well as provide advice to the AGCO on existing and proposed policies.
- To act as a channel through which members of the various associations can access information and provide input with respect to future plans and strategies.

BOTPMA Membership

As of May 1st, 2002, the following registered Gaming Equipment Suppliers and registered Gaming Service Suppliers are members of the Break Open Ticket Program Management Alliance:

- Arrow Games Inc., Brantford
- B.D.C. Consulting, Pickering
- Bazaar Marketing, St. Catharines
- Bingo Pro, Sudbury
- Callaghan Distribution, Frankford
- Campbell Marketing, Brantford
- Cedar Island Sales and Service, Kingston
- Health Promotions Strategies, Burlington
- HLM Enterprises, Thorold
- Hospital Auxiliaries Association of Ontario, Toronto
- Infoplace Ticket Centres Ltd., North York
- Mister Nevada (Kitchener/Waterloo) Ltd., Kitchener
- Mister Nevada (Niagara) Inc., Thorold
- Mister Nevada / Fun Time Games, Strathroy
- Nevada Plus, Timmins
- Nevada Ticket Services Inc., St. Catharines
- Party Novelties (Sudbury), Sudbury
- Play-All (Ontario), Mt. Bridges
- Pro Nevada Pull Tickets, North Bay
- Service Club Promotions, Lansdowne
- Stephen Robert Culig, Tillsonburg

Board of Directors

In May of 2001, the membership of BOTPMA gathered and elected the following individuals to serve on the BOTPMA Executive for 2001 - 2002:

Name	Position	Firm
Marie Kordos	President	HLM Enterprises
Terry Jarrell	Vice-President	Mister Nevada (Niagara)
Ron Shepard	Secretary	Mister Nevada Kitchener/Waterloo
Brenda Custance	Treasurer	Play-All (Ontario)
Ron Callaghan	Past-President	Callaghan Distribution
Jack Thomson	Ethics & Education Director	Cedar Island Sales & Service
Doug Burke	Membership Director	Bingo Pro
Ron Vanderlip	Industry Standards Director	Nevada Ticket Services
Scott Wallace	Communications Director	Bazaar Marketing

BOTPMA Presidents

Name	Term	Firm
Craig Hurst	1994 – 1995	Health Promotion Strategies
Terry Sisson	1995 – 1996	Sisson Marketing
Ron Callaghan	1996 – 1997	Callaghan Distribution
Marie Kordos	1997 – 2002	HLM Enterprises

President's Report

Welcome to the 2001 – 2002 Annual Report!

As I prepared this report, I cannot help but feel a renewed sense of optimism about the future of Ontario's Break Open Ticket industry and a feeling of enormous accomplishment over the past year.

Let me start off my report by expressing my sincere appreciation to all members of BOTPMA for their support during 2001 – 2002. We all faced enormous challenges during the last year, and it is a credit to our entrepreneurial spirit and drive that we continue to provide a high level of service to our charity clients. Every day, members of BOTPMA drive Ontario's break open ticket industry and help raise vital funds for charities and non-profit organizations in communities across Ontario. Rest assured that our efforts bring significant benefit to our communities.



I also wish to thank the dedicated members of the BOTPMA Executive who worked tirelessly on your behalf throughout the year. Each member donates a significant amount of time and energy to BOTPMA attending executive meetings, general meetings, teleconference meetings, committee meetings and other events. They are to be saluted for their on-going commitment to our organization.

As I reported in my 2001 President's Report, we joined our partners in forming a BOT Working Group that was charged with the task of developing a vision for Ontario's Break Open Ticket industry. The Working Group met throughout the year, and I am pleased to report that in September of 2001, BOTPMA officially endorsed the vision developed by the Working Group. A copy of the vision can be found in the Member's Area of *BOTPMA On-Line* at www.botpma.com.

With the approval of the vision, BOTPMA and our industry partners – Ontario Charitable Gaming Association (OCGA) and Registered Gaming Suppliers of Ontario (RGSO) – with the support of the Alcohol and Gaming Commission of Ontario (AGCO) officially launched the Strategic Working Group for Break Open Tickets in December of 2001. This is an important achievement for BOTPMA and our partners. The Working Group has been charged with bringing about significant change in our industry, and I look forward to updating you on the Working Group's progress throughout the next year.

In concert with the Working Group announcement, I was extremely pleased to announce that BOTPMA has hired its first-ever Executive Director. Rick Sleaver officially came on-board on December 1st, 2001, with a mandate to represent

BOTPMA on the BOT Working Group and to provide administrative and strategic support to BOTPMA. This is an important milestone in the evolution of BOTPMA.

We were also extremely pleased to announce in March of 2002 the official re-launch of our web site, *BOTPMA On-Line*. The updated web site provides an enhanced public profile for BOTPMA and includes a Member's Area accessible only by BOTPMA members through a user id and password. Our web site will continue to be a key communication tool for BOTPMA, and I hope that you will use the enhanced features offered in the Member's Area. *BOTPMA On-Line* will continue to grow and evolve to meet your needs, and I encourage all members to share your thoughts with Rick on how we can improve the site and add new resources to meet your needs.

The coming year presents enormous opportunities for BOTPMA and its members. Through the BOT Working Group, we have an excellent opportunity to bring about significant change in our industry that will benefit our members and all partners. I encourage you to continually share your ideas, suggestions and comments with your Executive and Executive Director. *BOTPMA On-Line* provides an excellent opportunity to send your feedback directly to our Executive Director, and I encourage you to use it often. By working together, we are an amazing team with creative solutions and we will bring about positive change to our industry.

Thank you for the honour and privilege of serving as President of the Break Open Ticket Program Management Alliance for the past year.

I look forward to continuing to work with all BOTPMA members for the betterment of our industry.

Marie Kordos
President

Treasurer's Report

BOTPMA STATEMENT OF INCOME & EXPENSES

For the Period of April 1, 2001 to March 31, 2002

Revenue \$0.00

Sales

Membership Dues	\$9,313.33
Advertising	\$0.00
Donations Received	\$12,285.44

Total Sales \$21,598.77

Total Revenue

Expenses

Operating Expenses

Photo Copies	\$115.45
Telephone	\$723.94
Fax	\$308.54
Mileage	\$5,804.28
Postage	\$13.70
Hotel	\$2,466.98
Office Supplies	\$21.70
Donations	\$2,591.95
Bank Charges	\$327.85
Parking	\$170.50
Web Site	\$333.17
Conference Registration	\$479.38
Catering	\$1,600.49
Balance	<u>\$14,957.93</u>

Expenses \$14,957.93

Deposits \$21,598.77

BALANCE SHEET
At March 31st, 2002

ASSETS

Petty Cash	\$0.00
Bank - Scotia Bank	\$10,897.01
Accounts Receivable	<u>\$7,666.00</u>
TOTAL CURRENT ASSETS	\$18,563.01

TOTAL ASSETS	<u>\$18,563.01</u>
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LIABILITIES

Accounts Payable	\$432.11
GST Payable	\$255.76
PST Payable	<u>\$0.00</u>
TOTAL CURRENT LIABILITIES	\$687.87

TOTAL LIABILITIES	\$687.87
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EQUITY

Retained Earnings	
TOTAL BOTPMA EQUITY	\$18,563.01

TOTAL EQUITY	<u>\$18,563.01</u>
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LIABILITIES & EQUITY	\$17,875.14
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Brenda Custance
Treasurer

Ethics & Education Report

It is evident from the low number of minor AGCO ethical problems during 2001 - 2002, that BOTPMA members are much more aware of the intent of our ethical guidelines as reflected in our manual "Making Ethical Decisions". These guidelines, along with our "Code of Ethics", establish the cornerstone of our association.

This cornerstone provides BOTPMA members with a foundation from which each of us can work hard and build upon. Members should take pride in being a part of BOTPMA. We know what's right. We do what's right!

Take the time to review our "**Code of Ethics**":

The following "Code of Ethics" was unanimously approved and accepted by Break Open Ticket Program Management Alliance (BOTPMA) on May 18th, 1994:

- a. We, as members of BOTPMA, will be guided in all our activities by truth, fairness and the highest integrity;
- b. We will, at all times, provide quality products and quality professional services that assure maximum effectiveness for our clients' investment of time and money;
- c. We will keep fully informed of the latest techniques, developments and knowledge that pertain to the industry's effectiveness;
- d. We will, in all of our business activities, conduct ourselves in a manner that will enhance the public image and growth of the industry as a professional service;
- e. We will not use our membership in the Alliance or official position within the Alliance in any manner that would suggest the seeking of unwarranted financial gain or unwarranted benefits, advantages or privileges for ourselves;
- f. We accept this "**CODE OF ETHICS**" as a condition of membership in the Alliance. As professionals, we share the responsibility for the impact of our activities with all sectors served by the industry;
- g. We signify our agreement by membership in this Alliance that standards must be maintained which are acceptable to **ALL** segments of the industry from supplier through to the users of the product and services provided; and
- h. We will pledge to maintain these standards in all our business activities and to work diligently to follow the "Terms of Conditions".

We must continuously execute the highest level of performance and integrity within our membership. We must create an environment where people are valued as individuals, treated with respect and dignity, fairness and quality. We must strive to create opportunities for our members to develop and reach their full potential in order for them to achieve their professional and personal goals.

Jack Thomson
Director
Ethics and Education

Membership Report

BOTPMA continues to represent the majority of Ontario's registered gaming equipment suppliers and registered gaming service suppliers. Collectively, our members service an overwhelming majority of the third party locations (retail sites) throughout the province as well as Royal Canadian Legions, service clubs, and other own premise Break Open Ticket locations.

BOTPMA is only as strong as its membership. Over the past year, we have greatly enhanced our direct communications with our members and have recently re-launched our web presence, *BOTPMA On-Line*. Our goal with these initiatives is to continue to build value for our members.

Over the course of this year, we have reached out to other gaming suppliers who are not members of BOTPMA, and invited to join our organization. We need the support and input of all members of the industry as we move forward at this important juncture.

Over the course of the next year, we will work hard to broaden our base of members and continue to build significant value for our members.

As of May 1st, 2002, BOTPMA has 21 members.

Doug Burke
Director of Membership

Industry Standards Report

BOTPMA members continue to carry the passion in keeping the Break Open Ticket Industry as a valued fundraiser for eligible charity and non-profit organizations in Ontario. Our members continually meet with the manufacturers in developing new and creative games for the consumers.

Entertainment products, particularly in the gaming industry have certainly multiplied over the last decade since legislation first permitted this product to be sold in third party retail outlets in 1992. Our products and services have stood the test of time, despite the un-controllable factors our members have faced. Many of our consumers have remained loyal to the cause and the product even through two rollbacks in the payback to player ratio. Our members' challenge has always been in creating new games to keep the consumers playing the game.

As always, our members continue to service the charity licensees well. New BOT Application and Reporting forms were introduced this term by the AGCO. Our members have come to the aid of the licensees in ensuring proper completion of these new forms.

This year, talks have been revitalized amongst the industry stakeholders on issues such as registration costs associated with BOT Sellers, single licensing issues for third party retail sites, and research of new game concepts for our businesses. Single licensing in bingo hall operations is already proving to enhance sales and profits. We anticipate that the discussions of the Working Group will bring forth much positive change and we look forward to continuing to provide input to the Working on these important issues.

BOTPMA members, working with their charity partners, drive Ontario's BOT industry on a daily basis and possess a wealth of information that the Working Group needs to bring about positive change.

It will be critically important for our members to remain active and diligent to pursuing the many initiatives tabled.

Ron Vanderlip
Director of Industry Standards

Communications / New Ticket Committee Report

I am extremely pleased to report on the activities of our New Ticket Committee and in the area of communications to our members.

The BOTPMA New Ticket Committee was formed to provide advice and guidance to Bazaar & Novelty from our members on new ticket designs and concepts.

The Committee has had a very productive year, and I want to personally recognize the efforts of our committee members: Doug Burke, Stephen Culig, Terry Jarrell, and Ron Vanderlip. I also wish to recognize the efforts of Ian Bright of Bazaar & Novelty for his contribution to the Committee and his willingness to work with us. These members contribute a significant amount of time and effort working with Bazaar & Novelty to develop new ticket designs and concepts.

I encourage you to share your thoughts on new ticket designs and concepts with any member of the committee. We appreciate additional feedback from you, as ultimately you have to sell the new products that we develop.

On the communications side, we have significantly increased our direct communications with our members through the introduction of the Members Bulletins that you receive on a regular basis. We expect that the direct communication with our members will increase as time goes on.

As well, we re-launched *BOTPMA On-Line*, our updated web site that includes a secure area for BOTPMA members only. We are pleased with the reaction to our invigorated web presence, and we hope that as members, you are utilizing the resources available to you. I encourage you to share your ideas and suggestions with us on how we can improve our web site and enhance our service provided to you, our members.

I thank all members of BOTPMA for their support over the past year. It has been my privilege to serve with such a dedicated group of individuals.

Scott Wallace
Director of Communications
Chair, New Ticket Committee

Executive Director's Report

It is my distinct pleasure to be able to report to you as for the first time as BOTPMA's Executive Director!

I was extremely pleased to accept the challenge to join BOTPMA in December of 2001 as your first Executive Director, and I thank the Executive and Membership for your confidence in me.

The past five months have been both challenging and invigorating for me. Perhaps most challenging has been my work as your representative on the Strategic Working Group for Break Open Ticket (Working Group). The Working Group consists of the Executive Directors of our industry partners, Ontario Charitable Gaming Association and the Registered Gaming Suppliers of Ontario, representatives of the Alcohol and Gaming Commission of Ontario and representatives of our two manufacturers, Bazaar & Novelty and Specialty Print.

The Working Group has developed a list of priorities that reflect the needs of the entire BOT industry. I am pleased to be advancing the priorities set by BOTPMA members at the general meeting held in November of 2001. To date, we have had some excellent discussions at the Working Group on some key issues of importance to our members, and I am looking forward to updating you on these positive changes as they are approved.

I want to express my thanks to all members of BOTPMA for their input on many of the issues that we are dealing with at the Working Group. I will no doubt be calling on many of you for more guidance and advice in the future.

I know that a number of other Executive Members have taken the opportunity to promote our new, enhanced web site, *BOTPMA On-Line*. I would appreciate it if you would share with me your comments and feedback on the site. This is your site and if there are additional resources that we can make available to you, please let me know.

I want to thank all members of BOTPMA for their support over the past five months, and particularly express my thanks to our President, Marie Kordos, for her support, guidance and encouragement.

I look forward to exciting times ahead!

Rick Sleaver
Executive Director

Contact Us!

For more information on the Break Open Ticket Program Management Alliance, please contact:

Rick Sleaver


Executive Director


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