



YUKON LOTTERY COMMISSION

Annual Report 2018/19

GBP Creative

**WHAT'S
YOUR
RECREATION?**

From the cover...

I'm Judith and **THIS IS MY RECREATION** – berry picking.

Fall in the Yukon is my absolute favorite time of year and one of our most treasured family traditions is getting out to pick fresh Yukon cranberries.

When I'm berry picking I become aware and connected with the beauty of the land, the freshness of the air and the stunning fall colours all around me.

I get to spend time with my grandkids and we harvest what we need and share the rest with friends and family to freeze and enjoy for the rest of the year.

Getting outside berry picking in the Yukon with my family – **THIS IS MY RECREATION.**

**WHAT'S
YOUR
RECREATION?**

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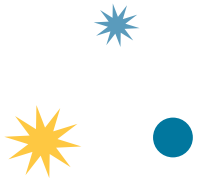
Yukon Roller Girls Association
was a recipient of the
Travel Assistance Program
in 2018/19.



I'm Paul from Tagish and **THIS IS MY RECREATION** — active living for a healthy mind, body and soul. Recreation is so important - it keeps us active and connected with each other here in the community. Everyone is welcome at the Tagish Community Centre to come and share their knowledge or to listen and learn. Sharing space and time together completes a circle within our community. Carpet bowling in Tagish — **THIS IS MY RECREATION.**



**WHAT'S
YOUR
RECREATION?**



Message from the Yukon Lottery Commission

As Chair/CEO of the Yukon Lottery Commission, it is my pleasure to share the Commission's results for the fiscal year 2018-2019. This report highlights achievements as set out under the Yukon Lottery Commission's 2017-2020 business plan and includes the Commission's fiscal year-end financial statements.

Operationally, in 2018-2019, Lotteries Yukon concentrated on implementing the new Funding Program Framework that provides Yukoners with an array of new programming options to improve access to and participation in arts, sport and recreation in Yukon.

In the past year, we have also worked on advancing our partnership objectives through the Partnership Memorandum of Understanding (MOU). Under this MOU, the first Strategic Initiatives project, the 2019 National Aboriginal Hockey Championships, was supported. The 2019 National Aboriginal Hockey Championships was deemed strategic as it embraced the *Truth and Reconciliation Commission's Calls to Action* under the Sports Reconciliation pillar.

Lotteries Yukon supports and celebrates recreation, its contribution to Yukoners' physical, emotional and social well-being, and its ability to connect citizens to their communities, their environments and to one another. To this end, Lotteries Yukon designed and is implementing a 12-month territory-wide public awareness campaign called *What's Your Recreation?* The campaign profiles how Yukoners of all ages and from different communities pursue recreation and encourages residents to live healthy, active and meaningful lives. Some images from this campaign are included in this report with the entire campaign available on our website at lotteriesyukon.com.

As the Yukon's agent for the sale of lottery tickets, a goal identified in the Yukon Lottery Commission's 2017-2020 business plan is to be a leader of social responsibility in gambling. In 2018-2019, the Commission continued to advance this goal by assessing available responsible gambling program options and created a Responsible Gambling Policy.

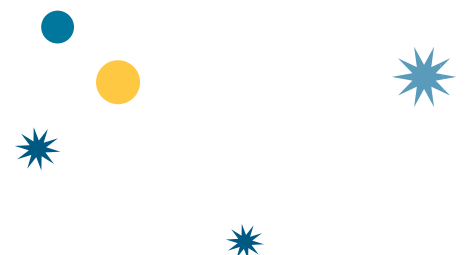
Our plans for 2019-2020 will focus on supporting our lottery retailer network and governance. We will work on strengthening retailer relations by improving retailer services and strengthening retail policy. The Commission is also excited to announce that we will be launching a responsible gambling program in 2019-2020.

On behalf of the Commission, I would like to thank Lotteries Yukon staff for their continued support and dedication. I would also like to acknowledge the service of outgoing board members, Diane Strand and Spencer Edelman. I know they will continue to serve their communities in other ways.

We look forward to another successful year where we continue to strive for a robust interjurisdictional lottery and continue to support Yukoner's living healthy, active and full lives being engaged in and having access to arts, sport and recreation.

Sincerely,

Frank Curlew
Chair & Chief Executive Officer,
Yukon Lottery Commission



Yukon Lottery Commission



The Yukon Lottery Commission consists of a Chair/Chief Executive Officer, a Vice Chair and six other members appointed by the Minister Responsible for the Yukon Lottery Commission. The Commission is a governing body that is responsible for oversight of interjurisdictional lotteries in Yukon and reinvesting profits from the sale of lottery tickets into arts, sport and recreation in Yukon.

As stewards, the Yukon Lottery Commission directs and controls the Commission's affairs in accordance with the *Public Lotteries Act and Regulations*, the *Financial Administration Act* and other applicable legislation and policies. A governance agreement between the Yukon Lottery Commission and the Minister Responsible describes the roles and responsibilities of the Yukon Lottery Commission, Minister and administration.

In its interjurisdictional lotteries role, the Commission acts as the Yukon government's agent for the conduct and management of the sale of lottery tickets through an agreement with Western Canada Lottery Corporation (WCLC) and agreements with lottery retailers throughout Yukon.

Lotteries revenue is reinvested through the Commission's funding programs and also by sharing lottery revenue with Yukon government Sport and Recreation Branch and Cultural Services Branch to supplement government programming for arts, sport and recreation. Lotteries revenue is also used to support the operations of Lotteries Yukon and the Yukon Lottery Commission.

Using profits derived from lottery revenue, the Commission invested approximately \$2.0 million in the 2018-2019 fiscal year in community-based initiatives related to arts, sport and recreation.



Commission Members:

Front row, left to right: Norma Davignon, Beverly James, Bunne Palamar, Diane Strand
Back row, left to right: Trevor Ellis, Frank Curlew, Torrie Hunter, Warren Pearson, Spencer Edelman



Vision

As a result of a robust interjurisdictional lottery, Yukoners are living healthy, active and full lives being engaged in and having access to arts, sport and recreation.

Mission

As an agent of the Government of Yukon and Western Canada Lottery Corporation, the Yukon Lottery Commission through its Secretariat, Lotteries Yukon, conducts and manages interjurisdictional lotteries in a socially responsible manner. Through a client centred approach, the Commission allocates the profits from the sale of lottery tickets to arts, sport and recreation for the benefit of Yukoners and Yukon communities.

Our Values

Social responsibility

Our lotteries work is undertaken with consideration of its impact on communities and people. We strive to ensure that lottery tickets remain a form of entertainment, and that there is information and support available that promotes healthy lottery play.

Integrity

We take responsibility for our commitments and actions. Our reasoned and objective decision making can be held to close scrutiny.

Collaboration and cooperation

We recognize that our clients are better served by aligning planning and program delivery across departments/agencies, therefore, we will work collaboratively with our partners for the benefit of our clients.

Accessible

Our funding programs are accessible to all segments of the Yukon population and focus on achieving broad benefits to communities and organizations.

Transparency

We are open and clear about our processes, decision making and results.

Climb Yukon Association
was a recipient of the
Travel Assistance Program
in 2018/19.



ENTREPRISES
Climbing Walls

Lotteries Yukon

Lotteries Yukon is the administrative arm of the Yukon Lottery Commission. The work of Lotteries Yukon is accomplished by a complement of five staff who deliver programs and services to lottery retailers and funding programs to arts, sport and recreation organizations.

The sale of lottery tickets in Yukon would not be possible without the significant support and infrastructure provided by Western Canada Lottery Corporation and the 35 lottery ticket centres throughout Yukon.

Lotteries Yukon, through a Partnership Memorandum of Understanding with Yukon government (Sport and Recreation Branch and Cultural Services Branch), works collaboratively with its internal partners to be more strategic and align arts, sport and recreation programs in Yukon.

Lotteries Yukon provides the administrative and management support necessary to implement the Commission's plans. In addition to delivering funding programs on the Commission's behalf, Lotteries Yukon provides support and services to lottery retailers and customers; non-profit organizations seeking program funding; and members of the public.

\$ 644,240

Commission paid to Yukon retailers in 2018/19.

\$ 1,172,135

Lottery revenue shared with Government of Yukon for arts, sport, and recreation.

\$ 2,020,525

Total amount Lotteries Yukon contributed to Yukon communities and non-profit organisations in 2018/19.

\$ 6,057,216

Lottery winnings distributed to Yukoners in 2018/19.

\$ 11,187,295

Ticket sales in 2018/19.



Augusto!
Children's Festival Society
was a recipient of the
Projects Fund in 2018/19.



Operations 2018-2019



In the 2018-2019 year, Yukon Lottery Commission continued to focus on implementing and refining its new Funding Program Framework that was introduced in 2017-2018. These programming streams provide new funding options for applicants to improve access to and participation in arts, sport and recreation in Yukon.

\$ 238,537

Projects Fund: Strategic Partnership with Sport Yukon to streamline access to funding sport equipment needs for Arctic Winter Games 2020.

The Funding Program Framework provides new opportunities to collaborate with external partners that have demonstrated success in delivering arts, sport or recreation across the territory. Under the Projects Fund: Strategic Partnerships funding stream, the Commission partnered with Sport Yukon to support the equipment needs of Sport Governing Bodies participating in the 2020 Arctic Winter Games. This approach resulted in a more comprehensive funding approach and streamlined access to funding for each sport participating in the games.

\$ 70,821

Projects Fund: Strategic Partnership with Recreation and Parks Association of the Yukon to improve access to their popular Winter Active for Life program.

The Commission also entered into a strategic partnership with Recreation and Parks Association of the Yukon to support their popular *Winter Active for Life* program by funding the purchase and retrofit of an equipment storage container.

The Commission also continued to strive to be more responsive to client needs by collaborating on strategic projects with internal partners (Sport and Recreation Branch, Cultural Services Branch and the Community Development Fund) through the Partnership Memorandum of Understanding (MOU). A recipient that benefitted from this partnership was the Yukon First Nations Hockey Association.

In order to position the Yukon Lottery Commission for success in operationalizing its goal to be a leader of social responsibility in gambling Lotteries Yukon assessed various responsible gambling frameworks to develop a Social Responsibility Policy and Program for the sale of lottery tickets in Yukon.

Yukon First Nations Hockey Association was a recipient of funding under the Partnership MOU Strategic Initiatives in 2018/19.



Athlete Image Sport Photography

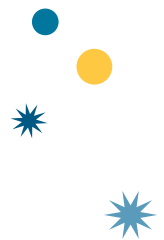


Athletics Yukon
was a recipient of the
Travel Assistance Program
in 2018/19.

Moving Ahead in 2019-2020

Priorities:

- ▶ Promote a culture of responsible gambling for the sale of lottery tickets by developing and implementing a Responsible Gambling Policy and Program;
- ▶ Continue to implement the Funding Program Framework with a focus on streamlining processes, increasing program efficiencies and building strategic partnerships;
- ▶ Strengthen effectiveness and efficiency of the retailer network through a focus on retailer relations and improvements to Lotteries Yukon retail services and policies; and
- ▶ Continue to be more responsive to client needs by collaborating with internal partners through the Partnership Memorandum of Understanding.



Sales

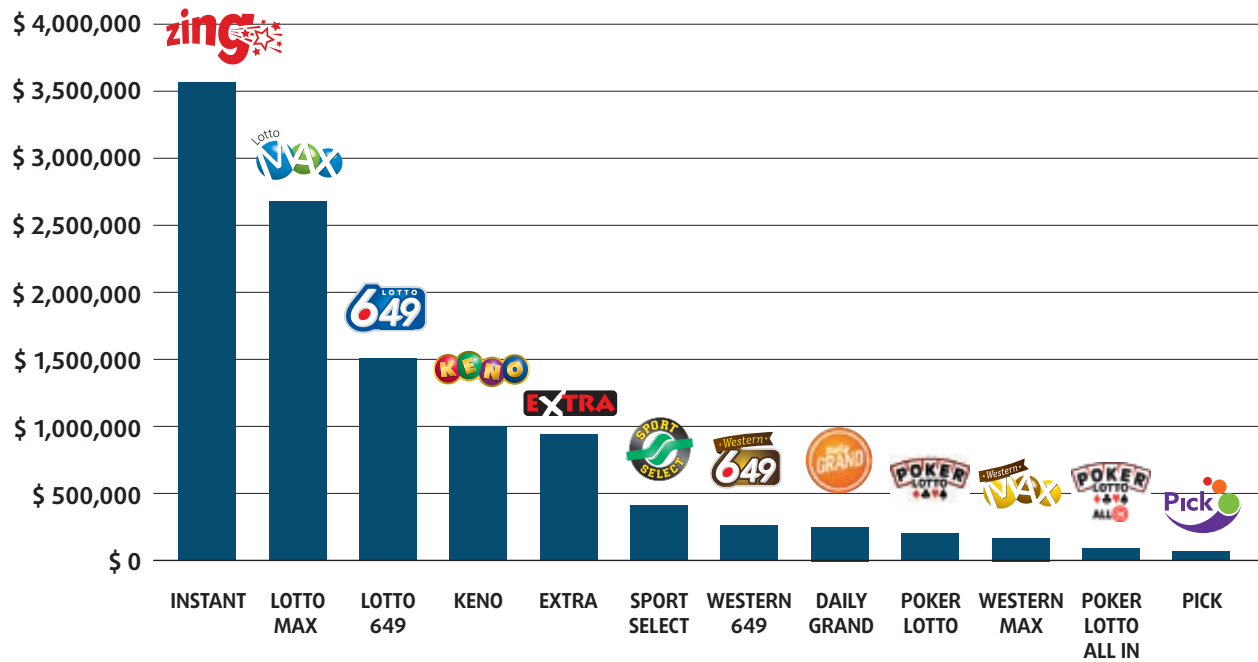
Yukon is a member of the Western Canada Lottery Corporation (WCLC), a non-profit organization authorized to manage, conduct and operate lottery and gaming-related activities in the prairie provinces and the territories. Lotteries Yukon distributes national and regional lottery products through an agreement with WCLC.

As the territory’s distributor of lottery products, Lotteries Yukon is responsible for a network of 35 retailers in Yukon; 20 retailers are located in Whitehorse and 15 retailers are in the communities.

In the 2018/19 fiscal year, there was a 17% increase in sales revenue resulting in an increase of \$633,945 from the previous year’s sales. The increase in sales revenue is primarily attributed to higher sales in Scratch'n Win (Instant), LottoMax, Lotto649, Keno, Extra, Sport Select, Western Max, Pick 3 and Poker Lotto/All In and costs savings in WCLC expenses.



2018/19 Sales By Game



Yukon Sales By Game - Five Year Comparison

	2018-19	2017-18	2016-17	2015-16	2014-15
INSTANT	\$ 3,570,287	\$ 3,223,595	\$ 3,195,063	\$ 3,100,417	\$ 3,027,977
LOTTO MAX	2,683,168	1,894,120	2,372,067	2,727,071	1,776,073
LOTTO 649	1,514,339	1,484,410	1,537,954	1,867,806	1,567,391
KENO	1,001,386	996,761	992,212	1,074,454	1,125,659
EXTRA	947,109	839,905	900,162	971,227	744,670
SPORT SELECT	413,130	377,193	354,503	385,206	354,599
WESTERN 649	264,239	281,376	302,916	334,644	332,684
DAILY GRAND ¹	253,831	288,375	159,226	-	-
POKER LOTTO ²	206,460	229,854	26,220	-	-
WESTERN MAX	171,990	163,030	181,908	190,576	163,340
All In ³	91,627	11,043	-	-	-
PICK	69,729	63,262	78,541	63,779	63,427
TOTAL SALES	\$ 11,187,295	\$ 9,852,924	\$10,100,772	\$ 10,715,180	\$ 9,155,820
Sales Comparison to Prior Year	1,334,371	(247,848)	(614,408)	1,559,360	(96,431)
Percentage Comparison	12%	-2%	-6%	17%	-1%
Number of Retailers*	34	34	34	36	36

¹ Daily Grand launched October 2016 ² Poker Lotto launched March 2017 ³ All In launched February 2018 * does not include Royal Canadian Legion



I'm Jessica and **THIS IS MY RECREATION** — camping — and making time as a family to explore all the amazing outdoor and cultural destinations right on our doorstep.

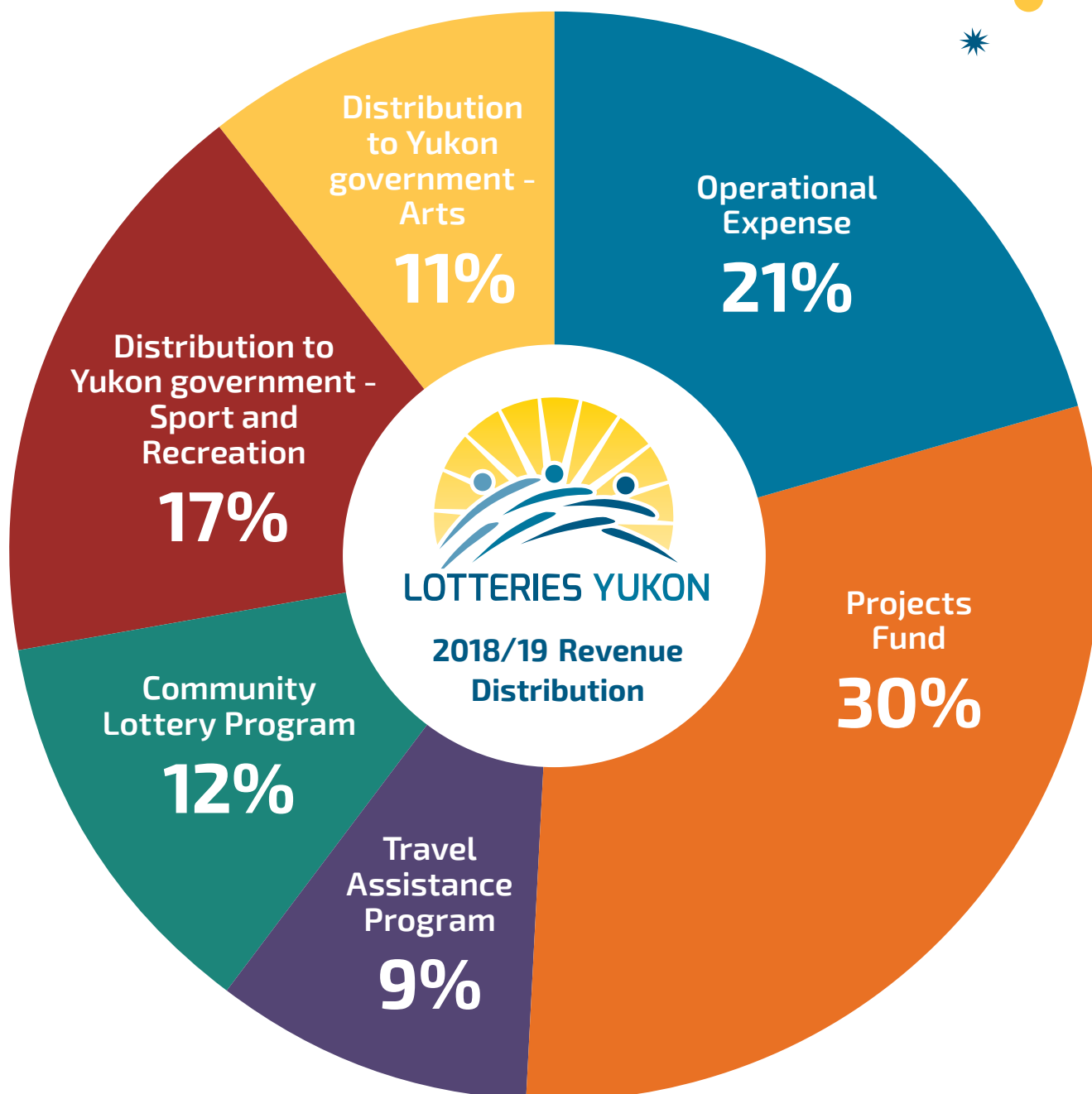
From hunting and fishing to festivals around the Yukon and beyond, getting outside and camping gives us a healthy and meaningful way to enjoy our territory's stunning natural surroundings, be active and connect with friends and with each other. —


Camping in the Yukon — **THIS IS MY RECREATION.**

WHAT'S • YOUR • RECREATION?

Revenue Distribution

Lottery ticket revenue is distributed through three Yukon Lottery Commission funding programs — the Projects Fund, the Travel Assistance Program and the Community Lottery Program. The Yukon Lottery Commission, through a Partnership Memorandum of Understanding, also shares revenue with the Government of Yukon department of Tourism and Culture (Cultural Services Branch) and the department of Community Services (Sport and Recreation Branch).



A woman and a young child are on a frozen lake. The woman, Kristin, is standing and smiling, wearing a camouflage jacket, a blue beanie, and a green scarf. She is holding the blue handle of a kick sled. The child is sitting on the sled, wearing a camouflage snow suit and a yellow headband. The sled is on the ice, and the background shows a vast, flat, frozen lake under a cloudy sky.

I'm Kristin from Marsh Lake and **THIS IS MY RECREATION** — being outside on the lake with my family kayaking or playing frisbee in the water during Yukon's warmer months and kick sledding in the winter. Kick sledding is for all ages and can happen at any pace. It's completely changed my family's winter and what we're able to do together outside. Kick sledding at Marsh Lake with my family — **THIS IS MY RECREATION.**

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WHAT'S ★ YOUR ★ RECREATION? ★

2018/19 Partnership Funding Programs

Projects Fund: Strategic Partnerships	
Recreation and Parks Association of the Yukon	\$ 70,821
Sport Yukon	238,537
Total Projects Fund: Strategic Partnerships	\$ 309,358
Special Funding	
2020 Arctic Winter Games Host Society	
Total Special Funding	\$ 200,000
Partnership MOU, Strategic Initiatives	
Yukon Indian Hockey Association	
Total Partnership MOU, Strategic Initiatives	\$ 63,010
Total Partnership Funding Programs	\$ 572,368

2018/19 Government of Yukon Revenue Sharing

Cultural Services Branch	
Yukon Arts Advisory Committee (YAAC)	
Total Cultural Services Branch	\$ 445,411
Sport & Recreation Branch	
Yukon Sport & Recreation Advisory Committee (YRAC)	
Total Sport & Recreation Branch	\$ 726,724
Total Funds Released to Government of Yukon	\$ 1,172,135
Total Funding Approved / Released	
	\$ 3,192,660
Unclaimed Contributions	\$ 207,539
Total Contributions / Funds Released 2018/19	\$ 2,985,121

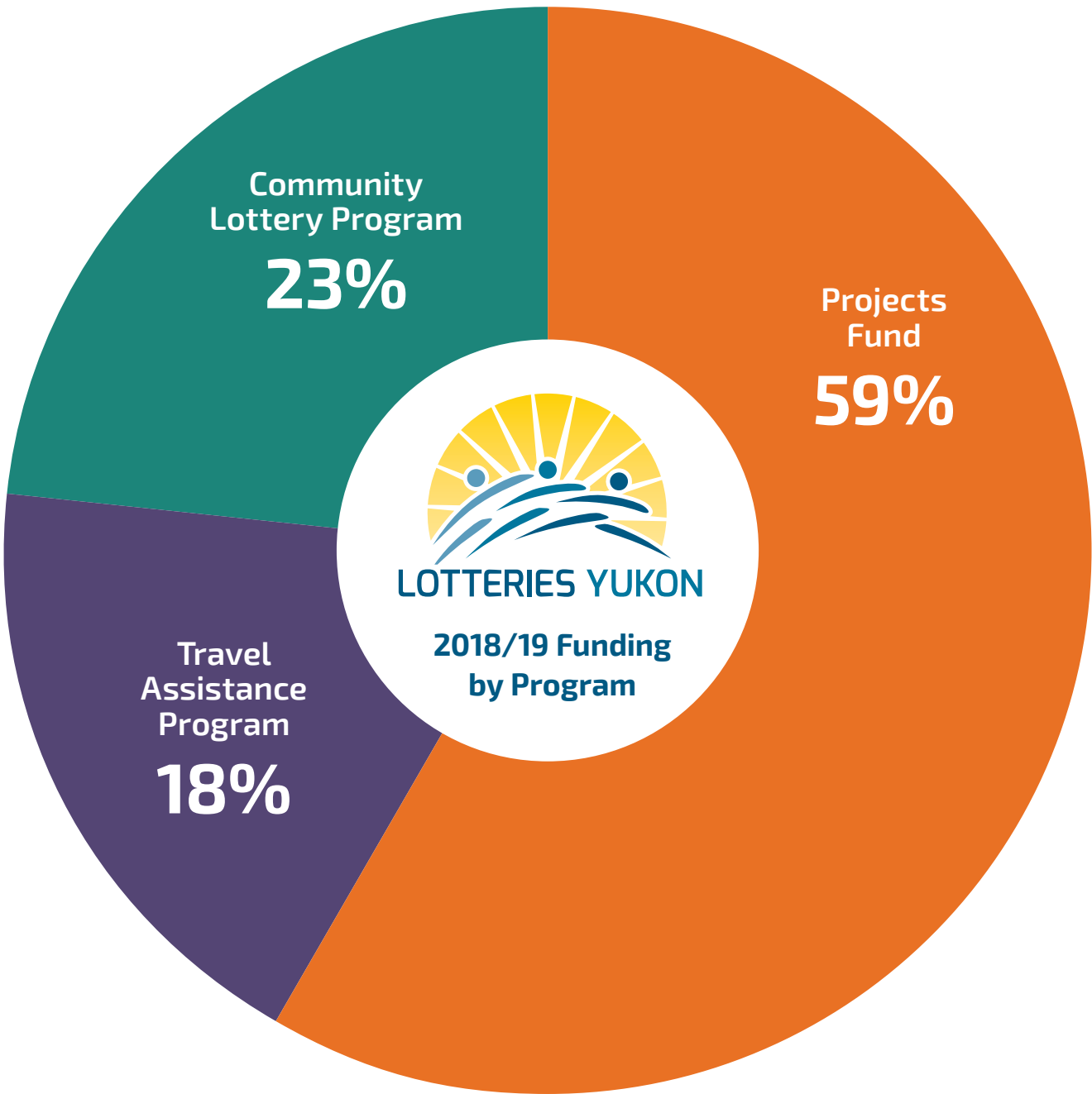
Yukon Sourdough Rendezvous was a recipient of Projects Fund in 2018/19.



The Yukon Lottery Commission's legislated mandate provides for programming focused on arts, sport and recreation.

These funding programs are intended to:

- sustain and contribute to the growth of arts, sport and recreation for Yukon people;
- increase access and participation of all Yukon people in arts, sport, and recreation;
- improve/provide more community arts, sport and recreation infrastructure;
- and increase organizational and community capacity in arts, sport and recreation.



Yukon Lottery Commission Funding Programs 2018/19 Approved Funding*

Projects Fund (PF)

- Provides non-profit groups with funding to support arts, sport and recreation projects, events or activities.

\$ 1,022,982**

Travel Assistance Program (TAP)

- Provides assistance to non-profit groups and extra-curricular high school groups attending competitions or adjudicated events.
- Supports the development of amateur arts, sport and recreation for Yukon people of all ages.

\$ 324,533

Community Lottery Program (CLP)

- Provides municipalities and local authorities with funding to support arts, sport and recreation in their communities.
- Intended to enable local decision making to meet community needs and create equitable access to lottery revenues for all Yukon people.

\$ 410,000

COMMUNITY	ORGANIZATION	PROGRAM	AMOUNT
Beaver Creek	Beaver Creek Community Club	CLP	\$ 9,818
Burwash Landing	Burwash Landing Recreation Committee	CLP	9,818
	Burwash Landing Recreation Committee	PF	2,500
			\$ 12,318
Carcross	Carcross Recreation Board	CLP	\$ 15,968
Carmacks	Village of Carmacks	CLP	15,968
	Tantalus School	TAP	2,106
			\$ 18,074
Dawson City	City of Dawson	CLP	32,368
	Dawson City Golf Association	PF	7,920
	North Klondyke Highway Music Society	PF	3,500
	Robert Service School	TAP	7,124
			\$ 50,912
Faro	Town of Faro	CLP	11,868
	Faro Arts and Recreation Association	PF	2,500
			\$ 14,368
Haines Junction	Village of Haines Junction	CLP	20,068
	Augusto! Children's Festival Society	PF	3,725
	Junction Arts and Music Society	PF	16,070
			\$ 39,863
Keno	Keno Community Club	CLP	\$ 5,718
Lorne Mountain	Lorne Mountain Community Association	CLP	11,868
	Lorne Mountain Community Association	PF	7,500
			\$ 19,368
Marsh Lake	Marsh Lake Community Society	CLP	\$ 15,968
Mayo	Village of Mayo	CLP	\$ 15,968
Old Crow	Vuntut Gwitchin First Nation	CLP	\$ 11,868
Pelly Crossing	Selkirk First Nation	CLP	11,868
	Selkirk Spirit Dancers	TAP	11,303
			\$ 23,171
Ross River	Ross River Recreation Society	CLP	\$ 11,868
Tagish	Tagish Community Association	CLP	\$ 11,868
Teslin	Village of Teslin	CLP	\$ 15,968
Upper Liard	Liard First Nation	CLP	\$ 9,818

* The amount of funding approved/allocated may vary from the amount claimed by recipients.

** The amount includes Projects Fund: Strategic Partnerships; Regular Intake Opportunity Projects and Three Year Plan

COMMUNITY	ORGANIZATION	PROGRAM	AMOUNT
Watson Lake	Town of Watson Lake	CLP	24,168
	Watson Lake Secondary School	TAP	5,000
			\$ 29,168
Whitehorse	City of Whitehorse	CLP	147,176
	All City Band Concert Society	TAP	13,400
	Arctic Edge Skating Club	PF	11,565
	Arctic Edge Skating Club	TAP	4,200
	Breakdancing Yukon Society	TAP	4,000
	Chickadees Playschool Association	PF	1,060
	Community Choir of Whitehorse Society	PF	2,202
	Dog Powered Sports Association of Yukon	PF	8,772
	FH Collins Secondary School	TAP	5,127
	Freedom Trails Therapeutic Riding Association	PF	1,322
	Friends of Mount Sima Society	PF	19,769
	Golden Age Society	PF	3,300
	Larrikin Entertainment Society	PF	20,000
	Mountain View Golf Club	PF	24,935
	Mountain View Golf Club	TAP	400
	North Ridge Community Association	TAP	2,400
	Northern Cultural Expressions Society	TAP	200
	Polarettes and Polar Tumblers Gymnastics Club	TAP	2,400
	Porter Creek Secondary School	TAP	11,285
	U Kon Echelon Biking Club	TAP	2,200
	Vanier Catholic Secondary School	TAP	8,138
	Whitehorse Archery Club	PF	10,710
	Whitehorse Cross Country Ski Club	PF	57,304
	Whitehorse Curling Club	PF	2,389
	Whitehorse Glacier Bears Swim Club	TAP	17,800
	Whitehorse Oldtimers Hockey Association	TAP	6,000
	Whitehorse Rec Ice Hockey League	TAP	1,000
	Whitehorse Women's Hockey Association	TAP	3,000
	Yukon Horse and Rider Association	PF	6,500
	Yukon Roller Girls Association	TAP	5,400
	Yukon Theatre for Young People Society	PF	15,000
			\$ 418,954
Yukon	4H Yukon	PF	3,645
	Alpine Ski Association of Yukon	TAP	11,600
	Athletics Yukon	TAP	5,400
	Autism Yukon	PF	15,762
	Basketball Yukon	TAP	10,914
	Biathlon Yukon	PF	48,000
	Biathlon Yukon	TAP	5,600
	Blue Feather Music Society	PF	28,500
	BYTE - Empowering Youth Society	PF	1,440
	Climb Yukon Association	TAP	5,800

1,553

Number of participants provided with Travel Assistance Program funding in 2018/19.

46

Non profit groups received Travel Assistance Program funding in 2018/19.

51

Number of Yukon non-profit groups who received Projects Funding in 2018/19.

19

Number of Yukon communities allocated Community Lottery Program funding in 2018/19.

* The amount of funding approved/ allocated may vary from the amount claimed by recipients.

COMMUNITY	ORGANIZATION	PROGRAM	AMOUNT
Yukon continued	Cross Country Yukon	PF	2,500
	Cross Country Yukon	TAP	4,800
	Flatwater Paddling Yukon Society	TAP	4,400
	Guild Society	PF	17,000
	Gwaandak Theatre Society	PF	19,000
	Heart of Riverdale Community Centre Society	PF	16,000
	Jazz Yukon	PF	8,160
	Judo Yukon	TAP	21,895
	Learning Disabilities Association of Yukon	PF	10,000
	Longest Night Society	PF	7,000
	Music Yukon	PF	26,000
	Nakai Theatre Ensemble	PF	17,000
	Skookum Jim Friendship Centre	PF	18,500
	Snowboard Yukon	TAP	1,800
	Softball Yukon	TAP	6,491
	Squash Yukon	TAP	4,400
	Synchro Yukon	TAP	2,600
	Table Tennis Yukon	TAP	2,400
	Tennis Yukon	PF	1,350
	Tennis Yukon	TAP	200
	Volleyball Yukon	TAP	29,800
	Yukon Aboriginal Sport Circle	TAP	6,600
	Yukon Amateur Boxing Society	TAP	1,200
	Yukon Amateur Hockey Association	TAP	21,812
	Yukon Amateur Speed Skating Association	TAP	3,400
	Yukon Arts Centre	PF	52,627
	Yukon Badminton Association	TAP	800
	Yukon Bluegrass Music Society	PF	18,500
	Yukon Broomball Association	TAP	3,600
	Yukon Curling Association	TAP	5,800
	Yukon Film Society	PF	18,500
	Yukon Firefighters' Fitness Association	PF	2,500
	Yukon Firefighters' Fitness Association	TAP	1,400
	Yukon First Nations Culture and Tourism Assoc.	PF	25,000
	Yukon Freestyle Ski Association	PF	7,789
	Yukon Freestyle Ski Association	TAP	1,600
	Yukon Golf Association	TAP	600
	Yukon Historical and Museum Association	PF	50,000
	Yukon Music Camp Society	PF	17,500
	Yukon Orienteering Association	PF	5,663
	Yukon Quest International Association	PF	15,000
	Yukon River Marathon Paddling Association	PF	5,145
	Yukon Soccer Association	TAP	47,140
	Yukon Sourdough Rendezvous Society	PF	27,000
			\$ 697,132

Revenue Sharing

Lottery revenues supplement Government of Yukon funding for arts, sport and recreation.

Arts

\$ 445,411

Lottery revenues to the Government of Yukon for arts are provided for under the *Public Lottery Regulations* and the *Arts Act*.

➤ Programs are administered by the department of Tourism and Culture (Cultural Services Branch).

➤ The Yukon Arts Advisory Council (YAAC) makes recommendations on funding applications to the Minister of Tourism and Culture.

➤ Lottery revenue is used to support the Arts Operating Fund and the Advanced Artist Award.

Sport and Recreation

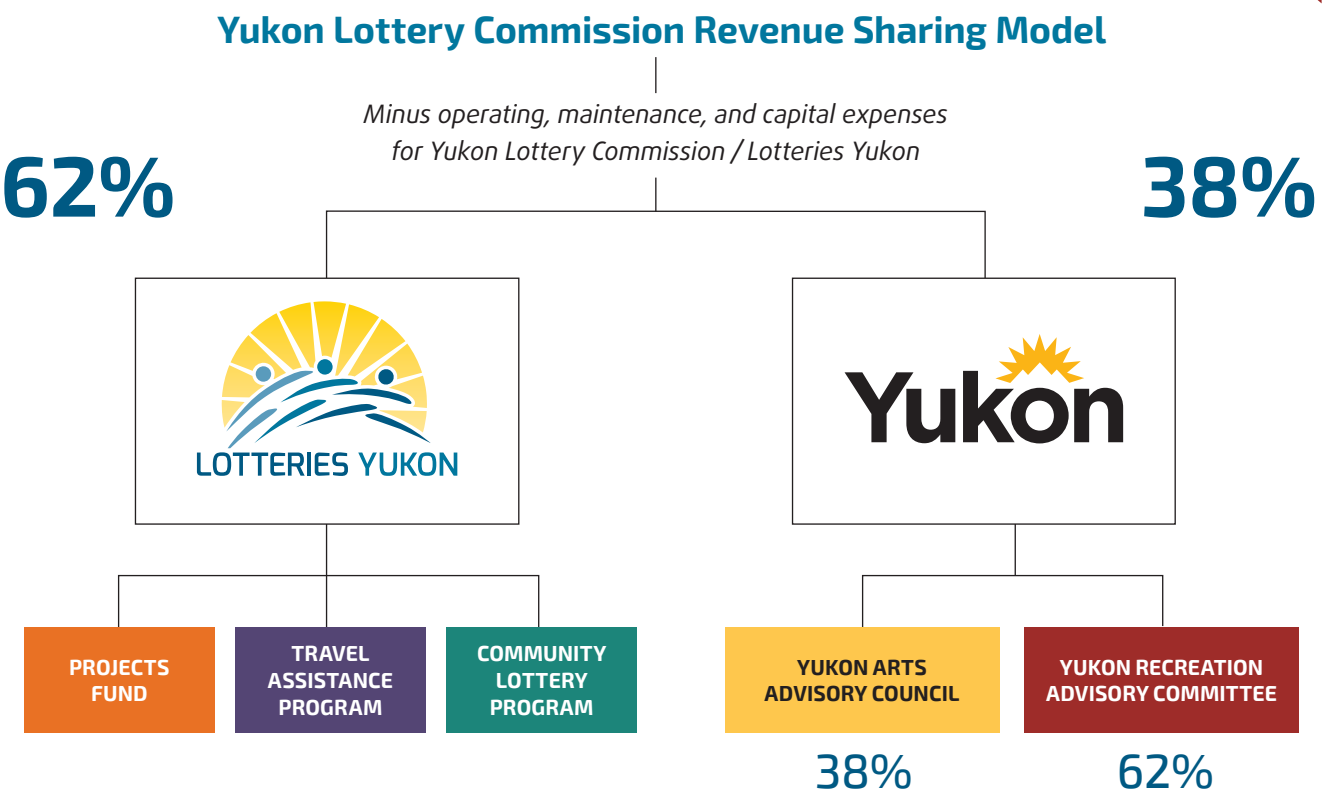
\$ 726,724

Lottery revenues to the Government of Yukon for sport and recreation are provided for under the *Public Lottery Regulations* and the *Recreation Act*.

➤ Programs are administered by the department of Community Services (Sport and Recreation Branch).

➤ The Yukon Recreation Advisory Committee (YRAC) makes recommendations on funding applications to the Minister of Community Services.

➤ Lottery revenues contribute to funding programs for sport governing bodies, recreation groups, high performance athletes and officials, and Sport Yukon.



Dog Powered Sports
Association of Yukon was
a recipient of Projects Fund
in 2018/19



Yukon Lottery Commission

Financial Statements

March 31, 2019

Yukon Lottery Commission
Financial Statements

March 31, 2019

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Management Responsibility Statement

The management of Yukon Lottery Commission is responsible for preparing the financial statements and the notes to the financial statements.

Management prepares the financial statements in accordance with International Financial Reporting Standards. The financial statements are considered by management to present fairly the Commission's financial position and results of operations.

The Commission, in fulfilling its responsibilities, adheres to the Yukon Financial Administration Act which provides for a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use, and that the records are reliable for preparing the financial statements.

The financial statements have been reported on by Crowe MacKay LLP, Chartered Professional Accountants, the Commission's auditors. Their report outlines the scope of their examination and their opinion on the financial statements.



General Manager
July 26, 2019

Independent Auditors' Report

To the Members of Yukon Lottery Commission

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Yukon Lottery Commission, which comprise the statement of financial position as at March 31, 2019, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the commission as at March 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the commission's financial reporting process.

Independent Auditors' Report (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Whitehorse, Canada
July 26, 2019



Chartered Professional Accountants

Yukon Lottery Commission

Statement of Comprehensive Income

For the year ended March 31,	2019	2018
Revenues		
Commissions - Western Canada Lottery Corporation	\$ 3,687,651	\$ 3,053,706
Interest income	164,403	97,957
Break-open Tickets (schedule 1)	98,999	192,001
Terminals	9,565	9,505
	3,960,618	3,353,169
Administration expenses		
Advertising and promotion	2,616	5,056
Amortization	4,576	4,751
Break-open Tickets (schedule 1)	61,520	69,197
Miscellaneous	-	1,886
Office	9,494	10,493
Postage and courier	112	624
Professional and consulting fees	39,427	47,330
Public relations	10,368	4,632
Rent	79,804	79,568
Repairs and maintenance	8,541	8,589
Telephone and utilities	9,178	9,442
Travel	11,901	9,906
Wages and benefits	431,986	477,521
	669,523	728,995
	3,291,095	2,624,174
Commission meeting and program expenditures		
Directors' honoraria, travel and meetings	23,710	25,854
Retailer incentive	18,539	21,483
	42,249	47,337
Excess of revenues over administration expenses of revenue over expenditures before transfer payments	3,248,846	2,576,837
Transfer payments (note 10)	3,033,377	2,110,201
Excess of revenues over administration expenses	\$ 215,469	\$ 466,636

See accompanying notes

6

Yukon Lottery Commission

Statement of Changes in Equity

For the year ended March 31,	2019	2018
Surplus, beginning of year	\$ 5,712,042	\$ 5,245,406
Excess of revenues over administration expenses	215,469	466,636
Surplus, end of year	\$ 5,927,511	\$ 5,712,042

See accompanying notes

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Yukon Lottery Commission

Statement of Financial Position

March 31,	2019	2018
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Assets

Current

Cash	\$ 256	\$ 233
Funds held in trust (note 4)	9,047,655	7,274,918
Trade receivables (note 5)	553,384	480,288
Inventory	5,320	6,544
Prepaid expenses	7,305	11,718

	9,613,920	7,773,701
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Property and equipment (note 6)

	49,251	45,378
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	\$ 9,663,171	\$ 7,819,079
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Liabilities

Current

Trade payables and accruals (note 7)	\$ 621,340	\$ 233,387
Provision, committed to Yukon Government (note 11)	2,225,728	1,353,593
Provision, committed transfer payments (note 8)	888,592	520,057

	3,735,660	2,107,037
--	-----------	-----------

Equity


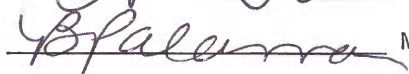
Surplus (note 13) (Schedule 2)

	5,927,511	5,712,042
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	\$ 9,663,171	\$ 7,819,079
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Commitments and contingencies (note 9)

Approved on behalf of the board:

	Member
	Member

See accompanying notes

8

Yukon Lottery Commission

Statement of Cash Flows

For the year ended March 31,	2019	2018
Cash provided by (used for)		
Operating activities		
Excess of revenues over administration expenses	\$ 215,469	\$ 466,636
Items not affecting cash		
Amortization	5,009	5,216
Interest income	(164,403)	(97,957)
	56,075	373,895
Change in non-cash working capital items		
Trade receivables	(73,096)	43,151
Inventory	1,224	5,028
Prepaid expenses	4,413	4,413
Trade payables and accruals	387,952	(9,641)
Provision, committed to Yukon Government	872,135	49,419
Provision, committed transfer payments	368,535	106,253
	1,617,238	572,518
Investing activities		
Purchase of property and equipment	(8,881)	-
Interest Income	164,403	97,957
	155,522	97,957
Increase in cash	1,772,760	670,475
Cash, beginning of year	7,275,151	6,604,676
Cash, end of year	\$ 9,047,911	\$ 7,275,151
Cash consists of:		
Cash	\$ 256	\$ 233
Funds held in trust	9,047,655	7,274,918
	\$ 9,047,911	\$ 7,275,151

See accompanying notes

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Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2019

1. Nature of operations

Yukon Lottery Commission (the "Commission") was created under the provisions of the Yukon Public Lotteries Act and is responsible for the conduct and management of interjurisdictional lotteries in the Yukon, as set out by agreement with Western Canada Lottery Corporation. Consequently, the Yukon Government controls the Commission. This includes the distribution and administration of funds received from government sanctioned lotteries. The Commission's registered office address is 101-205 Hawkins Street, Whitehorse, Yukon Y1A 1X3. The Commission is not subject to income taxes.

These financial statements were authorized for issue at a meeting of the Commission on July 26, 2019.

2. Application of new and revised International Financial Reporting Standards (IFRSs)

The following new and amended standards were adopted by the Commission effective April 1, 2018:

(a) Implementation of IFRS 9 - Financial Instruments

IFRS 9 replaces IAS 39: Financial Instruments: Recognition and Measurement and was applied beginning on April 1, 2018. IFRS 9 establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IFRS 9 includes new requirements for derecognition of financial instruments and for impairment of financial assets.

The Commission has determined that the adoption of IFRS 9 had no material impact on the reported amounts in financial statements and resulted in enhanced disclosure.

3. Significant accounting policies

These financial statements are prepared in accordance with International Financial Reporting Standards. The significant policies are detailed as follows:

(a) Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Commission takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2019

3. Significant accounting policies (continued)

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(b) Property and equipment

Property and equipment are recorded at cost. The Commission provides for amortization using the following methods at rates designed to amortize the cost of the property and equipment over their estimated useful lives. The annual amortization rates and methods are as follows:

Furniture and equipment	20% Declining balance
Leasehold improvements	6 years Straight-line
Computer hardware	30% Declining balance
Computer software	100% Declining balance
Break-open machines	30% Declining balance
Artwork	Not amortized

(c) Inventory

The inventory of promotional items is valued using the specific item method at the lower of cost and net realizable value. The write-down of inventories to net realizable value is recognized in the period that the write-down occurs. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed.

(d) Transfer payments

Transfer payments are treated as expenditures at the time the transfer payments are approved by the Commission. All unpaid, but approved transfer payments, are included in the provision for committed transfer payments. Approved transfer payments which are not claimed within the required time frame are reversed as unclaimed transfer payments.

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2019

3. Significant accounting policies (continued)

(e) Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Commission becomes a party to the contractual provisions of the instrument.

A financial asset, with the exception of a trade receivable without a significant financing component, or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Trade receivables without a significant financing component are initially measured at the transaction price.

Classification and subsequent measurement

Cash comprises cash on hand, bank balances and short term liquid investments with original maturities of three months or less.

Financial assets are classified and subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL").

Financial assets measured at amortized cost include: cash, funds held in trust and trade receivables.

Financial liabilities measured at amortized cost include: trade payables and accruals.

The Commission did not measure any financial assets or liabilities at FVTPL or FVTOCI.

Financial assets are not reclassified subsequent to their initial recognition unless the Commission changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Commission does not utilize derivative financial instruments to hedge its foreign currency and interest rate risk exposure.

Financial assets are measured at amortized cost if both of the following conditions are met and the financial asset is not designated as at FVTPL:

- i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are measured at FVOCI if both of the following conditions are met and the financial asset is not designated as at FVTPL.

- i) it is held within a business model whose objective is to hold assets to collect contractual cash flows and selling financial assets, and

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2019

3. Significant accounting policies (continued)

- ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Commission may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income ("OCI"). The Company will make this election on an investment-by-investment basis.

Financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Commission may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Subsequent measurement:

Financial assets at FVTPL - subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at FVOCI - subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2019

3. Significant accounting policies (continued)

Impairment:

The Commission assesses at the end of each reporting period whether there is objective evidence that assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred based on the expected credit loss ("ECL") model. To determine recognition and measurement of credit losses the Company considers a broad range of information including past events, current conditions and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

- i) 12-month expected credit losses (stage 1) - financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk and
- ii) lifetime expected credit losses (stage 2) - financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low.
- iii) impairment (stage 3) - financial assets that have objective evidence of impairment at the reporting date.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument. ECLs are discounted at the effective interest rate of the financial asset. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of assets. The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit loss or reversal required to adjust the allowance.

The Commission uses the simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. When calculating the credit losses the Commission uses its historical experience, external indicators and forward-looking information.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

Write off:

The gross carrying amount of a financial asset is written off when the Commission has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2019

3. Significant accounting policies (continued)

(f) Accounting estimates

The preparation of financial statements in conformity with Commission requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

Management makes assumptions and estimates in determining the net realizable value of inventory. The impact of the assumptions and estimates used could result in the over or understatement of net realizable value and the reported amount of inventory on the statement of financial position and any loss or recovery reported on the statement of income resulting from a write-down or recovery to net realizable value.

Management makes assumptions and estimates in determining the useful life of property and equipment. The impact of the assumptions and estimates could result in an under or overstatement of the annual provision for amortization of these assets resulting in an under or overstatement of the net book value of the assets on the statement of financial position.

Management records commitments for transfer payments to recipients and records these as a provision for committed transfer payments. The amount recorded is based on the amount approved by the Commission based on the recipients' expected expenditures. In some cases the amount is not fully applied for, consequently the amount will result in unclaimed amounts that are recorded as a reduction in transfer payments and committed transfer payments when the amounts are known.

(g) Revenue recognition

Lottery commissions are recognized when the lottery tickets are sold by Western Canada Lottery Corporation. Interest income is recognized in the period earned.

(h) Impairment of long-lived assets

The Commission tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

(i) Functional and presentation currency

Items are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). These financial statements are presented in Canadian dollars, which is the Commission's functional currency and presentation currency.

(j) Termination benefits

A liability for termination benefits, in respect of severance, is recognized when the Commission can no longer withdraw the offer of severance.

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2019

3. Significant accounting policies (continued)

(k) New and revised IFRSs issued but not yet effective

Implementation of IFRS 16 - Leases

IFRS 16 introduces a single, on-balance sheet accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard - i.e. lessors continue to classify leases as finance or operating leases. The standard is effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted for entities that apply IFRS at or before the date of initial application of IFRS 16.

The Commission is currently evaluating the impact of this standard on the financial statements.

4. Funds held in trust

All general funds of the Commission are held in trust for the Commission by Yukon Government. The account is interest bearing based on a pooled investment portfolio. Most deposits and expenditures are processed through this account which is subject to the provisions of the Yukon Financial Administration Act.

5. Trade receivables

Accounts receivable is all, or substantially all, due from Western Canada Lottery Corporation.

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2019

6. Property and equipment

2019					
	Furniture and equipment	Leasehold improvements	Computer hardware	Artwork	Total
Cost					
Opening	\$ 99,906	\$ 76,391	\$ 58,826	\$ 26,275	\$ 261,398
Additions	7,815	-	1,067	-	8,882
Closing	107,721	76,391	59,893	26,275	270,280
Accumulated amortization					
Opening	83,266	76,391	56,363	-	216,020
Provision	4,110	-	899	-	5,009
Closing	87,376	76,391	57,262	-	221,029
Net book value	\$ 20,345	\$ -	\$ 2,631	\$ 26,275	\$ 49,251
2018					
	Furniture and equipment	Leasehold improvements	Computer hardware	Artwork	Total
Cost					
Opening	\$ 99,906	\$ 76,391	\$ 58,826	\$ 26,275	\$ 261,398
Closing	99,906	76,391	58,826	26,275	261,398
Accumulated amortization					
Opening	79,106	76,391	55,307	-	210,804
Provision	4,160	-	1,056	-	5,216
Closing	83,266	76,391	56,363	-	216,020
Net book value	\$ 16,640	\$ -	\$ 2,463	\$ 26,275	\$ 45,378

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2019

7. Trade payables and accruals

Included in trade payables and accruals are the following:

	2019	2018
Trade payables and accruals	\$ 367,812	\$ 24,631
Due to Yukon Government, a related party, for wages payable	44,647	40,717
Accrued employee termination benefits	208,881	168,039
	<u>\$ 621,340</u>	<u>\$ 233,387</u>

8. Provision, committed transfer payments

This provision is to provide a known level of funding to claimants as authorized by the Commission.

	2019	2018
Provision, opening	\$ 520,057	\$ 413,804
Additions	2,072,395	1,244,044
Paid during the year	(1,492,707)	(1,049,269)
Unclaimed	(211,153)	(88,522)
	<u>\$ 888,592</u>	<u>\$ 520,057</u>

9. Commitments and contingencies

The Commission has a lease for office space until March 31, 2022 which requires future minimum lease payments. The commission is in the process of renewing this lease.

Estimated principal repayments are as follows:

April 1, 2019 to March 31, 2020	\$ 87,355
April 1, 2020 to March 31, 2021	87,355
April 1, 2021 to March 31, 2022	87,355
	<u>\$ 262,065</u>

The Commission is responsible for paying their employees of five or more years of service severance and sick pay upon retirement or termination of employment (see note 7). The accruals for those employees have been set up as a payable in the financial statements. For employees that have been employed by the Commission for less than five years, severance and sick pay is not required to be paid out unless the employee was laid off or terminated without just cause. The Commission is not aware of any future layoffs or termination of employment; therefore, the amount of any liability is not determinable at this time.

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2019

10. Transfer payments

	2019	2018
Travel Assistance Program	\$ 324,533	\$ 312,292
Community Lottery Program	410,000	410,000
Project Fund		
Regular intake	458,061	521,752
Regular intake - large	-	-
Three year plan	249,800	-
Opportunity	19,763	-
Strategic Partnerships	309,358	-
PMOU Strategic Initiative	63,010	-
Special Funding - 2020 Arctic Winter Games	200,000	-
Recreation Awareness Campaign	48,256	-
Unclaimed Funds	(221,539)	(88,522)
Yukon Government - YRAC/YAAC (note 11)	1,172,135	954,679
	\$ 3,033,377	\$ 2,110,201

11. Provision, committed to Yukon Government

The Yukon Government, which has control over the Commission, is a related party. This provision is to provide a known level of funding to the Yukon Government Sport and Recreation Branch and Cultural Services Branch, to be accessed as required.

	2019	2018
Excess of revenue over expenditures before transfer payments	\$ 3,248,847	\$ 2,576,837
Less: Break-open net income (schedule 1)	(37,479)	(122,804)
	3,211,368	2,454,033
Change in contingencies reserve (prior year less current year)	(126,801)	58,281
Total revenue available for distribution	\$ 3,084,567	\$ 2,512,314
	2019	2018
Total revenue available for distribution (from above)	\$ 3,084,567	\$ 2,512,314
Less: Available for Yukon Lottery Commission (62%)	(1,912,432)	(1,557,635)
Total available for Yukon Government (38%)	\$ 1,172,135	\$ 954,679
	2019	2018
Sport and Recreation Branch (62%)	\$ 726,724	\$ 591,901
Cultural Services Branch (38%)	445,411	362,778
Total transfer payments to Yukon Government	\$ 1,172,135	\$ 954,679

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2019

11. Provision, committed to Yukon Government (continued)

	2019	2018
Provision, opening	\$ 1,353,593	\$ 1,304,174
Additions	1,172,135	954,679
Paid during the year	(300,000)	(905,260)
Provision, closing	\$ 2,225,728	\$ 1,353,593

12. Capital management

The Commission considers its surplus to represent the Commission's capital. The Commission manages its capital in such a manner that there is sufficient working capital available to ensure the Commission is able to continue its operations without suffering cash shortfalls, and has sufficient funds to provide transfer payments to eligible recipients and funding to Yukon Government for sport, recreation and arts. The Commission does not have any externally imposed capital requirements. The Commission has restricted retained earnings (Schedule 2) for certain specified expenditures.

The Commission has internally restricted surplus earnings of \$5,083,292 (2018 - \$2,228,755) to provide for contingencies, to maintain funding levels for the Commission's funding programs, and for partnership strategic initiatives. These restricted amounts are not available for other purposes without approval of the Commission.

13. Related party transactions

During the year, Yukon Government provided employee services to the Commission of \$472,857 (2018 - \$528,324).

During the year, the Commission committed \$1,172,135 (2018 - \$954,679) and paid out \$300,000 (2018 - \$905,260) to Yukon Government.

14. Key management compensation

During the year, key management compensation totaled \$173,790 (2018 - \$180,560). Key management compensation include the General Manager's salaries and benefits and all board members' honoraria.

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2019

15. Financial risk management

(a) Fair value

The Commission's financial instruments include cash, funds held in trust, trade receivables, trade payables and accruals. The fair values approximate their carrying value due to the immediate or short-term maturity of these instruments.

(b) Credit risk

The Commission has credit risk in trade receivables from Western Canada Lottery Corporation in respect of commissions of \$553,384 (2018 - \$480,288), which is not impaired. Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss.

The maximum exposure to credit risk is the carrying value of its accounts receivable.

(c) Liquidity risk

Liquidity risk is the risk the Commission may not be able to meet its obligations associated with its financial liabilities. The Commission's accounts payable and accruals are all due within one year.

(d) Interest rate risk

The Commission is exposed to the interest rate risk on its funds held in trust. A change in the effective interest rate of 1/2% on its funds held in trust would result in an approximate impact on income of \$45,200 in 2019.

Yukon Lottery Commission**Schedule to the Financial Statements**

For the year ended March 31,

Schedule of Break-open Tickets**Schedule 1**

	2019	2018
Revenue	\$ 98,999	\$ 192,001
Expenditures		
Advertising and promotion	247	495
Amortization	433	465
Directors' honoraria travel and meetings	2,243	2,530
Miscellaneous	-	185
Office supplies	898	1,027
Postage and freight	11	61
Professional and consulting fees	3,730	4,632
Public relations	981	453
Rent	7,550	7,786
Repairs and maintenance	808	840
Retailer incentive	1,754	2,102
Telephone	868	924
Training	357	633
Travel	769	336
Wages and benefits	40,871	46,728
	61,520	69,197
Excess of revenues over administration expenses	\$ 37,479	\$ 122,804

Yukon Lottery Commission										Schedule 2	
Schedule of Capital Management of Surplus										2019	2018
For the year ended March 31,											
	Operating Surplus	Invested in Capital Assets	Working Capital	Contingencies	Project Fund	Community Lottery Program	Travel Assistance Program	PMOU Strategic Initiatives	Special Fund 2020 AWG	Total	Total
Balance, beginning of year	\$ 3,437,897	\$ 45,390	\$ 100,000	\$ 612,642	\$ 980,321	\$ -	\$ 2,581	\$ 533,211	\$ -	\$ 5,712,042	\$ 5,245,406
Excess of revenue over expenditures before transfer payments	3,211,367	-	-	-	-	-	-	37,479	-	3,248,846	2,576,837
Balance before transfer payments	6,649,264	45,390	100,000	612,642	980,321	-	2,581	570,690	-	8,960,888	7,822,243
Transfer payments	(1,630,103)	-	-	-	(1,037,182)	-	(324,621)	(63,010)	(200,000)	(3,254,916)	(2,198,723)
Unclaimed funds	(1,000)	-	-	-	143,737	14,826	63,976	-	-	221,539	88,522
Transfer payments (note 11)	(1,631,103)	-	-	-	(893,445)	14,826	(260,645)	(63,010)	(200,000)	(3,033,377)	(2,110,201)
Amortization	5,018,161	45,390	100,000	612,642	86,876	14,826	(258,064)	507,680	(200,000)	5,927,511	5,712,042
Investment in Capital Assets	5,009	(5,442)	-	-	-	-	-	433	-	-	-
Transfers to reserves	(8,881)	8,881	-	-	-	-	-	-	-	-	-
Transfers from reserves	(4,092,098)	-	-	-	3,619,679	-	272,419	-	200,000	-	-
	(126,801)	-	-	126,801	-	-	-	-	-	-	-
Balance, end of year	\$ 795,390	\$ 48,829	\$ 100,000	\$ 739,443	\$ 3,706,555	\$ 14,826	\$ 14,355	\$ 508,113	\$ -	\$ 5,927,511	\$ 5,712,042

On the back cover...

I'm Eli and **THIS IS MY RECREATION** – swimming!

In my pool at home. In the lake or when I take swimming lessons at the Canada Games Centre.

Swimming is fun and good exercise. It makes me feel healthy. I like seeing underwater when I have my goggles on.

I'm excited to have a pool party with my cousins soon.

Swimming in the Yukon – **THIS IS MY RECREATION.**

WHAT'S YOUR RECREATION?



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RECREATION?**