



2008 Annual Report

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I move

me

most

on a

slide

or a

swing.

I move to the beat of the music I sing.

I move with
energy, passion
and glow,
wherever I
come from,
wherever I



go.

I
move
myself
with
vigour
and
vim.



I move to take care of the body I'm in.

Why do I

move

when I could just sit still
and rest my feet on the windowsill?

I move for myself, for the health and the

f

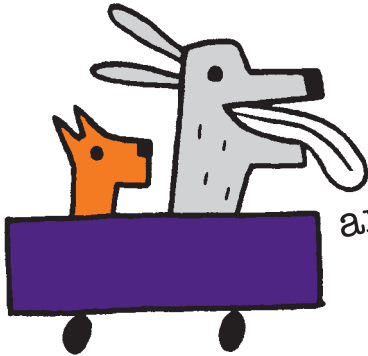


un.

To feel
my muscles,
my heart
and my lungs.

I get up
and go,

start moving
my feet,



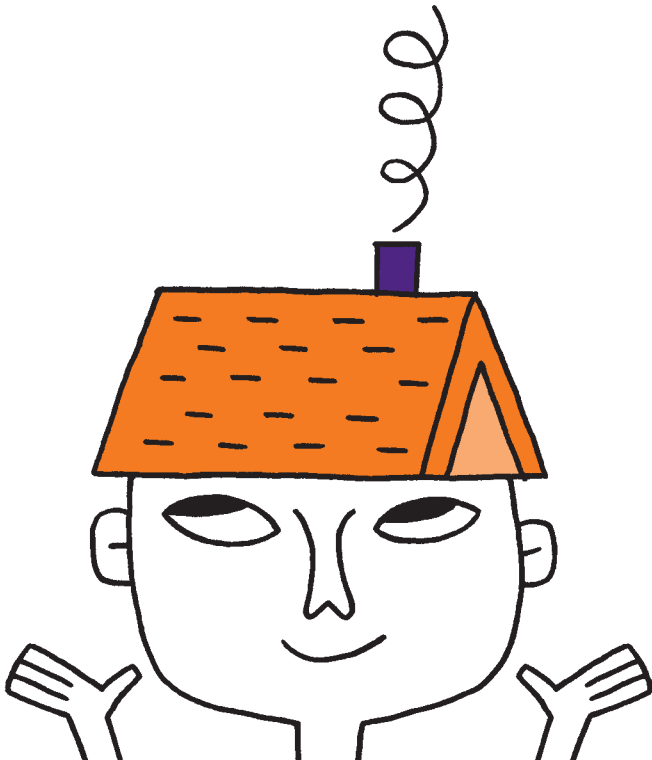
and fling my appendages

out in the street.

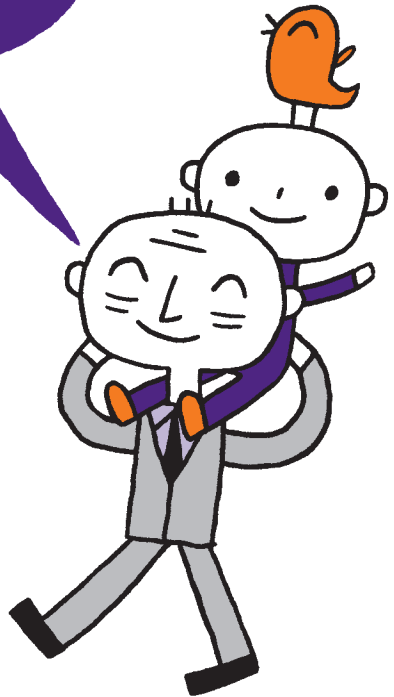


How can I share the way that I feel
and spread the allure of my energy zeal?

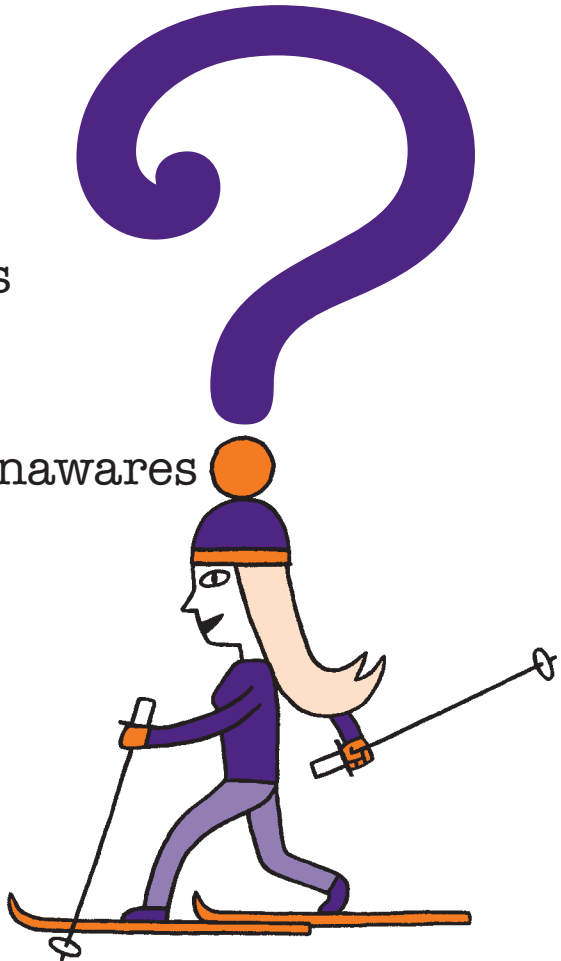
Happy people
with plenty to give.
That's the stuff of a
great place to live.



National health.
An engaged population.
Active parents, kids
and relations.



But
who shares
my cares
about a
citizenry unawares



Governments?
Companies?
Social groups?

Communities?
Families?
Scouting troops?



A unified
message
with diverse
expression

Can help start
a countrywide
movement
obsession

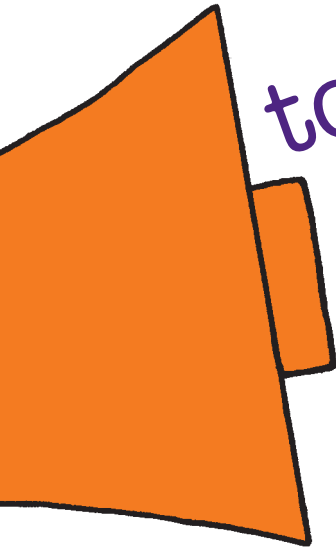
And answer
the need
for better
suggestions,

Partnership,
knowledge,
passion,
connections.



I move me.
But I need a hand





to spread
the word
all over the land.

If you care,
there's a lot you can do
to help others see
the benefits too.

We need leadership,
organization,
to spread the word
to the whole
population.

You can add
to the action faction.



Arm in arm
With ParticipACTION.

Inactivity is a
problem. The solution
is moving.

Although it is a complex issue, the decline of physical activity and sport participation in Canadian society can be partly attributed to sedentary lifestyle trends. ParticipACTION is here to inspire Canadians to move more. Every day. And that's a responsibility we take very seriously.

Message from the Chair

This past year holds significant importance for me, as it marks ParticipACTION's return. We have been extremely productive in lending a sense of urgency to the physical inactivity crisis and inspiring Canadians to move more. We've established an impressive Board of Directors, comprised of dedicated and talented individuals with expertise in the areas of health, sport, business, government, education and entertainment. Everyone is passionately driven to see the organization's mission come to fruition.

On behalf of the Board, I would like to thank and congratulate Kelly Murumets, President and CEO of ParticipACTION, and her team for an extraordinary year. They have devoted a tremendous amount of energy towards rebuilding the organization and igniting the physical activity movement across Canada. Furthermore, the organization has leveraged its time and dollars through synergistic efforts and collaboration with partners in the public, private and not-for-profit sectors.

While we celebrate establishing operations, we also mourn the loss of our mentor, Russ Kisby. Russ passed away on July 20, 2007. He was President of ParticipACTION from 1978–2001 and played a lead role in promoting physical activity in Canada and around the world. His spirit and enthusiasm live on and continue to guide us.

As a physically active Canadian and Chair of ParticipACTION's Board of Directors, I am honoured to contribute to such a worthy cause and to help rejuvenate this great Canadian icon. The Board of Directors and I would like to thank everyone for their unwavering support. We recognize the important role of ParticipACTION staff, funders, partners, donors and Canadians in general who believe in us and are setting an example by being physically active role models.

We look forward to the year ahead.



Charlie A. Pielsticker

Chair

Leadership in partnership makes healthy relationships.

Message from the President

Physical inactivity is a major issue in Canada that will require united efforts for its effective resolution. The high level of sedentary behaviour among Canadians is damaging overall health, burdening our economy, and negatively affecting society and the environment. As President and CEO of ParticipACTION, I am committed to encouraging Canadians to become the most physically active people on earth. Furthermore, in consultation with our Board of Directors and Advisory Committees, ParticipACTION has established a strategic plan with results-focused objectives that will drive us towards accomplishing this vision.

October 15, 2007 marked a significant day for ParticipACTION as we launched our first public awareness campaign. With this campaign, we were successful in raising awareness and creating urgency around the issue of physical inactivity. We are grateful to our agency partners and the various media organizations who helped us realize measurable progress in communicating the message that Canadians need to move more.

This past year, we also focused on building relationships and bridging organizations and businesses whose goals and interests revolve around getting Canadians more active. Through our network of public, private and not-for-profit partners, we will continue to actively seek opportunities to work collaboratively in communicating to Canadians the importance of physical activity and sport participation, identifying programs to facilitate activity, and exchanging information to promote knowledge and awareness of this issue.



Commitment, enthusiasm and hard work have led to an amazing year. As ever, I am truly grateful for everyone's ongoing support. I would like to thank the Government of Canada, our not-for-profit and private sector partners, our donors, Board of Directors and committees, ParticipACTION staff and all Canadians who are inspiring others to move more.

That said, there is still much work ahead. In order to achieve our collective goal of a healthier and more active Canada, we must continue to work together – arm-in-arm – to create momentum for the movement.

Together, we'll continue to spread the word and inspire others to join the movement to move more.

Kelly D. Murumets

President and CEO

Out of the past to a brighter future.

ParticipACTION is a national not-for-profit organization dedicated to inspiring and supporting active living for Canadians. Originally established in 1971, ParticipACTION operated for nearly 30 years and was a leading catalyst for encouraging healthy, active living for all Canadians. During its tenure, it became a source of Canadian pride. In the late 1990s, core funding from the government began to wane. ParticipACTION officially closed its doors in 2001.

The issue of physical inactivity, however, remained. With renewed commitment from Sport Canada and the Public Health Agency of Canada, ParticipACTION re-launched in 2007 to help address the looming inactivity crisis.

We see a Canadian society where people are the most physically active on earth.

We are Canada's national voice for physical activity and sport participation. Through leadership in communications, program management and knowledge exchange, we will inspire Canadians to move more.

The Inactivity Issue

Canadians spend an inordinate percentage of their time being sedentary. As a result, almost half are considered unhealthy or overweight. ParticipACTION's mandate to get Canadians moving more comes at a critical time.

- 32% of Canadian adults are overweight and 16% are obese
- Obesity rates have more than doubled in the past 25 years
- Only 9% of Canadian children and youth (aged 5 to 19) meet the recommended guidelines in Canada's Physical Activity Guides for Children and Youth
- Children spend an average of six hours per day or 42 hours per week in front of a screen
- Childhood obesity has tripled from 5 to 15% over the past three decades
- Economic burden of physical inactivity is estimated to be \$5.3 billion (\$1.6 billion in direct costs and \$3.7 billion in indirect costs)
- Total economic costs of physical inactivity represented 2.6% of total health care costs in Canada
- A 10% reduction in physical inactivity could reduce direct healthcare costs in Canada by \$150 million a year
- Physical activity appears to reduce the risk of more than 25 chronic conditions, in particular coronary heart disease, stroke, hypertension, breast cancer, colon cancer, type 2 diabetes and osteoporosis
- Fit adults outlive the unfit, regardless of their weight

Canada is facing an inactivity crisis.

ParticipACTION is here to be part of the solution.

We create change through the influence of communications, experience and knowledge.

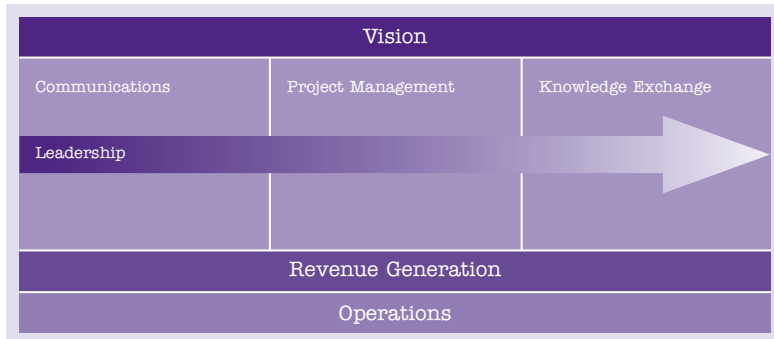
ParticipACTION will be a catalyst for action.

ParticipACTION will attract significant investment and will dedicate its resources to three strategic areas:

- Communications: delivering messages through multimedia for the purpose of raising awareness, educating and inspiring behaviour change.
- Program Management: supporting, developing, managing the implementation of programs (but not delivering programs.)
- Knowledge Exchange: creating, gathering and disseminating information, data and research.

As the organization deploys initiatives within each area, it will marshal resources, facilitate collaborative partnerships and ensure collective actions influence, support, and promote sustainable change.

Strategic Framework Model



Healthy Partnerships

The new ParticipACTION is all about partnerships – media, business, education, volunteer organizations, physical activity and sport program groups, public health, and governments – to build a national movement toward a more active and healthy Canada.

A national umbrella strategy would knit together and expand the efforts of governments, not-for-profit organizations, provincial and local groups, and communities as a single social movement. Coordination will ensure that the collective constituents can efficiently and effectively work to deliver higher quality results. As the national voice for physical activity and sport participation, ParticipACTION will take a leading role in bringing the players together.

Recognized by more than 75 percent of Canadians, ParticipACTION is uniquely positioned to facilitate partnerships for the benefit of the Canadian health landscape. We are already working to create a formal partner network within the sector – identifying partners with the willingness to work together to deliver initiatives that support physical activity and sport participation in Canada. We will attract investment from the private sector for deployment to NGO partners, represent the collective voice of national, provincial and local level partners, and foster collaboration, coordination, communication and capacity-building between stakeholders in the physical activity and sport participation sector.

Good Partners

Weston Bakeries and Neilson Dairy: reaffirmed their commitment to healthy, active lifestyles by promoting ParticipACTION on their products.

Coca-Cola Canada: pledged \$5 million to support a national program that will inspire Canadian youth to get active. ParticipACTION will lead the design and coordinate its delivery across Canada.

Active Healthy Kids Canada: entered into an alliance with ParticipACTION as a Strategic Communications partner to support the publication of Canada's Report Card on Physical Activity for Children and Youth.

Urgency.

The communications campaign.

Obesity and inactivity stories have been covered in the Canadian media for years. Yet despite the explosion of programs and initiatives, we continue to face an inactivity crisis. Our priority was to launch a national communications campaign that would cut through the clutter in a meaningful way and raise a sense of urgency around the inactivity issue.

Our communications campaign was built on a sound strategic foundation. With our agency partners, we produced a creative, clever campaign that had strong public impact. The challenge was to add urgency to the issue of physical inactivity in Canada and rise above the hundreds of messages people are receiving each day. We also wanted to create a new voice. To motivate Canadians. To provide leadership. To connect Canadians with the information and organizations.

While ParticipACTION's targeted audiences include all Canadians, our budget forced a narrower focus. To target a single audience for maximum impact, we aimed at parents with children between 7 and 12 years of age. Why parents? Parents provide the largest long-term impact as influencers on their children's behavior. Further, if parents are encouraged to lead by example, the effects will have an impact on their own lives. They are also best positioned to advocate change in schools, communities, and workplaces.

While our target audience is likely to recognize ParticipACTION from their own childhood, they are also leading a new generation. We needed to create a campaign that would engage Canadians about physical activity and sport participation in a context that was current, fresh, bold and truthful.

We needed to go beyond the conventional thinking and make the science meaningful. Inactivity is linked with tremendous health and life expectancy concerns. Inactive individuals are at a greater risk for obesity and other chronic diseases such as type 2 diabetes, high blood pressure, osteoarthritis, cancers, etc. They are more likely to experience decreased bone density and muscle strength, decreased energy levels and impaired hormonal levels. Most eye-opening is the fact that this is the first generation of children with life expectancies lower than their parents.

We saw the diseases and problems created by inactivity in children as directly parallel to those normally associated with advanced age. And that was disturbing. This insight led to a unique and creative concept that would get parents to stop and take notice. The idea was that it was time for action because: Inactive Kids May Get Old Before Their Time.

We brought the idea to life using humour and exaggeration. Kids were depicted in a series of grown up scenarios, from having tea while discussing hip replacement surgery, to feeding the pigeons because they couldn't play video games due to arthritis – kids were depicted as getting old before their time.

Impact? More than half of the parents we surveyed since running the campaign have modified their behaviour.

Extraordinary Results

- 6 in 10 people recalled the campaign
- 79-89% of people recalled the new message
- More than 50% have modified their behaviour as a result of the campaign message
- 148 million impressions achieved through media campaign and PSAs
- More than 33 million media impressions generated through media relations
- Newly launched website has gained traction – attracting 18,000 visitors per month
- 430% growth in number of unique visitors to the website

Message from the Audit Committee Chair

ParticipACTION's Audit Committee is responsible for overseeing the work of the external auditors. This comprises reviewing the annual audit plan; meeting with the auditors to discuss audit findings, including comments on systems and internal controls and management of risks and recommendations for improvement; and reviewing audited financial statements and recommending approval to the Board of Directors.

In addition, the Audit Committee considered and made recommendations to the Board on other matters related to the administration and control of ParticipACTION's finances, including policies covering investments, purchases, travel expenses and capital expenditures.

Included in this Annual Report is a summary of ParticipACTION's Statement of Financial Position and Statement of Operations for the year ended March 31, 2008. The summary provides highlights of ParticipACTION's first full year of operations since operations were suspended in 2001. As shown in the summary, total revenues amounted to \$3.8 million, made up of government grants, donations, and revenues from private partner sponsorship. Sponsorship revenue exceeded expenses by \$227,697.33, thereby enhancing ParticipACTION's net asset position.

A complete set of audited financial statements for the year ended March 31, 2008 are available upon request and can also be accessed at ParticipACTION.com. They include an unqualified report from ParticipACTION's external auditors, KPMG.



John R.V. Palmer
Audit Committee Chair

Statement of Financial Position

As of March 31, 2008, with comparative figures for 2007

	2008	2007
Assets		
Current Assets:		
Cash and cash equivalents	\$114,363	\$396,014
Accounts receivable	246,049	21,296
Prepaid expenses	1,295	0
	361,707	417,310
Capital assets	94,365	0
	\$456,072	\$417,310
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$98,307	\$8,694
Deferred capital contributions	94,365	0
Unspent funds	0	372,914
	192,672	381,608
Net assets:		
General surplus	35,702	35,702
Strategic reserve fund	227,698	0
	263,400	35,702
	\$456,072	\$417,310

Statement of Operations

As of March 31, 2008, with comparative figures for 2007

	2008	2007
Revenue		
Grants	\$3,500,979	\$842,842
Donations and sponsorships	286,108	0
Interest and miscellaneous	19,484	2,772
Sundry	0	1,805
	3,806,571	847,419
Expenses		
Marketing and communications	2,306,552	506,109
Staffing and operations	1,113,462	345,825
Projects	73,100	0
Board and committees	58,950	8,082
Amortization of capital assets	26,809	0
	3,578,873	860,016
Excess (deficiency) of revenue over expenses	\$227,698	\$(12,597)

Statement of Changes in Net Assets

As of March 31, 2008, with comparative figures for 2007

	2008			2007
	Strategic reserve fund	General Surplus	Total	Total
Net assets, beginning of year	\$0.00	\$35,702	\$35,702	\$48,299
Excess (deficiency) of revenue over expenses	\$227,698	\$0.00	227,698	(12,597)
Net assets, end of year	\$227,698	\$35,702	\$263,400	\$35,702

Corporate Information

Leadership

ParticipACTION is governed by a volunteer Board of Directors, comprised of prominent and influential leaders within their respective fields.

Board of Directors

Charlie A. Pielsticker, Chair
Winston Carter
Gordon J. Chong
Brian P. Etherington
Gary Filmon
Farley Flex
David G. Fuller
Joan M. Green
Chris Kelly
Peter Kent
Marilyn H. Knox
Anne P. Kothawala
Marion Lay
Doug H. Mitchell
Kelly D. Murumets
Dick Oland
John R. V. Palmer
Lou Ragagnin
Larry W. Smith

Standing Committees

Executive Committee

Charlie A. Pielsticker, Chair
Brian P. Etherington
David G. Fuller
Joan M. Green
Anne P. Kothawala
Marion Lay
John R. V. Palmer

Audit Committee

John R.V. Palmer, Chair
Gordon J. Chong
Joan M. Green
Dick Oland

Governance and Nominating Committee

David G. Fuller, Chair
Gordon J. Chong
Gary Filmon
Marilyn H. Knox
Douglas H. Mitchell

Advisory Committees

Content and Collaboration Committee

Marion Lay, Chair
President, Think Sport Ltd. Vancouver, BC

Ian Bird
Senior Leader, Sport Matters Group, Ottawa, ON

Dr. Lawrence Brawley
Canada Research Chair in Physical Activity and Health Promotion, College of Kinesiology, University of Saskatchewan, Saskatoon, SK

Cora Lynn Craig
President and CEO, Canadian Fitness and Lifestyle Research Institute, Ottawa, ON

Judith Down
Director, Alberta Centre for Active Living, Edmonton, AB

Nancy Dubois

Co-Chair, Coalition for Active Living, Health Promotion and Planning Consultant, DUB FIT ConsultinScotland, ON

Farida Gabbani

Senior Director of Physical Activity, Sport and Recreation, Government of Nova Scotia, Halifax, NS

Dr. Lise Gauvin

Full Professor, Department of Social and Preventive Medicine, University of Montreal, Montréal, QC,

Jeff Hnatiuk

President and CEO, Sport Manitoba, Winnipeg, MB

Cathie Kryzanowski

Manager, Saskatchewan In Motion, Regina, SK

Karin Lofstrom

Executive Director, Canadian Association for the Advancement of Women and Sport and Physical Activity, Ottawa, ON

Paul Melia

President and CEO, Canadian Centre for Ethics in Sport, Ottawa, ON

Dr. Greg Reid

Professor and Chair, Department of Kinesiology and Physical Education, McGill University Montreal, QC

Dr. Art Salmon

Team Leader: Research, Ontario Ministry of Health Promotion, Toronto ON

Stephen Samis

Director, Health Policy, Heart and Stroke Foundation of Canada, Ottawa, ON

Travis Saunders

Kingston, ON

Marketing Committee

Brian P. Etherington, Chair

Chairman, Etherington Generations Inc., Toronto, ON

Farley Flex, Vice Chair

President and Founder, Plasma Management & Productions Inc., Toronto, ON

Diane Gordon

Director, HBC Marketing Activation, Heritage & Community Investing, Hudson Bay Company, Toronto, ON

Christine Lowry

Vice President, Nutrition & Corporate Affairs, Kellogg Canada Inc., Mississauga, ON

Lou Ragagnin

Chief Operating Officer, Canadian Olympic Committee, Toronto, ON

Eli Singer

Toronto, ON

John Stanton

Running Room, Edmonton, AB

Media Advisory Group

Anne P. Kothawala, Chair

Toronto, ON

Peter Kent

Vice President, Hill and Knowlton, Toronto, ON

Paul Robertson

President, Television, Corus Entertainment, Toronto, ON

Brian Segal

President & CEO, Rogers Publishing Limited, Toronto, ON

Gary Slaight

President & CEO, Slaight Communications, Toronto, ON

ParticipACTION Staff

Kelly Murumets
President and CEO

Elio Antunes
VP, Sponsorships and COO

Marianne Bernardo
VP, Marketing

Christa Costas-Bradstreet
Relationship Manager

Diana Dampier
Manager of Projects

Adrea Fink
Administrative Coordinator

Walter Ho
Finance Officer

Kristal Khan
Executive Assistant

Jordanna Porter
Marketing Coordinator

Jennifer Robertson
Knowledge Manager

Supporters of ParticipACTION

We thank the following organizations for their support in helping us achieve our results:

Funders

Sport Canada
Public Health Agency of Canada

Sponsors & Donors

Coca-Cola Canada Ltd.
Hudson's Bay Company
Jet Films
Neilson Dairies
Weston Bakeries

Other Organizations

Accelteon Partners Inc.
Active Healthy Kids Canada
Canadian Fitness & Lifestyle Research Institute (CFLRI)
Captive Channel
Catalyst Media Group
Corus Entertainment
International Fun & Team Athletics
Hill & Knowlton
J. Walter Thompson
Lifestyle Information Network
Maple Leaf Sports & Entertainment
MarketSpace
Mindshare Media
Ophea (Ontario Physical and Health Education Association)
Rogers Publishing
Special Olympics Ontario
Standard Broadcasting Inc.
TrojanOne
Wilson Sports
YMCA of Canada
YMCA-YWCA Northeast Avalon
YMCA of Greater Toronto
YMCA-YWCA of Greater Vancouver (South Slope Branch)
YMCA of Windsor
YMCA-YWCA of Winnipeg
YTV

ParticipACTION counts on
your participation. What can
we do together? Give us a
call. Drop us a line. Let's get
something started.

ParticipACTION

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