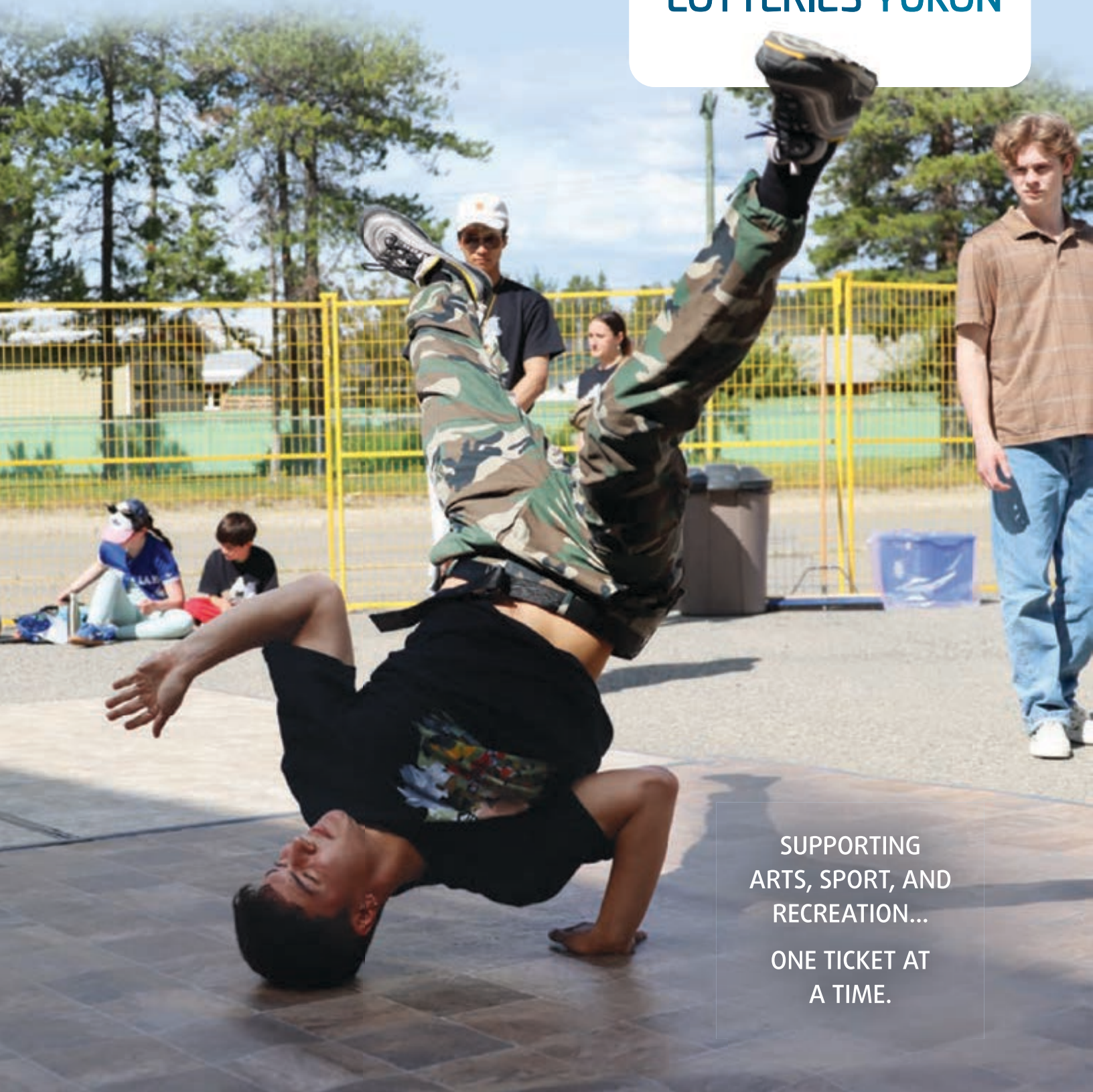


Yukon Lottery Commission

Annual Report 2020-21



SUPPORTING
ARTS, SPORT, AND
RECREATION...

ONE TICKET AT
A TIME.



Downtown Urban Gardeners' Society was a recipient of the **Projects Fund** for a garden bed replacement project.



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Yukon Lottery Commission Annual Report for the year ended March 31, 2021.

On the cover:

Heart of Riverdale Community Centre Society was a recipient of the **Projects Fund** for Cypherfest Festival.

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 2020-21. This report highlights achievements as set out under the Yukon Lottery Commission's business plan and includes the Commission's fiscal year-end financial statements.

Operationally, in 2020-21, Lotteries Yukon continued to implement our Funding Program Framework that provides Yukoners with an array of programming options to improve access to and participation in arts, sport and recreation in the Yukon.

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, the commission 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.

As the Yukon's agent for the sale of lottery tickets, a goal identified in the Yukon Lottery Commission's business plan is to be a leader of social responsibility in gambling. In 2020-21, the Commission continued to advance this goal by assessing available responsible gambling program options and moving towards implementation.

Our plans for 2021-22 continue to 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.

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

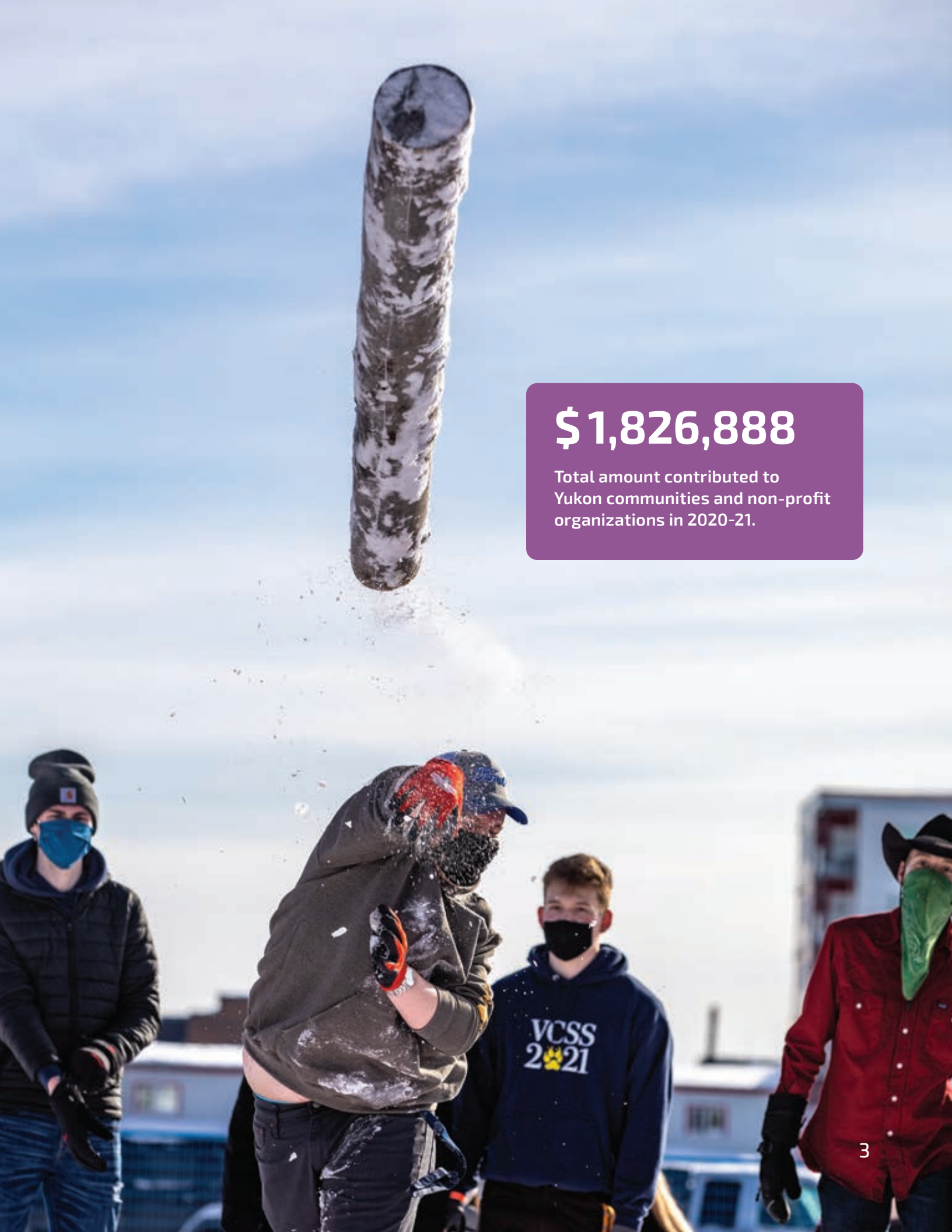
We look forward to another successful year where we continue to strive for a robust interjurisdictional lottery and continue to support Yukoners' living healthy, active and full lives being engaged in and having access to arts, sport and recreation.

Sincerely,



Frank Curlew
*Chair & Chief Executive Officer,
Yukon Lottery Commission*

Yukon Sourdough Rendezvous Society ►
was a recipient of the **Projects Fund**
for the Yukon Rendezvous 2021 festival.



\$1,826,888

Total amount contributed to Yukon communities and non-profit organizations in 2020-21.

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 the Yukon and reinvesting profits from the sale of lottery tickets into arts, sport and recreation in the 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 Government of Yukon'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 the Yukon.

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

Using profits derived from lottery revenue, the Commission invested approximately \$3.1 million in the 2020-21 fiscal year in community-based initiatives related to arts, sport and recreation.



GBP Creative

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*

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 the Yukon would not be possible without the significant infrastructure and support provided by WCLC and the Yukon's network of 35 retailers.

Lotteries Yukon, through a Partnership Memorandum of Understanding with Government of Yukon (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 the Yukon.



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 2020-21

In the 2020-21 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 the Yukon.

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

The Commission also funded \$ 330,000 to Sport Yukon for a new website rebuild. This new modern website will assist Sport Yukon in serving its membership and enhance opportunities for all Yukoners in their pursuit of excellence and in their enjoyment of participation.

The Commission continued to strive to be 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).

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, the Yukon Lottery Commission signed an agreement with British Columbia Lottery Corporation for authorization to use and implement their responsible gambling program called "GameSense".

Dog Powered Sports Association of Yukon was a recipient of the **Projects Fund** for the Yukon Journey dog-mushing race.





\$1,261,175

Lottery revenue shared with
Government of Yukon.



46

Number of Yukon non-profit groups approved for **\$ 883,840 in Projects funding** in 2020-21.

19

Number of Yukon communities allocated **\$ 610,448 in Community Lottery Program** funding in 2020-21.



Moving Ahead 2021-22

Priorities:

- ▶ Implement 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 of the retailer network through a focus on retailer relations and improvements to Lotteries Yukon retail services, equipment and policies;
- ▶ Roll-out of interactive play tables at Yukon retailers;
- ▶ 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.

◀ **Fetal Alcohol Syndrome Society of Yukon** was a recipient of the **Projects Fund** for the Out and About in Yukon winter project.

Sales

The Yukon is a member of the WCLC, a non-profit organization authorized to manage, conduct and operate lottery and gaming-related activities in Alberta, Saskatchewan, Manitoba, the Yukon, Northwest Territories and Nunavut.

Through a tri-party agreement between WCLC, Government of Yukon and the Yukon Lottery Commission, Lotteries Yukon distributes national and regional lottery products to Yukon retailers.

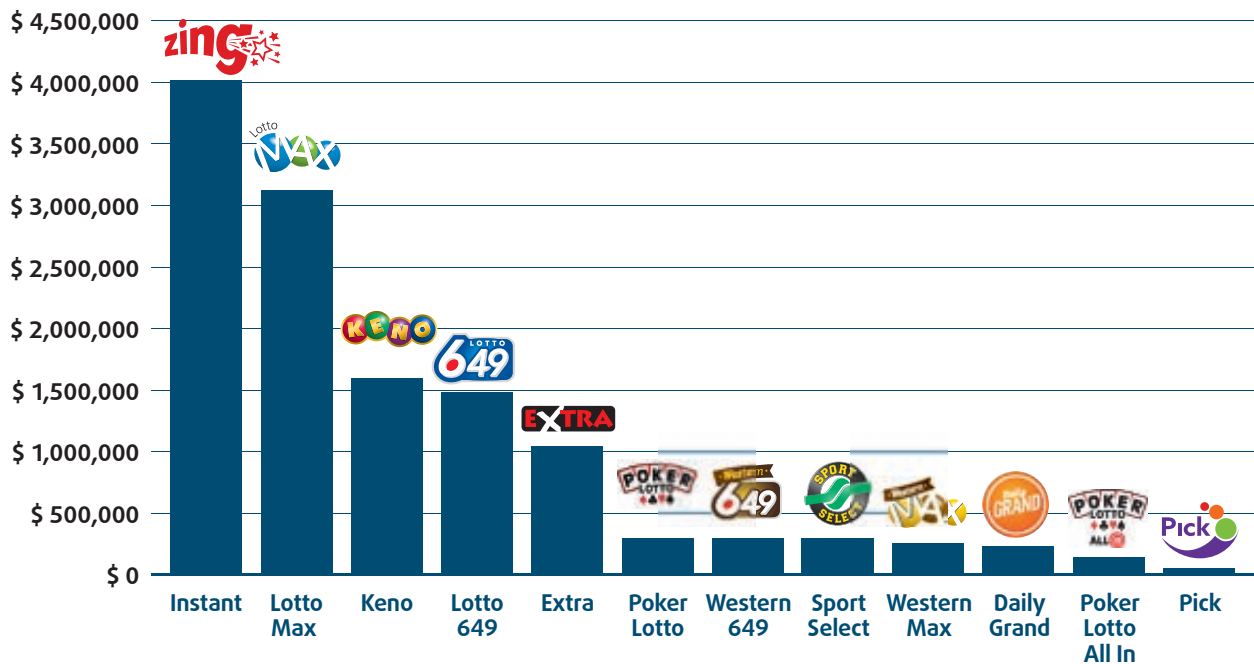
As the territory's sole distributor of lottery products, Lotteries Yukon is responsible for a network of 35 retailers in the Yukon; 20 retailers are located in the Whitehorse area and 15 retailers are in the communities.

In the 2020-21 fiscal year, the Yukon achieved sales of 12.8 million dollars. Overall, Yukon sales increased by 14.34% (\$1,837,122) from 2019-20 sales of \$10,977,630. The 2020-21 increase in sales revenue is primarily attributed to higher sales in the Zing (Instant) category and several substantial jackpots for on-line games.



\$ 725,589
Commissions paid to Yukon retailers in 2020-21.

2020-21 Sales By Game



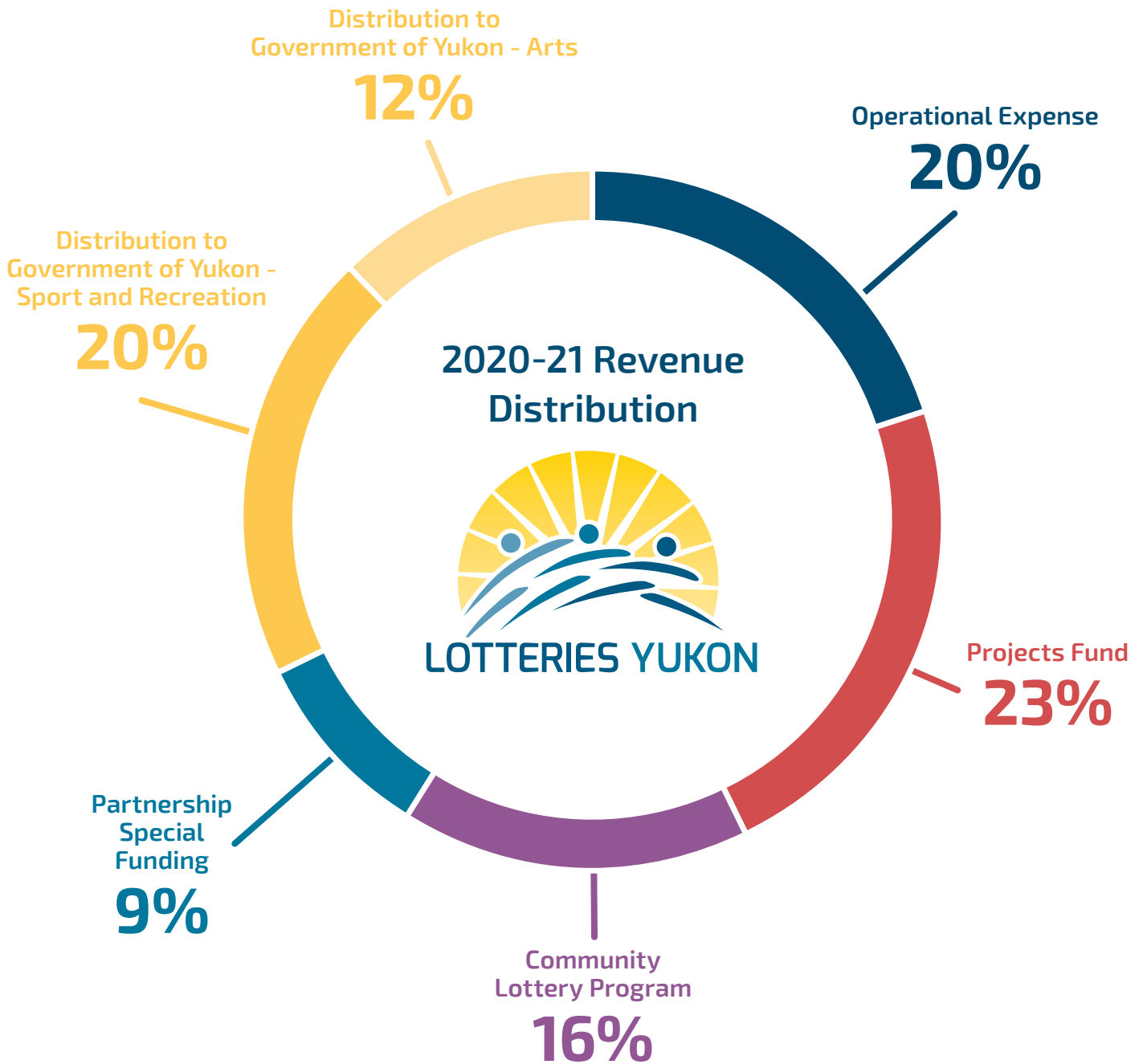
Yukon Sales By Game - Five Year Comparison

	2020-21	2019-20	2018-19	2017-18	2016-17
Instant	\$4,011,969	\$ 3,313,032	\$ 3,570,287	\$ 3,223,595	\$ 3,195,063
Lotto Max	\$3,120,215	2,702,083	2,683,168	1,894,120	2,372,067
Lotto 649	\$1,477,177	1,353,486	1,514,339	1,484,410	1,537,954
Keno	\$1,596,560	1,197,235	1,001,386	996,761	992,212
Extra	\$1,044,629	938,960	947,109	839,905	900,162
Sport Select	\$292,959	398,333	413,130	377,193	354,503
Western 649	\$296,682	248,602	264,239	281,376	302,916
Western Max	\$251,894	210,904	171,990	163,030	181,908
Daily Grand ¹	\$227,578	224,308	253,831	288,375	159,226
Pick	\$54,102	49,847	69,729	63,262	78,541
Poker Lotto ²	\$297,078	231,886	206,460	229,854	26,220
All In ³	\$143,909	108,954	91,627	11,043	-
Total Sales	\$12,814,752	\$ 10,977,630	\$ 11,187,295	\$ 9,852,924	\$10,100,772
Sales Comparison to Prior Year	1,837,122	(209,665)	1,334,371	(247,848)	(614,408)
Percentage Comparison	14%	-2%	12%	-2%	-6%
Number of Retailers*	35	34	34	34	34

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).



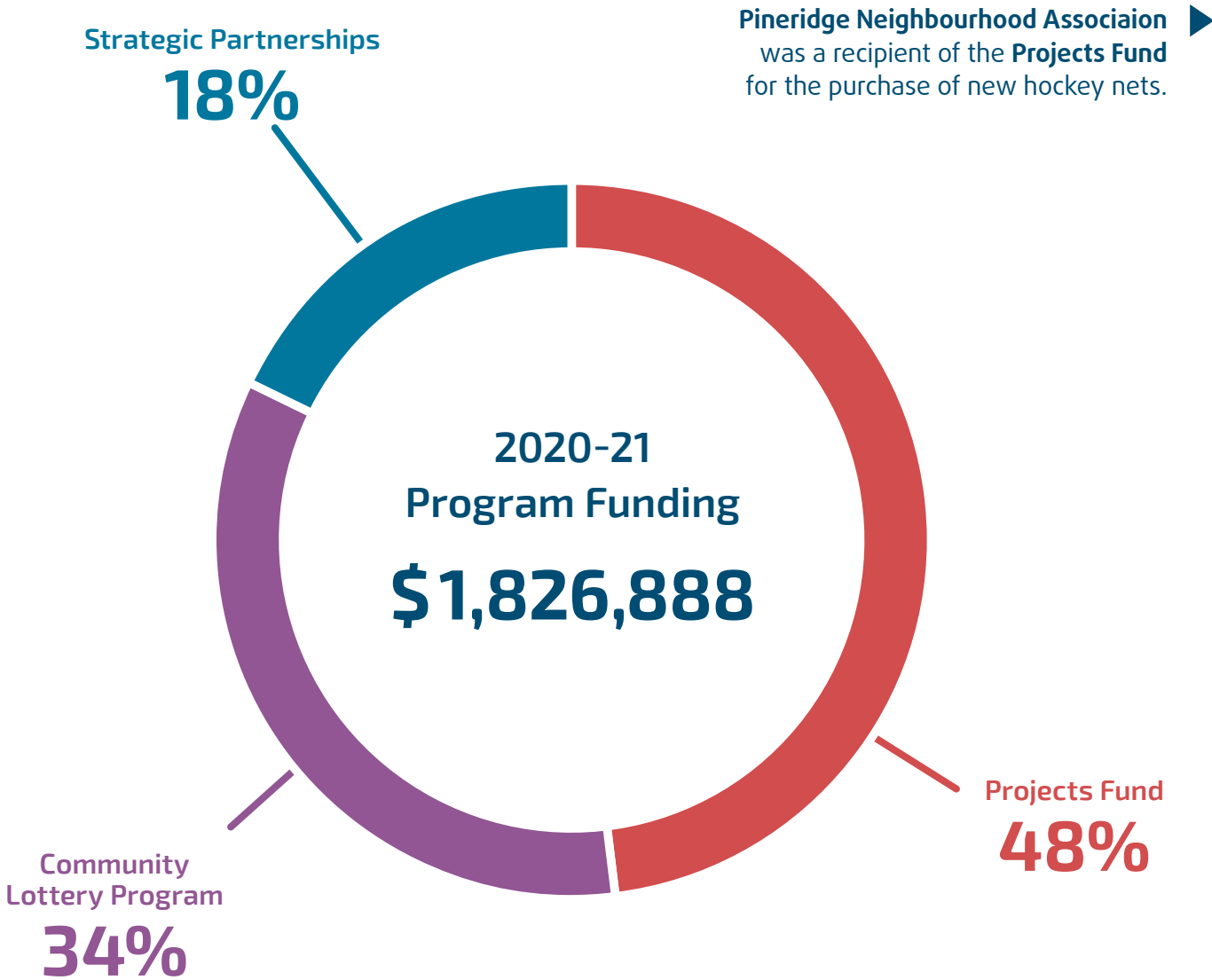
Yukon Freestyle Ski Association
was a recipient of the **Projects Fund**
for the 2019 Canada Cup.



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.





Projects Fund

\$883,840

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

Travel Assistance Program

\$2,600*

- ▶ 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.

** Due to COVID-19 travel restrictions, travel numbers were low for the year*

Community Lottery Program

\$610,448

- ▶ 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.

Strategic Partnerships

\$330,000

- ▶ Sport Yukon website rebuild project.



▲
Flatwater Paddling Yukon Society was a recipient of the **Projects Fund** to purchase a trailer.

Revenue Sharing

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

Arts

\$ 479,246

Lottery revenues to 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

\$ 781,929

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

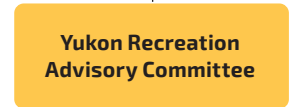
- ▶ Programs are administered by the department of Community Services (Sport and Recreation Branch).
- ▶ The Yukon Recreation Advisory Committee (YRAC) makes recommendations on funding applications to the Minister of Community Services.
- ▶ Lottery revenues contribute to funding programs for sport governing bodies, recreation groups, high performance athletes, officials and Sport Yukon.

Yukon Lottery Commission Revenue Sharing Model

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

62%

38%



38%

62%

Yukon Sourdough Rendezvous Society ▼
was a recipient of the **Projects Fund** for
the Yukon Rendezvous 2021 festival.



2020-21 Approved Funding*

Community	Organization	Program	Amount
Beaver Creek	Beaver Creek Community Club	CLP	\$ 10,998
Burwash Landing	Burwash Landing Recreation Committee	CLP	\$ 10,998
Carcross	Carcross Recreation Board	CLP	\$ 17,597
Carmacks	Village of Carmacks	CLP	\$ 17,597
Dawson City	City of Dawson	CLP	43,051
	Dawson City Music Festival	PF	16,165
	Dawson City Ski Association	PF	46,937
	North Klondyke Highway Music Society	PF	3,500
			\$ 109,653
Faro	Town of Faro	CLP	\$ 13,198
Haines Junction	Village of Haines Junction	CLP	\$ 21,997
Keno	Keno Community Club	CLP	\$ 6,599
Lorne Mountain	Lorne Mountain Community Association	CLP	\$ 13,198
Marsh Lake	Marsh Lake Community Society	CLP	\$ 17,597
Mayo	Village of Mayo	CLP	\$ 17,597
	Canadian Parks and Wilderness Society - YK Chapter	PF	12,000
			\$ 29,597
Old Crow	Vuntut Gwitchin First Nation	CLP	\$ 13,198
Pelly Crossing	Selkirk First Nation	CLP	\$ 13,198
Ross River	Ross River Recreation Society	CLP	\$ 13,198
Tagish	Tagish Community Association	CLP	\$ 13,198
Teslin	Village of Teslin	CLP	\$ 17,597
Upper Liard	Liard First Nation	CLP	\$ 10,998
Watson Lake	Town of Watson Lake	CLP	26,396
	Watson Lake Curling Association	PF	2,500
			\$ 28,896
Whitehorse	City of Whitehorse	CLP	312,238
	Arctic Edge Skating Club	PF	12,756
	Community Choir of WHH	PF	950
	Dog Powered Sports Association of Yukon	PF	39,619
	Downtown Urban Gardens	PF (2)	51,793
	Kita Kaze Budo Club	PF	2,400
	Kwanlin Dun Cultural	PF	50,000
	Larrikin Entertainment	PF (2)	53,000
	Mountain View Golf Club	PF	28,680
	Pineridge Neighborhood Association	PF	2,500

Community	Organization	Program	Amount
Whitehorse continued	Polarettes & Polar Tumbler Gymnastics Association	PF	2,500
	Society of Something	PF	20,000
	Spruce Hill Community Association	PF	1,459
	Tiger Taekwondo YK Association	PF	1,547
	Whitehorse United Football Association	PF	2,500
	Youth of Today Society	PF	3,500
	Yukon Broomball	PF	17,731
			\$ 603,173
Yukon	Athletics Yukon	PF	48,062
	Blue Feather Music Society	PF	25,000
	Climb Yukon Association	PF (2)	24,090
	Fetal Alcohol Syndrome Society of Yukon	PF	9,174
	Flatwater Paddling Yukon	PF	22,203
	Guild Society	PF	17,000
	Jazz Yukon	PF	18,246
	Kluane Chilkat International Bike Relay	PF	2,455
	Learning Disabilities Association of Yukon	PF	10,000
	Longest Night Society	PF	12,000
	Music Yukon	PF	26,000
	Gwaandak Theatre Society	PF	19,000
	Heart of Riverdale Community Centre Society	PF	76,753
	Nakai Theatre	PF	17,000
	Northern Lights School of Dance	PF	13,566
	Softball Yukon	TAP	2,600
	Yukon Arts Centre	PF	23,566
	Yukon Dog Musers Association	PF	18,725
	Yukon Film Society	PF	17,000
	Yukon First Nations Culture and Tourism Assoc.	PF	25,000
	Yukon Freestyle Ski Association	PF	19,879
	Yukon Music Camp Society	PF	14,800
	Yukon Quest International Association	PF	15,000
Yukon Transportation Museum	PF	10,284	
Yukon Sourdough Rendezvous Society	PF	27,000	
			\$ 514,403

* 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

Projects Fund	PF
Travel Assistance Program	TAP
Community Lottery Program	CLP

2021-21 Partnership Funding Programs

Partnership MOU	
Sport Yukon	\$ 330,000
Total Contributions to Communities / Applicants	\$ 1,826,888
Total YLC Administered Contributions	\$ 1,826,888

2021-21 Government of Yukon Revenue Sharing

Cultural Services Branch	
Yukon Arts Advisory Committee (YAAC)	
Total Cultural Services Branch	\$ 479,246
Sport & Recreation Branch	
Yukon Sport & Recreation Advisory Committee (YRAC)	
Total Sport & Recreation Branch	\$ 781,929
Total Funds Available to Government of Yukon	\$ 1,261,175
Total Funding Approved/Released	\$ 3,088,063
Unclaimed Contributions	\$ 282,601
Total Contributions/Funds Released 2020-21	\$ 2,805,463

Yukon Lottery Commission

Financial Statements

March 31, 2021

Yukon Lottery Commission
Financial Statements

March 31, 2021

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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 30, 2021

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, 2021, 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, 2021, 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 and Those Charged with Governance 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

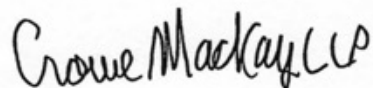
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 (continued)

- 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 30, 2021



Chartered Professional Accountants

Yukon Lottery Commission

Statement of Comprehensive Income

For the year ended March 31,	2021	2020
Revenues		
Commissions - Western Canada Lottery Corporation	\$ 4,110,184	\$ 3,424,091
Break-open Tickets (schedule 1)	207,199	115,048
Interest	69,293	136,563
Terminals	9,105	9,370
	<hr/>	<hr/>
	4,395,781	3,685,072
Administration expenditures		
Advertising and promotion	4,640	5,035
Amortization	5,854	5,641
Break-open Tickets (schedule 1)	57,348	71,826
Lease (note 8)	80,930	82,923
Office	5,720	10,215
Postage and courier	238	187
Professional fees	15,558	48,190
Public relations	312	28,072
Repairs and maintenance	12,868	12,073
Telephone and utilities	11,411	7,157
Travel	2,560	5,271
Wages and benefits	552,722	578,853
	<hr/>	<hr/>
	750,161	855,443
	<hr/>	<hr/>
	3,645,620	2,829,629
Commission meeting and program expenditures		
Directors' honoraria, travel and meetings	8,112	19,503
Retailer incentive	17,747	11,791
	<hr/>	<hr/>
	25,859	31,294
Excess of revenues over expenditures before transfer payments	3,619,761	2,798,335
Transfer payments (note 12)	3,002,300	3,266,253
Excess (deficiency) of revenues over expenditures being comprehensive income	\$ 617,461	\$ (467,918)

See accompanying notes

6

Yukon Lottery Commission

Statement of Changes in Equity

For the year ended March 31,	2021	2020
Surplus, beginning of year	\$ 5,459,593	\$ 5,927,511
Excess (deficiency) of revenues over expenditures being comprehensive income	617,461	(467,918)
Surplus, end of year	\$ 6,077,054	\$ 5,459,593

See accompanying notes

7

Yukon Lottery Commission**Statement of Financial Position**

March 31, **2021** **2020**

Assets**Current**

Cash	\$ 253	\$ 197
Funds held in trust (note 4)	8,983,978	8,144,590
Trade receivables (note 5)	534,071	329,125
Inventory (note 6)	6,568	6,905
Prepaid expenses	7,305	7,305

9,532,175 **8,488,122****Property and equipment (note 7)****50,212** **55,624****Leased office asset (note 8)****82,810** **165,621**

\$ 9,665,197 **\$ 8,709,367**

Liabilities**Current**

Trade payables and accruals (note 9)	\$ 354,731	\$ 284,083
Provision, committed to Yukon Government (note 13)	2,217,782	2,126,666
Provision, committed transfer payments (note 10)	929,909	670,527
Current portion of lease obligation	85,721	82,777

3,588,143 **3,164,053****Lease obligation (note 8)****-** **85,721**

3,588,143 **3,249,774****Equity****Surplus (schedule 2) (note 14)****6,077,054** **5,459,593**

\$ 9,665,197 **\$ 8,709,367**

Commitments and contingencies (note 11)

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,	2021	2020
Cash provided by (used for)		
Operating activities		
Excess (deficiency) of revenues over expenditures	\$ 617,461	\$ (467,918)
Items not affecting cash		
Amortization	6,321	6,138
Interest income	(69,293)	(136,563)
Lease expense	87,388	90,231
	641,877	(508,112)
Change in non-cash working capital items		
Trade receivables	(204,946)	224,259
Inventory	337	(1,585)
Trade payables and accruals	70,648	(337,258)
Provision, committed to Yukon Government	91,116	(99,062)
Provision, committed transfer payments	259,382	(218,065)
	858,414	(939,823)
Financing activity		
Lease payments	(87,355)	(87,355)
Investing activities		
Purchase of property and equipment	(908)	(12,510)
Interest income	69,293	136,563
	68,385	124,053
Increase (decrease) in cash	839,444	(903,125)
Cash, beginning of year	8,144,787	9,047,912
Cash, end of year	\$ 8,984,231	\$ 8,144,787
Cash consists of:		
Cash	\$ 253	\$ 197
Funds held in trust	8,983,978	8,144,590
	\$ 8,984,231	\$ 8,144,787

See accompanying notes

9

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2021

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 30, 2021.

2. COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared a global pandemic. The outbreak of the novel strain of the coronavirus, COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility. Governments and central banks including Canadian federal, provincial, territorial and municipal governments have responded with significant monetary and fiscal interventions designed to stabilize economic conditions.

At the time of approval of these financial statements, in response to the COVID-19 pandemic the management of the Commission has been proactive and diligent in addressing the implementation of infection prevention and other precautionary measures, guided by public health authorities, to limit the spread of COVID-19 and the impact of the pandemic on the Commission. These measures have included following health guidelines with mandatory masks for staff and visitors, social distancing, and sanitization products readily available for use.

The rapidly evolving event, including health and safety conditions, economic environment and resulting government measures, creates a high level of uncertainty and risk that may result in significant impacts to the Commission's activities, results of operations and financial condition. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. As such it is not possible to estimate the length and severity of these development and the impact on the financial results and condition on the entity and its operations in future periods.

3. Significant accounting policies

These financial statements are prepared in accordance with International Financial Reporting Standards. The significant accounting 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.

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2021

3. Significant accounting policies (continued)

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:

- 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, 2021

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 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.

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2021

3. Significant accounting policies (continued)

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

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, 2021

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, 2021

3. Significant accounting policies (continued)

(f) Accounting estimates

The preparation of financial statements in conformity with the selected standard (changes in statements) 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, 2021

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, 2021

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.

	2021	2020
Accounts receivable	\$ 534,071	\$ 329,125
Less: Allowance for doubtful accounts	-	-
	<u>\$ 534,071</u>	<u>\$ 329,125</u>

6. Inventory

Inventory consists of Commission-branded promotional items on hand at year-end. During the year, \$312 (2020 - \$1,585) was expensed as 'Public relations'.

	2021	2020
Inventory	\$ 6,568	\$ 6,905

7. Property and equipment

	2021				
	Furniture and fixtures	Leasehold improvements	Computer equipment	Artwork	
Cost					
Opening	\$ 117,971	\$ 76,391	\$ 62,664	\$ 26,275	\$ 283,301
Additions	909	-	-	-	909
Closing	<u>118,880</u>	<u>76,391</u>	<u>62,664</u>	<u>26,275</u>	<u>284,210</u>
Accumulated amortization					
Opening	92,982	76,391	58,303	-	227,676
Provision	5,013	-	1,309	-	6,322
Closing	<u>97,995</u>	<u>76,391</u>	<u>59,612</u>	<u>-</u>	<u>233,998</u>
Net book value	<u>\$ 20,885</u>	<u>\$ -</u>	<u>\$ 3,052</u>	<u>\$ 26,275</u>	<u>\$ 50,212</u>

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2021

7. Property and equipment (continued)

	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	-	1,040	-	6,646
Closing	92,982	76,391	58,303	-	227,676
Net book value	\$ 24,989	\$ -	\$ 4,360	\$ 26,275	\$ 55,624

8. 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	\$ 165,620	\$ 82,810	\$ 82,810

Maturity analysis - undiscounted lease liabilities

Less than one year	\$ 87,355
One to five years	-
More than five years	-

Total undiscounted lease liabilities \$ 87,355

Lease liabilities

Total lease liabilities	\$ 85,721
Less current portion	(85,721)

Non-current portion \$ -

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2021

8. Leased office asset (continued)

Amounts recognized in net income	
Depreciation expense on right-of-use asset - leased office asset	\$ 76,691
Interest expense on lease liabilities	4,239
Lease expense	80,930
Lease expense allocated to Break-open Tickets (Schedule 1)	6,458
Total amounts recognized in net income	\$ 87,388

9. Trade payables and accruals

Included in trade payables and accruals are the following:

	2021	2020
Accrued employee termination benefits	\$ 210,357	\$ 192,471
Due to Yukon Government, a related party, for contributions payable	52,773	-
Due to Yukon Government, a related party, for wages payable	49,713	69,571
Trade payables and accruals	41,888	22,041
	\$ 354,731	\$ 284,083

10. Provision, committed transfer payments

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

	2021	2020
Provision, opening	\$ 670,527	\$ 888,592
Additions	1,832,543	2,287,254
Paid during the year	(1,290,560)	(2,417,330)
Unclaimed	(282,601)	(87,989)
	\$ 929,909	\$ 670,527

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2021

11. Commitments and contingencies

The Commission has provided a commitment for funding to the Yukon Government pursuant to a partnership memorandum of understanding. The value of committed annual funding is as follows:

2022	\$ 1,198,210
2023	1,198,210
2024	1,198,210
	<hr/>
	\$ 3,594,630

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 9). 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.

In addition, the Western Canada Lottery Corporation has identified a negative equity balance of \$61,500 that may be collected from the Commission as a result of a pension conversion under IFRS. The decision to collect this amount from the commission has yet to be determined by the Western Canada Lottery Corporation.

12. Transfer payments

	2021	2020
Travel Assistance Program	\$ 2,600	\$ 274,960
Community Lottery Program Project Fund	610,448	410,000
Regular intake	626,229	919,869
Three year plan	232,300	237,100
Opportunity	25,311	23,726
Strategic partnerships	330,000	34,070
PMOU Strategic Initiative	-	232,800
Special Funding - APTN	-	25,000
Recreation Awareness Campaign	61,996	136,762
Unclaimed Funds	(282,601)	(95,022)
Yukon Government - YRAC/YAAC (note 13)	1,261,175	1,066,988
Yukon Government - E-services	134,842	-
	<hr/>	<hr/>
	\$ 3,002,300	\$ 3,266,253

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2021

13. 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.

	2021	2020
Excess of revenue over expenditures before transfer payments	\$ 3,619,761	\$ 2,798,334
Less: Break-open net income (schedule 1)	(149,851)	(43,222)
	3,469,910	2,755,112
Change in contingencies reserve (prior year less current year)	(151,027)	52,571
Total revenue available for distribution	\$ 3,318,883	\$ 2,807,683
	2021	2020
Total revenue available for distribution (from above)	\$ 3,318,883	\$ 2,807,863
Less: Available for Yukon Lottery Commission (62%)	(2,057,708)	(1,740,875)
Total available for Yukon Government (38%)	\$ 1,261,175	\$ 1,066,988
	2021	2020
Sport and Recreation Branch (62%)	\$ 781,929	\$ 661,533
Cultural Services Branch (38%)	479,246	405,455
Total transfer payments to Yukon Government	\$ 1,261,175	\$ 1,066,988
	2021	2020
Provision, opening	\$ 2,126,666	\$ 2,225,728
Additions	1,261,175	1,066,988
Paid during the year	(1,170,059)	(1,166,050)
Provision, closing	\$ 2,217,782	\$ 2,126,666

14. 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.

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2021

14. Capital management (continued)

The Commission has internally restricted surplus earnings of \$3,529,687 (2020 - \$3,721,994) 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.

15. Related party transactions

During the year, Yukon Government provided employee services to the Commission of \$596,828 (2020 - \$626,873).

During the year, the Commission committed \$1,261,175 (2020 - \$1,066,988) and paid out \$1,170,060 (2020 - \$1,166,050) to Yukon Government.

16. Key management compensation

During the year, key management compensation totaled \$192,301 (2020 - \$169,115). Key management compensation include the General Manager's salary and benefits and all board members' honoraria.

17. 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 \$534,071 (2020 - \$329,125), 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.

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2021

17. Financial risk management (continued)

(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 \$44,920 in 2021.

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

For the year ended March 31,

Schedule of Break-open Tickets	Schedule 1	
	2021	2020
Revenue	\$ 207,199	\$ 115,048
Expenditures		
Advertising and promotion	370	445
Amortization	467	497
Directors' honoraria, travel and meetings	647	1,719
Lease (note 8)	6,458	7,309
Office supplies	456	900
Postage and freight	19	16
Professional and consulting fees	1,242	4,247
Public relations	25	2,474
Repairs and maintenance	1,027	1,064
Retailer incentive	1,416	1,039
Telephone	911	631
Training	11	197
Travel	193	268
Wages and benefits	44,106	51,020
	57,348	71,826
Excess of revenues over administration expenditures	\$ 149,851	\$ 43,222

Yukon Lottery Commission										
Schedule of Capital Management of Surplus										
Schedule 2										
For the year ended March 31,										
						2021				2020
	Operating Surplus	Invested in Capital Assets	Working Capital	Contingencies	Project Fund	Community Lottery Program	Travel Assistance Program	PMOU Strategic Initiatives	Total	Total
Balance, beginning of year	\$ 1,681,975	\$ 55,624	\$ 100,000	\$ 686,692	\$ 2,538,624	\$ 9,818	\$ 67,595	\$ 319,265	\$ 5,459,593	\$ 5,927,511
Excess of revenue over expenditures before transfer payments	3,469,443	-	-	-	-	-	-	150,318	3,619,761	2,798,335
Balance before transfer payments	5,151,418	55,624	100,000	686,692	2,538,624	9,818	67,595	469,583	9,079,354	8,725,846
Transfer payments	(2,067,961)	-	-	-	(1,214,340)	-	(2,600)	-	(3,284,901)	(3,361,275)
Unclaimed funds	9,819	-	-	-	101,996	31,984	5,155	133,647	282,601	95,022
Transfer payments (note 12)	(2,058,142)	-	-	-	(1,112,344)	31,984	2,555	133,647	(3,002,300)	(3,266,253)
Amortization	3,093,276	55,624	100,000	686,692	1,426,280	41,802	70,150	603,230	6,077,054	5,459,593
Invested in capital assets	6,321	(6,321)	-	-	-	-	-	-	-	-
Transfers from reserves	(909)	909	-	-	-	-	-	-	-	-
Transfers to reserves	-	-	-	151,027	1,139,855	-	307,405	-	-	-
Balance, end of year	\$ 1,500,401	\$ 50,212	\$ 100,000	\$ 837,719	\$ 2,566,135	\$ 41,802	\$ 377,555	\$ 603,230	\$ 6,077,054	\$ 5,459,593



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Climb Yukon Association was a recipient of the **Projects Fund** for the purchase of climbing equipment. ▲