

Yukon Lottery Commission

Annual Report 2019-20



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Supporting arts, sport and recreation... one ticket at a time.

Yukon Music Camp Society was a recipient
of the Projects Fund in 2019-20.



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Yukon Lottery Commission Annual Report
for the year ended March 31, 2020.

From the cover...

We're Stian and Johannes and **THIS IS MY RECREATION** – orienteering.

Orienteering combines navigation with running or walking. Like a cross-country race where we pick our own route using a topographic map to find the course's check points.

Orienteering can be done at any age and fitness level. It can be enjoyed as a walk in the woods or as a competitive race.

Getting outside as a family, orienteering in the Yukon – **THIS IS MY RECREATION.**

WHAT'S YOUR :
RECREATION?
* * * *

Yukon Freestyle Ski Association was a recipient of the Projects Fund in 2019-20.



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 2019-20. This report highlights achievements as set out under the Yukon Lottery Commission's 2017-20 business plan and includes the Commission's fiscal year-end financial statements.

Operationally, in 2019-20, Lotteries Yukon continued to implement our 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, the Yukon Lottery Commission funded its first large project under Projects Fund. The Friends of Mount Sima Society were given funds to purchase a new groomer to enable the society to enhance its programming and to provide improved snow and ski conditions for recreational and amateur use at the Mt. Sima ski hill.

Although due to the COVID-19 pandemic the 2020 Arctic Winter Games did not take place, the Commission provided funding assistance for equipment needs, cultural programming and athlete services.

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 continued to implement its 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.

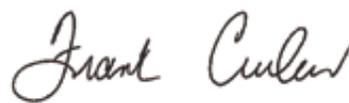
As the Yukon's agent for the sale of lottery tickets, a goal identified in the Yukon Lottery Commission's 2017-20 business plan is to be a leader of social responsibility in gambling. In 2019-20, the Commission continued to advance this goal by assessing available responsible gambling program options and creating a Responsible Gambling Policy.

Our plans for 2020-21 will focus on supporting our lottery retailer network and governance. We will work on strengthening retailer relations by improving retailer services and strengthening our retail policy. The Commission is also excited to announce that we will be launching a responsible gambling program as well as a new Lotteries Yukon website with modern functionality and a focus on user satisfaction. Lotteries Yukon will also continue building a more robust governance structure to support organizational stability and overall improvements to retail and funding programs.

On behalf of the Commission, I would like to thank Lotteries Yukon staff for their continued support and dedication.

We look forward to another successful year where we continue to strive for a robust interjurisdictional lottery and continue to support Yukoners' 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 \$3.2 million in the 2019-20 fiscal year in community-based initiatives related to arts, sport and recreation.

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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 services to lottery retailers, customers and funding programs to Yukon non-profit organizations to support arts, sport and recreation projects.

The sale of lottery tickets in Yukon would not be possible without the significant infrastructure and support provided by WCLC and the network of 35 retailers.

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.

Commission Members:

Front row, left to right: Bunne Palamar (Vice-Chair), Beverly James, Norma Davignon *Back row, left to right: Torrie Hunter, Warren Pearson, Frank Curlew (Chair), Trevor Ellis*



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.

Operations 2019-20

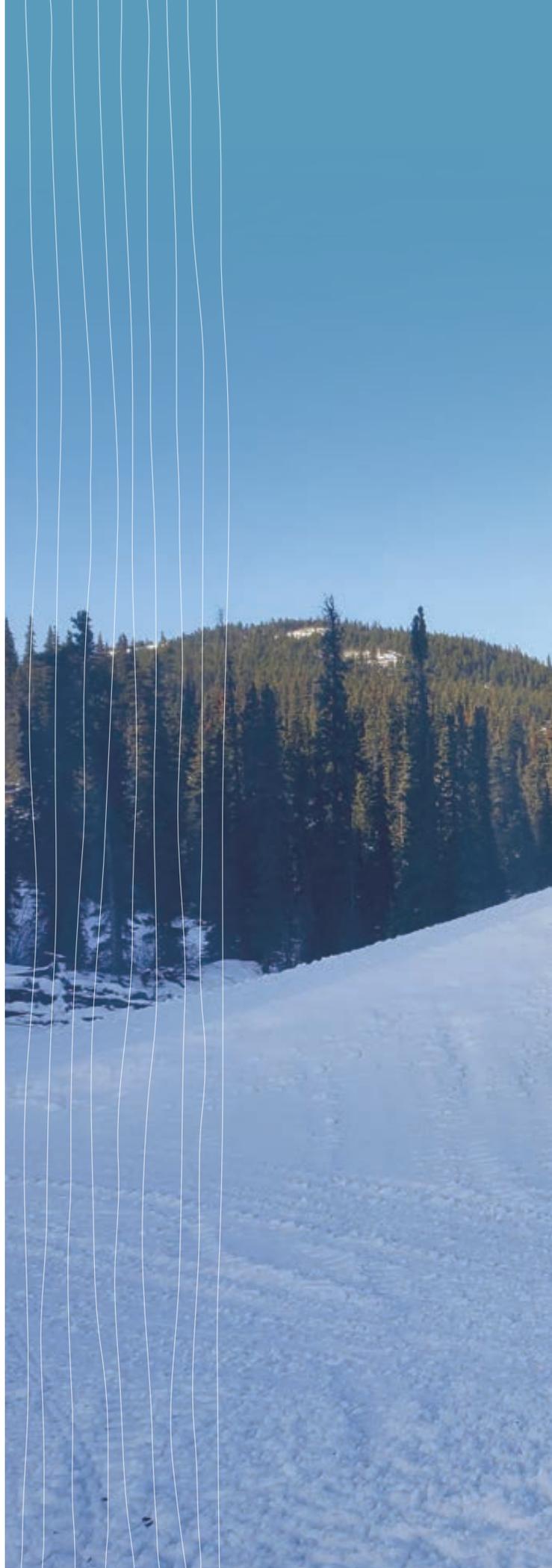
In the 2019-20 year, the Yukon Lottery Commission focused its energies on implementing and refining the new Funding Program Framework that was introduced in 2017-18. These programming streams provided new funding options for applicants to improve access to and participation in arts, sport and recreation in Yukon.

The Funding Program Framework also provides new opportunities to collaborate with partners that have demonstrated success in delivering arts, sport or recreation across the territory.

The Commission also funded its first large project under Projects Fund Regular Intake. The Friends of Mount Sima Society were funded to purchase a new groomer. This groomer enables the society to enhance its programming and to provide improved snow and ski conditions for recreational and amateur users at the Mt. Sima ski hill.

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 and Cultural Services Branch) through the Partnership Memorandum of Understanding (PMOU), as well as the Regional Economic Development Branch.

In order to position the Yukon Lottery Commission for success in operationalizing its goal to be a leader of social responsibility in gambling, as identified in its Business Plan (2017-20), Lotteries Yukon assessed various responsible gambling frameworks and is pursuing a responsible gambling program.



\$ 520,240

“Mt. Sima is an important sport and recreation asset to Yukon. The Yukon Lottery Commission is pleased to make the investment in this new groomer that will help the Friends of Mount Sima sustain and enhance its winter programming for Yukoners to enjoy.” *Yukon Lottery Commission Chair and CEO Frank Curlew*

**Friends of Mount Sima Society was a recipient
of the Projects Fund in 2019-20.**



\$ 1,066,988

Lottery revenue shared with Government of Yukon.

1,521

Number of participants approved for Travel Assistance Program funding in 2019-20.

48

Number of Yukon non-profit groups approved for \$ 1,214,765 in Projects funding in 2019-20.

\$ 2,157,525

Total amount Lotteries Yukon contributed to Yukon communities and non-profit organizations in 2019-20.

Dog Powered Sports Association of Yukon was a recipient of the Projects Fund in 2019-20.



Moving Ahead 2020-21

Priorities:

- ▶ 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;
- ▶ Continue to be more responsive to client needs by collaborating with internal partners through the Partnership Memorandum of Understanding; and
- ▶ Develop and implement a modern, mobile friendly Lotteries Yukon website with improved functionality focused on user satisfaction.

Sales

Yukon is a member of the WCLC, a non-profit organization authorized to manage, conduct and operate lottery and gaming-related activities in the prairie provinces and the territories. Through an agreement with WCLC, Lotteries Yukon distributes national and regional lottery products to Yukon retailers.

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

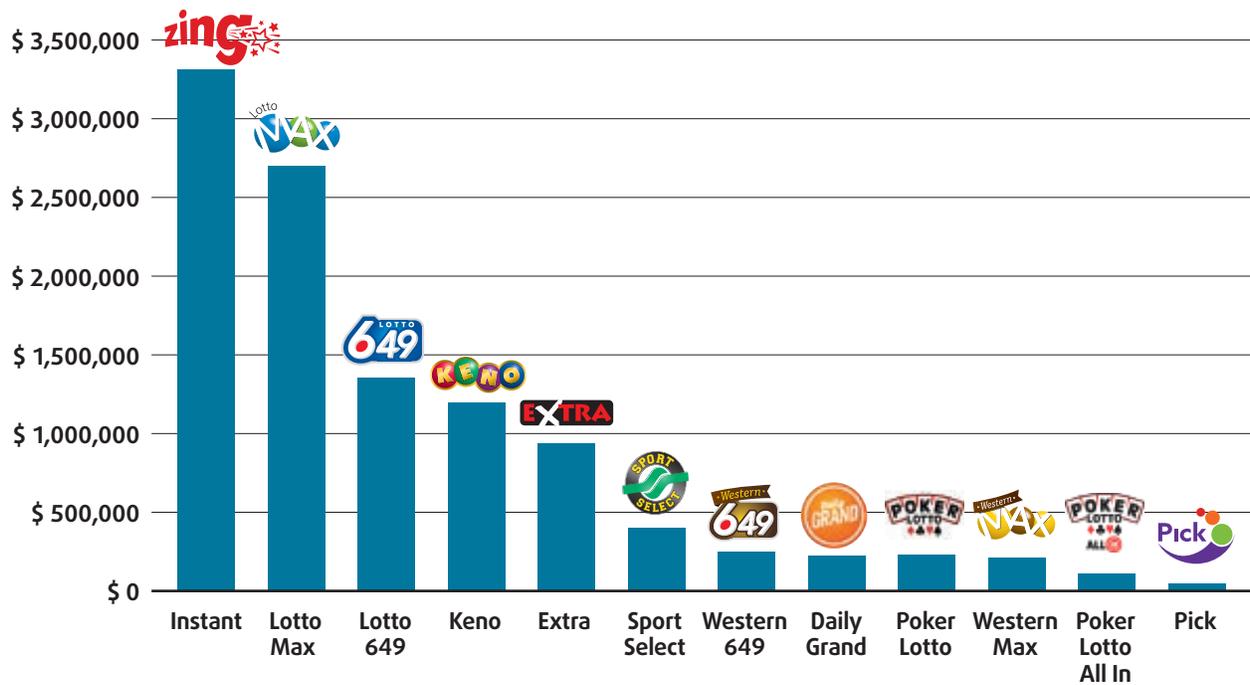
In the 2019-20 fiscal year, Yukon achieved sales of 10.9 million dollars. Overall, Yukon sales decreased by 2% (\$209,665) from 2018/19 sales of \$11.2 million. Lower consumer purchases in the Scratch 'N' Win category is the primary reason for the decrease in 2019-20 sales.



Retailers per Yukon Community

\$ 631,310
Commissions paid to Yukon retailers in 2019-20.

2019-20 Sales By Game



Yukon Sales By Game - Five Year Comparison

	2019-20	2018-19	2017-18	2016-17	2015-16
Instant	\$ 3,313,032	\$ 3,570,287	\$ 3,223,595	\$ 3,195,063	\$ 3,100,417
Lotto Max	2,702,083	2,683,168	1,894,120	2,372,067	2,727,071
Lotto 649	1,353,486	1,514,339	1,484,410	1,537,954	1,867,806
Keno	1,197,235	1,001,386	996,761	992,212	1,074,454
Extra	938,960	947,109	839,905	900,162	971,227
Sport Select	398,333	413,130	377,193	354,503	385,206
Western 649	248,602	264,239	281,376	302,916	334,644
Western Max	210,904	171,990	163,030	181,908	190,576
Daily Grand ¹	224,308	253,831	288,375	159,226	-
Pick	49,847	69,729	63,262	78,541	63,779
Poker Lotto ²	231,886	206,460	229,854	26,220	-
All In ³	108,954	91,627	11,043	-	-
Total Sales	\$ 10,977,630	\$ 11,187,295	\$ 9,852,924	\$ 10,100,772	\$ 10,715,180
Sales Comparison to Prior Year	(209,665)	1,334,371	(247,848)	(614,408)	1,559,360
Percentage Comparison	-2%	12%	-2%	-6%	17%
Number of Retailers*	34	34	34	34	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

Revenue Distribution

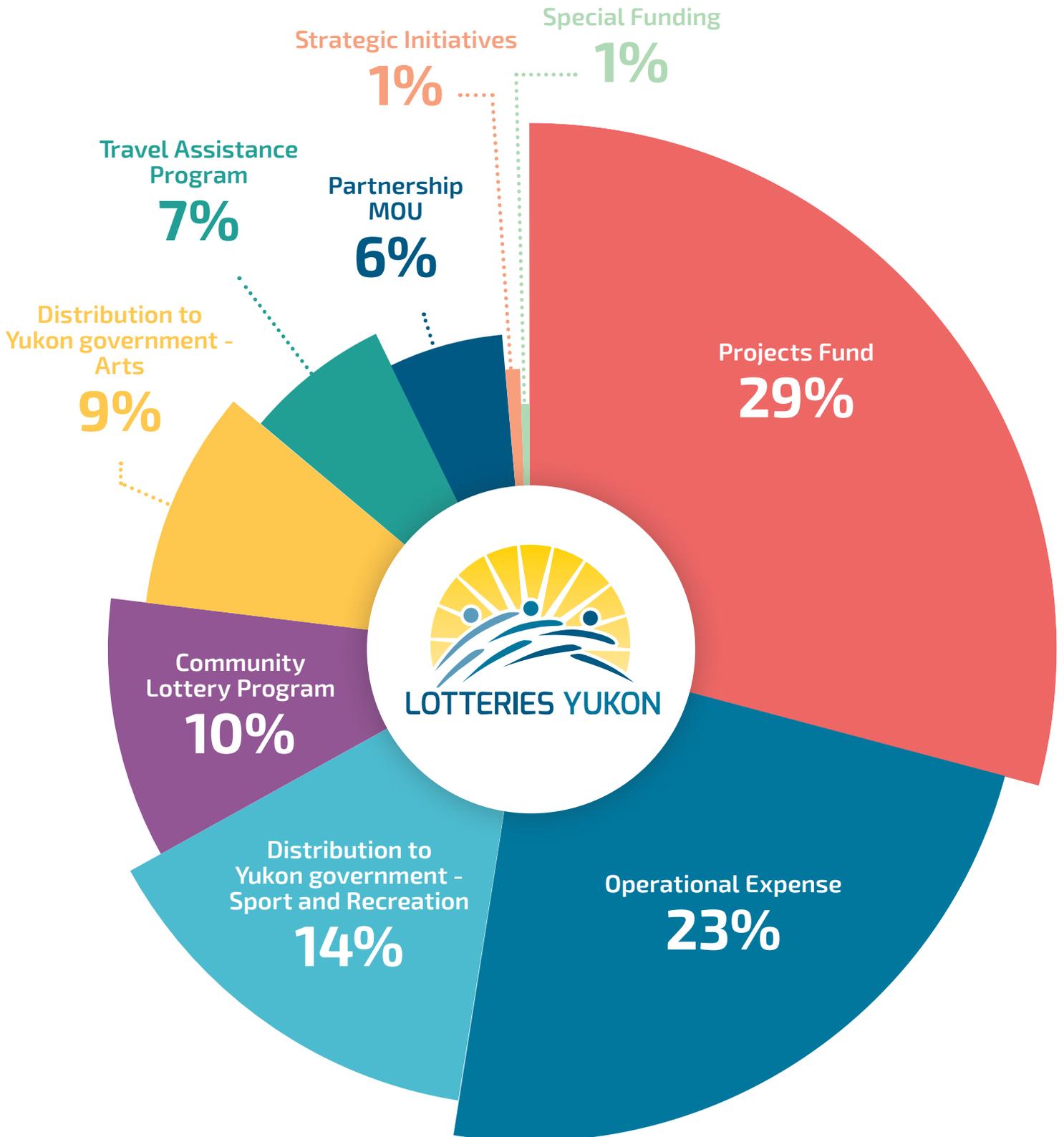
Lottery ticket revenue is distributed through three Yukon Lottery Commission funding programs – the Projects Fund, the Travel Assistance Program and the Community Lottery Program. The Yukon Lottery Commission, through a Partnership Memorandum of Understanding, also shares revenue with the Government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

\$ 25,000

**Special Funding for Aboriginal People's
Television Network (APTN) for National
Indigenous Day**

**Yukon First Nations
Culture and Tourism Association
was a recipient of the
Projects Fund in 2019-20.**

2019-20 Revenue Distribution



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

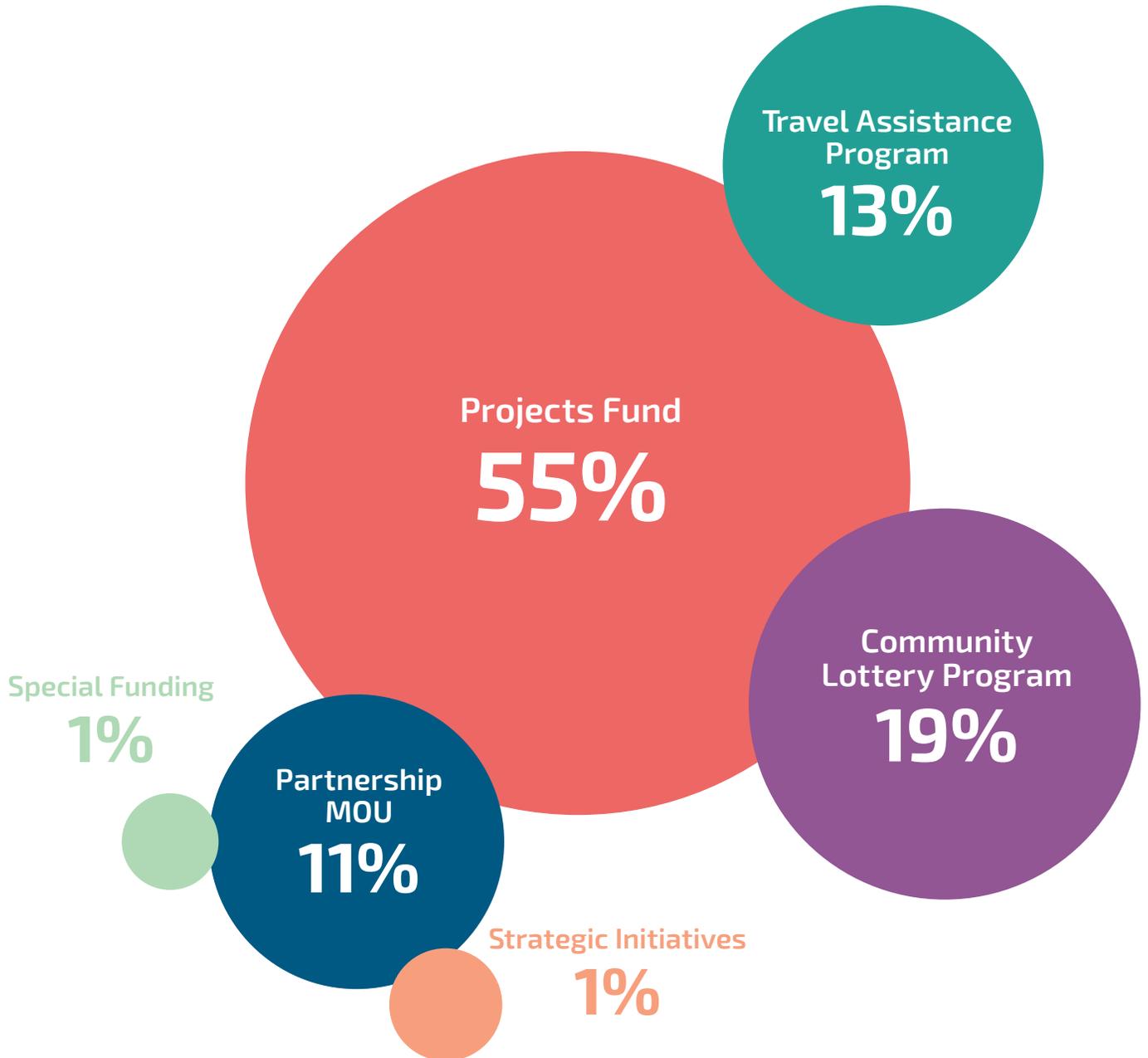
These funding programs are intended to:

- ▶ 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 Sourdough Rendezvous Society was a recipient of the Projects Fund in 2019-20.



2019-20 Percentage of Funding by Program



19

Number of Yukon communities allocated \$ 410,000 in Community Lottery Program funding in 2019-20.

33

Non profit groups approved for \$ 274,960 in Travel Assistance Program funding in 2019-20.

2019-20 Partnership Funding Programs

Projects Fund: Strategic Partnerships Sport Yukon	
Total Projects Fund: Strategic Partnerships	\$ 34,070
Special Funding Aboriginal Peoples Television Network	
Total Special Funding	\$ 25,000
Partnership MOU, Strategic Initiatives 2020 Arctic Winter Games Host Society	
Total Partnership MOU, Strategic Initiatives	\$ 232,800
Total Partnership Funding Programs	\$291,870

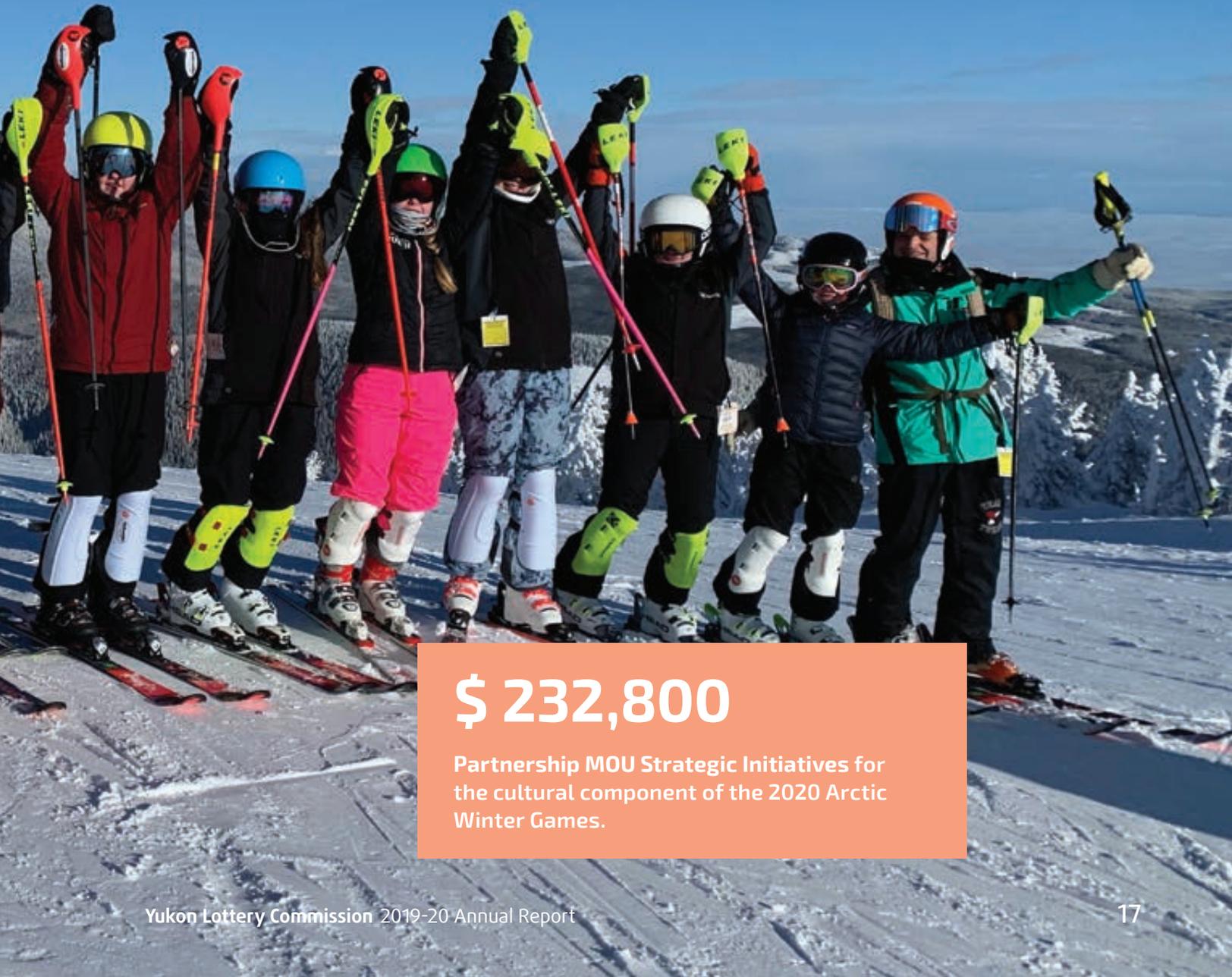
Alpine Ski Association of Yukon
was a recipient of the
Travel Assistance Program in 2019-20.



2019-20 Government of Yukon Revenue Sharing

Cultural Services Branch Yukon Arts Advisory Committee (YAAC)	
Total Cultural Services Branch	\$ 405,455
Sport & Recreation Branch Yukon Sport & Recreation Advisory Committee (YRAC)	
Total Sport & Recreation Branch	\$ 661,533
Total Funds Available to Government of Yukon	\$ 1,066,988

Total Funding Approved	\$ 3,224,513
Unclaimed Contributions	\$ 89,736
Total Contributions 2019-20	\$ 3,134,777



\$ 232,800

Partnership MOU Strategic Initiatives for the cultural component of the 2020 Arctic Winter Games.



Whitehorse Women's Hockey Association was a recipient of the Travel Assistance Program in 2019-20.

Projects Fund

\$1,214,765

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

Travel Assistance Program

\$274,960

- ▶ 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.

Community Lottery Program

\$410,000

- ▶ 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.

2019-20 Approved Funding*

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	18,193
			\$ 28,011
Carcross	Carcross Recreation Board	CLP	\$ 15,968
Carmacks	Tantalus School	TAP	4,509
	Village of Carmacks	CLP	15,968
			\$ 20,477
Dawson City	City of Dawson	CLP	32,368
	Dawson City Arts Society	PF	44,345
	Friends of the Palace Grand Society	PF	6,225
	Klondike Active Transport and Trails Society	PF	9,622
	North Klondyke Highway Music Society	PF	3,500
	Robert Service School	TAP	2,300
	(S)hiver Arts Society	PF	4,390
			\$ 102,750
Faro	Town of Faro	CLP	\$ 11,868
Haines Junction	Augusto! Children's Festival Society	PF	5,169
	St. Elias Community School	TAP	1,600
	Village of Haines Junction	CLP	20,068
			\$ 26,837
Keno	Keno Community Club	CLP	\$ 5,718
Lorne Mountain	Lorne Mountain Community Association	CLP	\$ 11,868
Marsh Lake	Marsh Lake Community Society	CLP	15,968
	Marsh Lake Community Society	PF	2,496
			\$ 18,464
Mayo	Village of Mayo	CLP	\$ 15,968
Old Crow	Vuntut Gwitchin First Nation	CLP	\$ 11,868
Pelly Crossing	Selkirk First Nation	CLP	\$ 11,868
Ross River	Ross River Recreation Society	CLP	\$ 11,868
	Ross River Sportsmen's Association	PF	33,900
			\$ 45,768
Tagish	Tagish Community Association	CLP	\$ 11,868
Teslin	Village of Teslin	CLP	\$ 15,968
Upper Liard	Liard First Nation	CLP	\$ 9,818
Watson Lake	Town of Watson Lake	CLP	24,168
	Watson Lake Daycare	PF	2,500
			\$ 26,668

Community	Organization	Program	Amount
Whitehorse	All City Band Concert Society	TAP	13,200
	Arctic Edge Skating Club	TAP	3,200
	City of Whitehorse	CLP	147,176
	Dog Powered Sports Association of Yukon	PF	8,983
	FH Collins Secondary School	TAP	7,487
	Freedom Trails Therapeutic Riding Association	PF	900
	Friends of Mount Sima Society	PF	520,240
	Golden Age Society	PF	3,300
	Midnight Sun Pipe Band	PF	2,500
	Mountain View Golf Club	PF	26,775
	Porter Creek Secondary School	TAP	4,687
	Vanier Catholic Secondary School	TAP	8,687
	Whitehorse Archery Club	PF	2,500
	Whitehorse Glacier Bears Swim Club	PF	2,500
	Whitehorse Minor Soccer	PF	2,500
	Wolf Creek Community Association	PF	2,500
	Yukon Comic Culture Society	PF	7,675
Yukon Theatre for Young People Society	PF	20,000	
			\$ 748,810
Yukon	Alpine Ski Association of Yukon	TAP	8,000
	Athletics Yukon	TAP	16,000
	Basketball Yukon	TAP	18,934
	Biathlon Yukon	PF	1,575
	Biathlon Yukon	TAP	3,200
	Blue Feather Music Society	PF	25,000
	Climb Yukon Association	TAP	3,400
	Cross Country Yukon	PF	10,076
	Cross Country Yukon	TAP	5,600
	Cycling Association of Yukon	TAP	5,800
	ElderActive Recreation	TAP	3,000
	Fetal Alcohol Syndrome Society of Yukon	PF	5,075
	Flatwater Paddling Yukon	PF	15,385
	Flatwater Paddling Yukon	TAP	3,000
	Guild Society	PF	17,000
	Gwaandak Theatre Society	PF	19,000
	Heart of Riverdale Community Centre Society	PF	16,000
	Heart of Riverdale Community Centre Society	TAP	5,000
	Jazz Yukon	PF	18,218
	Judo Yukon	TAP	5,155
Kluane Chilkat International Bike Relay	PF	1,301	
Learning Disabilities Association of Yukon	PF	10,000	
Longest Night Society	PF	12,000	

* 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	
Yukon cont'd	Music Yukon	PF	26,000	
	Nakai Theatre	PF	17,000	
	Snowboard Yukon	PF	14,550	
	Snowboard Yukon	TAP	1,000	
	Sport Yukon	PF	34,070	
	Softball Yukon	TAP	46,122	
	Swim Yukon	TAP	11,200	
	Synchro Yukon	TAP	3,000	
	Table Tennis Yukon	TAP	1,000	
	Volleyball Yukon	TAP	33,600	
	Yukon Aboriginal Sport Circle	TAP	1,800	
	Yukon Amateur Hockey Association	TAP	13,400	
	Yukon Amateur Speed Skating Association	TAP	2,800	
	Yukon Art Society	PF	8,682	
	Yukon Bluegrass Music Society	PF	20,000	
	Yukon Canoe and Kayak Club	TAP	400	
	Yukon Curling Association	TAP	5,400	
	Yukon Film Society	PF	18,500	
	Yukon First Nations Culture and Tourism Association	PF	25,000	
	Yukon Freestyle Ski Association	PF	18,785	
	Yukon Golf Association	TAP	200	
	Yukon Gymnastics Association	TAP	4,400	
	Yukon Historical and Museum Association	PF	91,581	
	Yukon Music Camp Society	PF	14,800	
	Yukon Pickleball Association	PF	2,454	
	Yukon Quest International Association	PF	15,000	
	Yukon Soccer Association	TAP	27,879	
	Yukon Sourdough Rendezvous Society	PF	27,000	
				\$ 679,272

PF	Projects Fund
TAP	Travel Assistance Program
CLP	Community Lottery Program

Revenue Sharing

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

Arts

\$ 405,455

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

\$ 661,553

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, officials and Sport Yukon.

All City Band Concert Society was a recipient of the Travel Assistance Program in 2019-20.



Yukon Lottery Commission Revenue Sharing Model

Minus operating, maintenance, and capital expenses
for Yukon Lottery Commission / Lotteries Yukon

62%

38%



38%

62%

Faro Arts and Recreation Association
was a recipient of the Projects Fund
in 2019-20.



\$ 6,094,242

Lottery winnings distributed to Yukoners in 2019-20.

\$ 34,070

Projects Fund: Strategic Partnership with Sport Yukon for Arctic Winter Games equipment.

A man wearing a green baseball cap and a green vest over a dark blue t-shirt is focused on a craft project. He is seated at a table covered with a white mesh mat. In front of him is a black tray filled with small, dark, round objects. To his left is a white tray containing bright orange beads. He is using a small tool to work on a piece of material. The background is a blurred indoor setting with wooden paneling.

Yukon Comic Culture Society was a recipient of the Projects Fund in 2019-20.

Yukon Lottery Commission

Financial Statements

March 31, 2020

Yukon Lottery Commission
Financial Statements

March 31, 2020

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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 31, 2020



Independent Auditors' Report

To the Members of Yukon Lottery Commission

Opinion

We have audited the financial statements of Yukon Lottery Commission, which comprise the statement of financial position as at March 31, 2020, 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, 2020, 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.

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:

Independent Auditors' Report

- 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 31, 2020



Chartered Professional Accountants

Yukon Lottery Commission

Statement of Comprehensive Income

For the year ended March 31	2020	2019
Revenues		
Commissions - Western Canada Lottery Corporation	\$ 3,424,091	\$ 3,687,651
Interest	136,563	164,403
Break-open Tickets (schedule 1)	115,048	98,999
Terminals	9,370	9,565
	<hr/>	<hr/>
	3,685,072	3,960,618
Administration expenditures		
Advertising and promotion	5,035	2,616
Amortization	5,641	4,576
Break-open Tickets (schedule 1)	71,826	61,520
Office	10,215	9,494
Postage and courier	187	112
Professional fees	48,190	39,427
Public relations	28,072	10,368
Lease (note 7)	82,923	79,804
Repairs and maintenance	12,073	8,541
Telephone and utilities	7,157	9,178
Travel	5,271	11,901
Wages and benefits	578,853	431,986
	<hr/>	<hr/>
	855,443	669,523
	<hr/>	<hr/>
	2,829,629	3,291,095
Commission meeting and program expenditures		
Directors' honoraria, travel and meetings	19,503	23,710
Retailer incentive	11,791	18,539
	<hr/>	<hr/>
	31,294	42,249
Excess of revenues over expenditures before transfer payments	<hr/>	<hr/>
	2,798,335	3,248,846
Transfer payments (note 11)	<hr/>	<hr/>
	3,266,253	3,033,377
Excess (deficiency) of revenues over expenditures being comprehensive income	<hr/>	<hr/>
	\$ (467,918)	\$ 215,469

See accompanying notes

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Yukon Lottery Commission

Statement of Changes in Equity

For the year ended March 31,	2020	2019
Surplus, beginning of year	\$ 5,927,511	\$ 5,712,042
Excess (deficiency) of revenues over expenditures being comprehensive income	(467,918)	215,469
Surplus, end of year	\$ 5,459,593	\$ 5,927,511

See accompanying notes

7

Yukon Lottery Commission

Statement of Financial Position

March 31, 2020 2019

Assets

Current

Cash	\$ 197	\$ 257
Funds held in trust (note 4)	8,144,590	9,047,655
Trade receivables (note 5)	329,125	553,384
Inventory	6,905	5,320
Prepaid expenses	7,305	7,305

8,488,122

9,613,921

Property and equipment (note 6)

55,624

49,251

Leased office asset (note 7)

165,621

-

\$ 8,709,367

\$ 9,663,172

Liabilities

Current

Trade payables and accruals (note 8)	\$ 284,083	\$ 621,341
Provision, committed to Yukon Government (note 12)	2,126,666	2,225,728
Provision, committed transfer payments (note 9)	670,527	888,592
Current portion of lease obligation	82,777	-

3,164,053

3,735,661

Lease obligation (note 7)

85,721

-

3,249,774

3,735,661

Equity

Surplus (Schedule 2) (note 13)

5,459,593

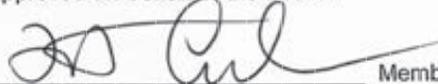
5,927,511

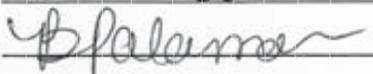
\$ 8,709,367

\$ 9,663,172

Commitments and contingencies (note 10)

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	2020	2019
Cash provided by (used for)		
Operating activities		
Excess (deficiency) of revenues over expenditures	\$ (467,918)	\$ 215,469
Items not affecting cash		
Amortization	6,138	5,009
Interest income	(136,563)	(164,403)
Lease expense	90,231	-
	(508,112)	56,075
Change in non-cash working capital items		
Trade receivables	224,259	(73,096)
Inventory	(1,585)	1,224
Prepaid expenses	-	4,413
Trade payables and accruals	(337,258)	387,954
Provision, committed to Yukon Government	(99,062)	872,135
Provision, committed transfer payments	(218,065)	368,535
	(939,823)	1,617,240
Financing activity		
Lease payments	(87,355)	-
Investing activities		
Purchase of property and equipment	(12,510)	(8,881)
Interest income	136,563	164,403
	124,053	155,522
Increase (decrease) in cash	(903,125)	1,772,762
Cash, beginning of year	9,047,912	7,275,150
Cash, end of year	\$ 8,144,787	\$ 9,047,912
Cash consists of:		
Cash	\$ 197	\$ 257
Funds held in trust	8,144,590	9,047,655
	\$ 8,144,787	\$ 9,047,912

See accompanying notes

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Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2020

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 31, 2020.

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

The following new and amended standards were adopted by the Commission using a modified retrospective approach with initial application on April 1, 2019 and as such the comparative amounts have not been adjusted.

(a) 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.

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.

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:

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Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2020

3. Significant accounting policies (continued)

- 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 fixtures	20% Declining balance
Leasehold improvements	6 years Straight-line
Machinery and equipment	30% Declining balance
Tools and dies	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, 2020

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, current portion of lease obligation and lease obligation.

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

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
-

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2020

3. Significant accounting policies (continued)

- ii) contractual cash flows and selling financial assets, and 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 Commission 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, 2020

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 Commission 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 Commission 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, 2020

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 and break-open ticket revenues are recognized when the lottery tickets are sold by Western Canada Lottery Corporation. Terminal revenue is recognized as the administrative service is provided on a weekly basis. 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.

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2020

3. Significant accounting policies (continued)

(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.

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

IFRS 17 - Insurance Contracts

IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023.

The Commission does not hold any insurance liabilities and does not anticipate the application of these amendments to have a material impact on the financial statements.

(l) Leases

As a lessee:

The Commission recognizes a right-of-use asset and lease liability at the commencement of an agreement where there is a right to control the use of an asset for a period of time. The date which a lessor makes the asset available for use by a lessee is the commencement date.

Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability. After the commencement date the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability. Depreciation is measured straight-line over the lower of the estimated remaining useful life of the asset and the end of the lease term. If ownership of the asset transfers by the end of the lease term or the price reflects that the Commission will exercise a purchase option, then the right-of-use asset is depreciated over the remaining useful life of the asset.

The lease liability is initially measured at the present value of the lease payments that are not yet paid, discounted at the Commission's incremental rate of borrowing or the rate implicit in the lease agreement. The lease payments exclude variable components which are dependent on external factors. Variable lease payments which are not included in the initial measurement of lease liability are recognized directly in profit and loss.

Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments and re-measuring the carrying amount to reflect any reassessment or lease modifications.

The Commission has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Commission, instead, recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2020

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.

6. Property and equipment

	2020				
	Furniture and fixtures	Leasehold improvements	Computer equipment	Artwork	
Cost					
Opening	\$ 107,721	\$ 76,391	\$ 59,893	\$ 26,275	\$ 270,280
Additions	10,250	-	2,771	-	13,021
Closing	117,971	76,391	62,664	26,275	283,301
Accumulated amortization					
Opening	87,376	76,391	57,262	-	221,029
Provision	5,606	-	1,041	-	6,647
Closing	92,982	76,391	58,303	-	227,676
Net book value	\$ 24,989	\$ -	\$ 4,361	\$ 26,275	\$ 55,625

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2020

6. Property and equipment (continued)

	2019				
	Furniture and fixtures	Leasehold improvements	Computer equipment	Artwork	
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

7. Leased office asset

The Commission leases office space. The lease term is for three years beginning April 1, 2019 and ending March 31, 2022.

	Cost	Accumulated amortization	Net book value
Right-of-use asset - leased office asset	\$ 248,431	\$ 82,810	\$ 165,621

Maturity analysis - undiscounted lease liabilities

Less than one year	\$ 87,355
One to five years	87,355
More than five years	-
Total undiscounted lease liabilities	\$ 174,710

Lease liabilities

Total lease liabilities	\$ 168,497
Less current portion	(82,777)
Non-current portion	\$ 85,720

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2020

7. Leased office asset (continued)

Amounts recognized in net income	
Depreciation expense on right-of-use asset - leased office asset	\$ 82,810
Interest expense on lease liabilities	7,421
	<hr/>
	\$ 90,231

8. Trade payables and accruals

Included in trade payables and accruals are the following:

	2020	2019
Trade payables and accruals	\$ 22,041	\$ 367,813
Due to Yukon Government, a related party, for wages payable	69,571	44,647
Accrued employee termination benefits	192,471	208,881
	<hr/>	<hr/>
	\$ 284,083	\$ 621,341

9. Provision, committed transfer payments

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

	2020	2019
Provision, opening	\$ 888,592	\$ 520,057
Additions	2,287,254	2,072,395
Paid during the year	(2,417,330)	(1,492,707)
Unclaimed	(87,989)	(211,153)
	<hr/>	<hr/>
	\$ 670,527	\$ 888,592

10. Commitments and contingencies

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 8). 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, 2020

11. Transfer payments

	2020	2019
Travel Assistance Program	\$ 274,960	\$ 324,533
Community Lottery Program	410,000	410,000
Project Fund		
Regular intake	919,869	458,061
Three year plan	237,100	249,800
Opportunity	23,726	19,763
Strategic partnerships	34,070	309,358
PMOU Strategic Initiative	232,800	63,010
Special Funding - 2020 Arctic Winter Games	-	200,000
Special Funding - APTN	25,000	-
Recreation Awareness Campaign	136,761	48,256
Unclaimed Funds	(95,022)	(221,539)
Yukon Government - YRAC/YAAC (note 11)	1,066,988	1,172,135
	\$ 3,266,252	\$ 3,033,377

12. 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.

	2020	2019
Excess of revenue over expenditures before transfer payments	\$ 2,798,334	\$ 3,248,847
Less: Break-open net income (schedule 1)	(43,222)	(37,479)
	2,755,112	3,211,368
Change in contingencies reserve (prior year less current year)	52,751	(126,801)
Total revenue available for distribution	\$ 2,807,863	\$ 3,084,567
	2020	2019
Total revenue available for distribution (from above)	\$ 2,807,863	\$ 3,084,567
Less: Available for Yukon Lottery Commission (62%)	(1,740,875)	(1,912,432)
Total available for Yukon Government (38%)	\$ 1,066,988	\$ 1,172,135
	2020	2019
Sport and Recreation Branch (62%)	\$ 661,533	\$ 726,724
Cultural Services Branch (38%)	405,455	445,411
Total transfer payments to Yukon Government	\$ 1,066,988	\$ 1,172,135

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2020

12. Provision, committed to Yukon Government (continued)

	2020	2019
Provision, opening	\$ 2,225,728	\$ 1,353,593
Additions	1,066,988	1,172,135
Paid during the year	(1,166,050)	(300,000)
Provision, closing	\$ 2,126,666	\$ 2,225,728

13. 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 surplus (Schedule 2) for certain specified expenditures.

The Commission has internally restricted surplus earnings of \$3,721,994 (2019 - \$5,083,292) 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.

14. Related party transactions

During the year, Yukon Government provided employee services to the Commission of \$626,873 (2019 - \$472,857).

During the year, the Commission committed \$1,066,988 (2019 - \$1,172,135) and paid out \$1,165,050 (2019 - \$300,000) to Yukon Government.

15. Key management compensation

During the year, key management compensation totaled \$169,115 (2019 - \$173,790). Key management compensation include the General Manager's salary and benefits and all board members' honoraria.

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2020

16. 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 \$329,125 (2019 - \$553,384), 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 \$40,722 in 2020.

17. COVID-19

As a result of the COVID-19 global pandemic, the Government of Yukon has enacted emergency measures to combat the spread of the corona virus. The measures which include but are not limited to, a travel ban, self-imposed isolation and physical distancing. The Commission is still operating; however, given that the duration of the measures is unknown the financial impact to the Commission is also unknown and cannot be reasonably estimated.

Yukon Lottery Commission

Schedule to the Financial Statements

For the year ended March 31

Schedule of Break-open Tickets	Schedule 1	
	2020	2019
Revenue	\$ 115,048	\$ 98,999
Expenditures		
Advertising and promotion	445	247
Amortization	497	433
Directors' honoraria, travel and meetings	1,719	2,243
Office supplies	900	898
Postage and freight	16	11
Professional and consulting fees	4,247	3,730
Public relations	2,474	981
Rent	7,309	7,550
Repairs and maintenance	1,064	808
Retailer incentive	1,039	1,754
Telephone	631	868
Training	197	357
Travel	268	769
Wages and benefits	51,020	40,871
	71,826	61,520
Excess of revenues over administration expenditures	\$ 43,222	\$ 37,479

Yukon Lottery Commission
Schedule of Capital Management of Surplus
Schedule 2

For the year ended March 31,	2020	2019
Balance, beginning of year	\$ 795,390	\$ 508,113
Excess of revenue over expenditures before transfer payments	2,754,880	43,455
Balance before transfer payments	3,550,270	551,568
Transfer payments	(1,673,221)	(232,800)
Unclaimed funds	20,112	67,154
Transfer payments (note 10)	(1,653,109)	(232,800)
Amortization	1,697,161	318,768
Investment in Capital Assets	6,150	497
Transfers to reserves	(13,442)	-
Transfers from reserves	(260,645)	260,645
Balance, end of year	\$ 1,681,975	\$ 319,265
	\$ 55,624	\$ 100,000
	\$ 686,692	\$ 2,538,624
	\$ 9,818	\$ 67,595
	\$ 2,538,624	\$ 5,459,593
	\$ 5,927,511	\$ 5,927,511



We're Kayce and William and this is **OUR RECREATION** – being part of afterschool youth clubs – at Teslin's Recreation Centre. Each week is different so we get to enjoy a variety of recreational activities with lots of opportunities to develop our friendships, learn new skills, be active and connect with positive role models from our community.

The youth programs at the centre support leadership development, our self-esteem and a sense of belonging. And, best of all, we have lots of fun with lots of laughter.

After school youth clubs at the Teslin Recreation Centre – this is **OUR RECREATION**.

**WHAT'S
YOUR
RECREATION?**



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