

Yukon Lottery Commission **Annual Report**



2022-23

SUPPORTING ARTS, SPORT, AND RECREATION... ONE TICKET AT A TIME.



Augusto! Children's Festival Society was a recipient of the **Projects Fund**.



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Yukon Lottery Commission Annual Report
for the year ended March 31, 2023.

On the cover:

Yukon Aboriginal Sport Circle
was a recipient of the
Travel Assistance Program
to compete at the 2023
Canadian Outdoor Archery
Championships in Victoria.





\$1,723,167

Total amount contributed to Yukon communities and non-profit organizations in 2022-23.

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 2022-23.

Operationally, in 2022-23, 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.

In fall 2022, Western Canada Lottery Corporation introduced a new online gambling format providing Lottery players in the Yukon with the opportunity to purchase tickets through a Lotto Spot lottery app www.lottospot.ca for both Apple and Android devices.

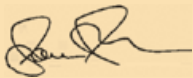
As the Yukon's agent for the sale of lottery tickets, the Commission continued to be a leader of social responsibility in gambling to assist lottery players in making informed choices, with a focus on positive play. www.gamesenseyukon.com.

Additionally, the Commission made improvements to our website which allows for the submission of funding applications through an online portal. www.lotteriesyukon.com.

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 will strive for a robust inter-jurisdictional lottery. We will continue to support healthy living to enrich the lives of all Yukoners' and expand access to arts, sport and recreation.

Sincerely,



Sara Skelton

*Chair & Chief Executive Officer,
Yukon Lottery Commission*

◀ **Yukon Film Society** was a recipient of the **Projects Fund** for the Available Light Festival.



Sara Skelton
Chair



Norma Davignon
Vice-Chair



Tim Brady



Alex Brook



Deborah Bartlette



Linda Casson



Kylie Campbell-Clarke



Warren Pearson

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 the Partnership Memorandum of Understanding (PMOU) with the 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 over \$2.6 million in the 2022-23 fiscal year in community-based initiatives related to arts, sport and recreation.



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 36 retailers.

Lotteries Yukon, through a PMOU with the 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.

Judo Yukon was a recipient of the **Travel Assistance Program** for the Shiroumakai Judo tournament in Carmacks.





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.

Yukon Orienteering Association was a recipient of the Travel Assistance Program to attend the North American Orienteering Championships.



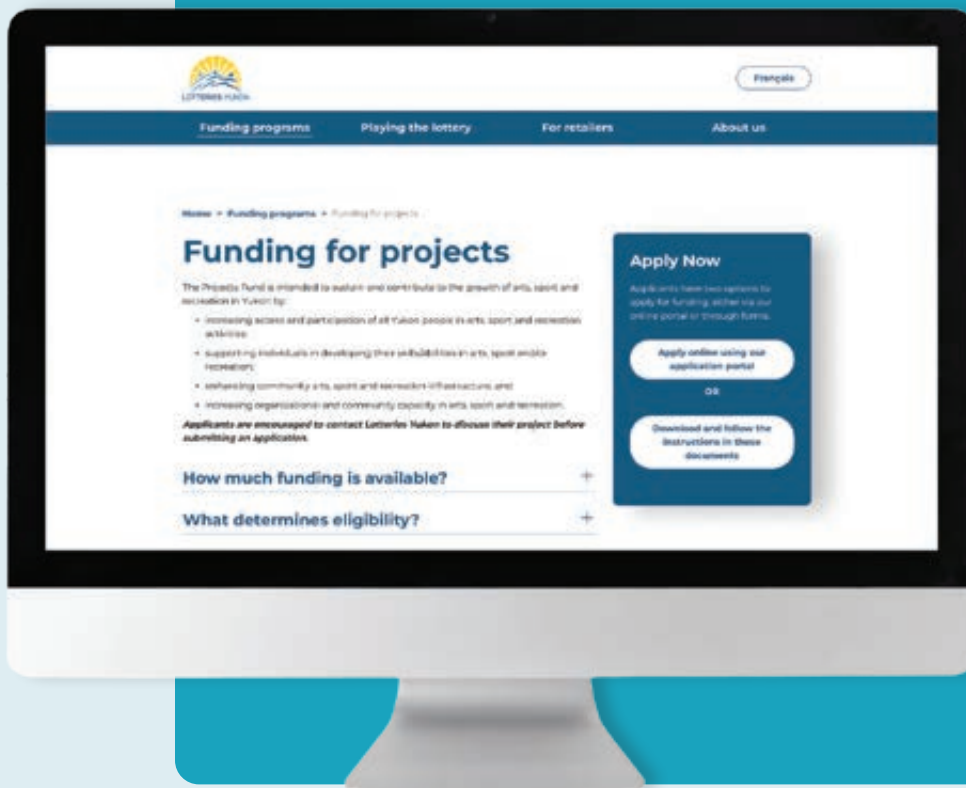
\$1,141,140

Lottery revenue shared with the Government of Yukon.

New Initiatives

In order to position the Yukon Lottery Commission for success in operationalizing its goal to be a leader of social responsibility in gambling, the Commission launched a responsible gambling program called GameSense®. This program is designed to assist lottery players in making informed choices, with a focus on positive play.

www.gamesenseyukon.com




To modernize our Operations, Lotteries Yukon continues to use a mobile friendly website. This website has improved functionality with a focus on user satisfaction while allowing the submission of funding applications through an online portal.

www.lotteriesyukon.com

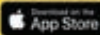
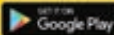


In fall 2022, WCLC introduced a new online gambling format providing Lottery players in the Yukon with the opportunity to purchase tickets through a Lotto Spot lottery app lottospot.ca for both Apple and Android devices.






Buy your tickets anytime, anywhere.
Download the Lotto Spot app to get started.

Build, buy and check your tickets today. Claim your prize at your local Lotto Spot Retailer.



LOTTO MAX






DREAM TO THE MAX!






- Draws every Tuesday and Friday
- Jackpots start at a minimum of \$10 million and can grow to \$70 million.
- Features additional MAXMILLIONS draws when jackpots reach \$50 million.

LOTTO 649

FIND YOUR POSSIBLE!

- Draw every Wednesday and Saturday.
- A chance at two multi-million jackpots each draw.
- The Classic Draw jackpot is always \$5 million.
- The Gold Ball jackpot starts at \$10 million and grows by \$2 million each draw until it is won.

Legal | Privacy Policy | MVP Services



Moving Ahead 2023-24

Priorities:

- ▶ 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;
- ▶ Continued roll-out of interactive play tables at Yukon retailers;
- ▶ Continue to be more responsive to client needs by collaborating with internal partners through the PMOU; and
- ▶ Increase engagement and marketing of Lotteries Yukon.

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Number of Yukon communities allocated \$610,448 in Community Lottery Program funding in 2022-23.

43

Number of Yukon non-profit groups approved for \$819,694 in Project funding in 2022-23.

◀ **Flatwater Paddling Yukon** was a recipient of the **Travel Assistance Program** to attend Canoe Kayak Divisionals West.

Sales

The Yukon is a member of WCLC, a non-profit organization authorized to manage, conduct and operate lottery and gaming-related activities in Alberta, Saskatchewan, Manitoba, the Yukon, the Northwest Territories and Nunavut. Through a tri-party agreement between WCLC, the 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 36 retailers in the Yukon; 21 retailers are located in the Whitehorse area and 15 retailers are in the communities.

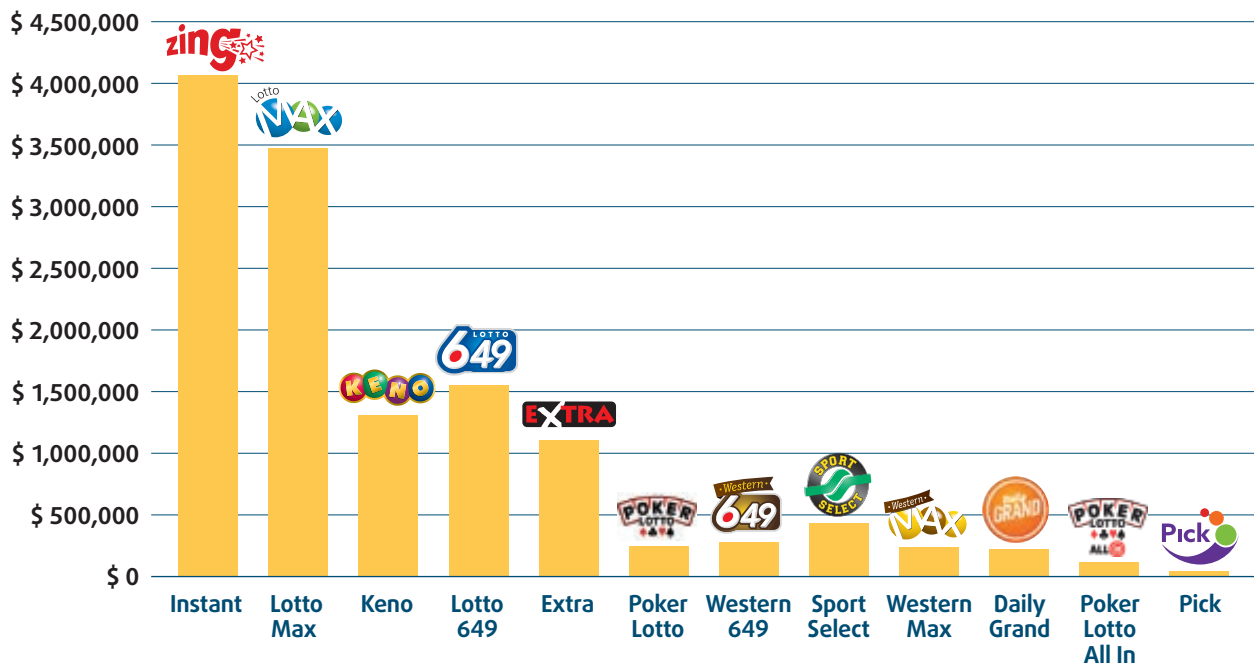
In the 2022-23 fiscal year, the Yukon achieved sales of 13.1 million dollars. Overall, the Yukon sales increased by 4.70% (\$638,636) from 2021-22 sales of \$12,488,349. The 2022-23 increase in sales revenue is primarily attributed to higher sales in the Zing (Instant) category and Sport Select.



\$742,579

Commissions paid to retailers in 2022-23.

2022-23 Sales By Game



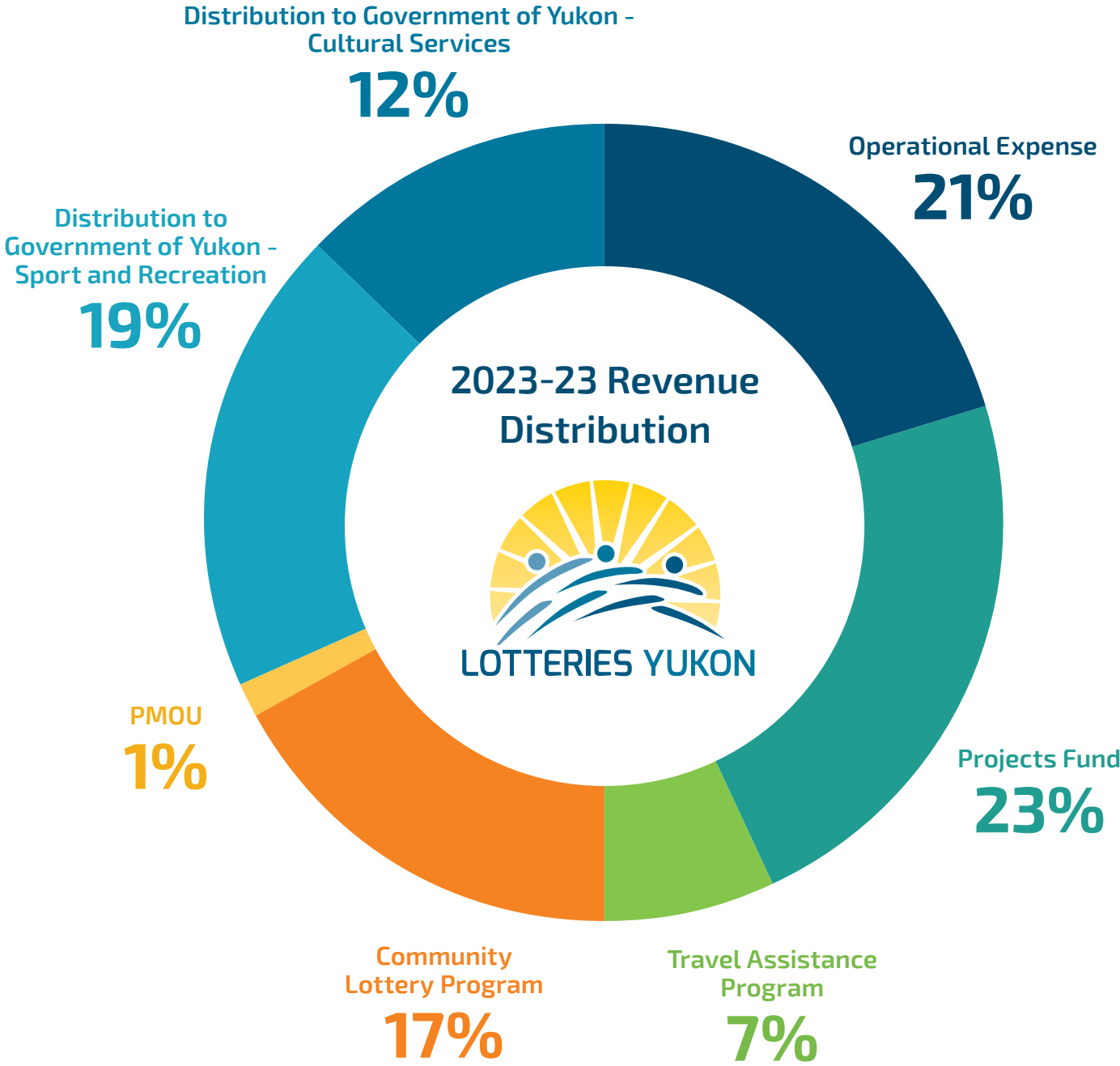
Yukon Sales By Game - Five Year Comparison

	2022-23	2021-22	2020-21	2019-20	2018-19
Instant	\$4,077,156	\$3,595,413	\$4,011,969	\$3,313,032	\$3,570,287
Lotto Max	\$3,484,635	\$3,451,430	\$3,120,215	2,702,083	2,683,168
Lotto 649	\$1,552,986	\$1,466,196	\$1,477,177	1,353,486	1,514,339
Keno	\$1,308,952	\$1,315,078	\$1,596,560	1,197,235	1,001,386
Extra	\$1,109,641	\$1,090,359	\$1,044,629	938,960	947,109
Sport Select	\$433,710	\$391,147	\$292,959	398,333	413,130
Western 649	\$283,028	\$287,863	\$296,682	248,602	264,239
Western Max	\$239,029	\$247,156	\$251,894	210,904	171,990
Daily Grand ¹	\$226,962	\$225,315	\$227,578	224,308	253,831
Pick	\$42,856	\$51,622	\$54,102	49,847	69,729
Poker Lotto ²	\$247,234	\$246,896	\$297,078	231,886	206,460
All In ³	\$120,796	\$119,874	\$143,909	108,954	91,627
Total Sales	\$13,126,985	\$12,488,349	\$12,814,752	\$10,977,630	\$11,187,295
Sales Comparison to Prior Year	\$638,636	(326,403)	1,837,122	(209,665)	1,334,371
Percentage Comparison	4.7%	-3%	14%	-2%	12%
Number of Retailers*	36	36	35	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 PMOU, 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 Aboriginal Sport Circle was a recipient of the Travel Assistance Program to compete in Rio, Brazil.

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.



Paradise Music Festival Society was a recipient of the **Projects Fund** for a DJ workshop with Thug Shells.

Community Lottery Program

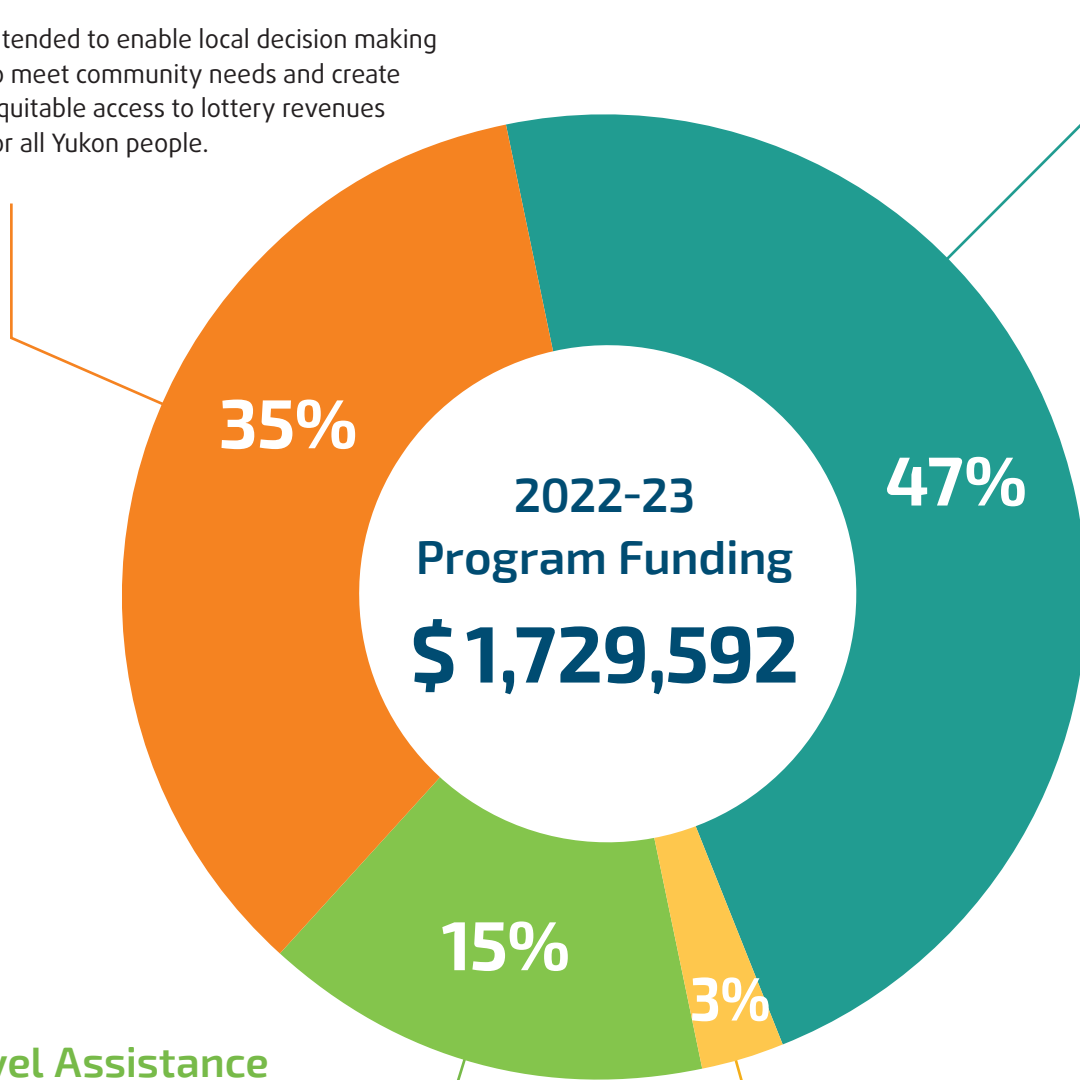
\$ 610,448

- ▶ 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.

Projects Fund

\$ 819,694

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



Travel Assistance Program

\$ 251,578

- ▶ 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.

PMOU

\$ 47,872

- ▶ Strategic funding to our partners at Sport and Recreation and the Arts branch.

2022-23 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
	North Klondyke Highway Music Society	PF	3,756
	Klondike Fitness Association	PF	3,500
			\$ 50,307
Faro	Town of Faro	CLP	\$ 13,198
	Del Van Gorder School	TAP	5,888
			\$ 19,086
Haines Junction	Village of Haines Junction	CLP	21,997
	Augusto! Children's Festival Society	PF	9,99.00
	St. Elias Cross Country Ski	PF	5,873
	St. Elias Community School	TAP	1,800
			\$ 39,660
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
	Mayo Volunteer Fire Department	PF	44,254
			\$ 61,851
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
	Signpost Seniors Association	PF	3,500
			\$ 29,896
Whitehorse	City of Whitehorse	CLP	312,238
	Arctic Edge Skating Club	PF	9,011
	Arctic Edge Skating Club	TAP	5,800
	CSSC Mercier School	TAP	2,600
	F.H Collins Secondary School	TAP	5,625
	Freedom Trails Riding Association	PF	3,500
	Friends of Mount Sima	PF	37,546
	Mountain View Golf Club	PF	80,355
	Porter Creek Secondary School	TAP	5,625
	Polarettes & Polar Tumbler Gymnastics Association	PF	3,500
	Robotics North Society	TAP	6,056
	St. Francis of Assisi Catholic Secondary School	TAP	6,925
	Whitehorse Cross Country Ski Club	PF	58,730
	Whitehorse Glacier Bears	PF	29,822
Whitehorse Women's Hockey	TAP	2,800	
			\$ 570,133

PF	Projects Fund
TAP	Travel Assistance Program
CLP	Community Lottery Program

* 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	Alpine Ski	TAP	4,200	
	Athletics Yukon	TAP	8,800	
	Basketball Yukon	TAP	23,875	
	Biathlon YK	TAP	3,600	
	Blue Feather Music Society	PF	26,825	
	Cross Country Yukon	TAP	2,800	
	Cycling Association of Yukon	PF	6,320	
	Cycling Association of Yukon	TAP	2,200	
	Flatwater Paddling Yukon	TAP	2,400	
	Golden Age Society	PF	3,541	
	Grapple Yukon Association	TAP	1,800	
	Gwaandak Theatre Society	PF	20,387	
	Heart of Riverdale Community Centre Society	PF	17,168	
	Jazz Yukon	PF	30,000	
	Judo Yukon	TAP	16,186	
	Klondike International Bike Relay	PF	670	
	Larrikin Entertainment Ensemble	PF	40,000	
	Learning Disabilities Association of Yukon	PF	10,730	
	Longest Night Society	PF	14,000	
	Music Yukon	PF	27,898	
	Paradise Music Festival	PF	1,515	
	Society of Something Shows	PF	20,000	
	Softball Yukon	PF	3,500	
	Softball Yukon	TAP	33,664	
	Sport Yukon	TAP	800	
	Squash Yukon	PF	2,966	
	Squash Yukon	TAP	800	
	Swim Yukon	TAP	8,600	
	Tiger Taekwondo Yukon	TAP	400	
	Volleyball Yukon	TAP	15,800	
	Yukon Aboriginal Sport Circle	TAP	4,400	
	Yukon Amateur Hockey Association	TAP	29,758	
	Yukon Amateur Speed Skating	TAP	3,600	
	Yukon Arts Centre Corporation	PF	90,000	
	Yukon Arts Centre Foundation	PF	18,000	
	Yukon Bluegrass	PF	20,000	
	Yukon Breeze Sailing	PF	11,132	
	Yukon Curling	TAP	2,800	
	Yukon Disc Versity Guild	TAP	1,976	
	Yukon Film Society	PF	18,241	
	Yukon First Nations Culture and Tourism Association	PF	26,825	
	Yukon Freestyle Ski Association	PF	15,000	
	Yukon Freestyle Ski Association	TAP	1,800	
	Yukon Golf Association	TAP	400	
	Yukon Gymnastics Association	TAP	6,000	
	Yukon Gymnastics Association	PF	3,375	
	Yukon Music Camp Society	PF	15,880	
	Yukon Orienteering Association	PF	3,488	
	Yukon Orienteering Association	TAP	2,000	
	Yukon River Marathon Paddling Association	PF	3,500	
	Yukon Soccer	TAP	29,800	
	Yukon Sourdough Rendezvous Society	PF	28,971	
	Yukon Theatre for Young People	PF	20,000	
	Yukon Quest International Association	PF	20,000	
	Yukon Words Society	PF	6,425	
				\$ 728,391



▲ Yukon Theatre for Young People was a recipient of the Projects Fund for a production of *Beauty and the Beast*.

Revenue Sharing

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

Arts

\$ 479,246

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

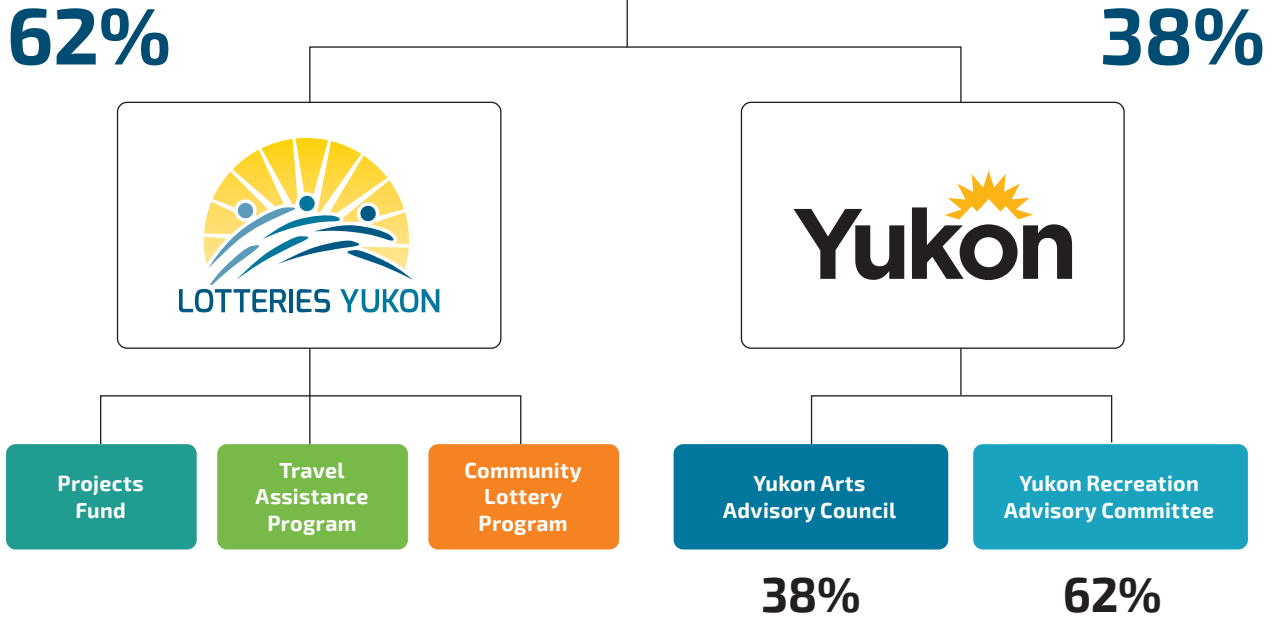
\$ 781,929

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.

Yukon Lottery Commission Revenue Sharing Model

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



Yukon Curling Association was a recipient of the **Travel Assistance Program** to attend Men's Masters Curling in New Brunswick.



Yukon Lottery Commission

Financial Statements

March 31, 2023

Yukon Lottery Commission

Financial Statements

March 31, 2023

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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
August 4, 2023

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, 2023, and the the statements of comprehensive income, changes in equity, and cashflows 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, 2023, 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

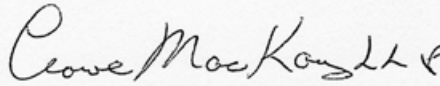
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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
August 4, 2023


Chartered Professional Accountants

Yukon Lottery Commission

Statement of Comprehensive Income

For the year ended March 31,	2023	2022
Revenues		
Commissions - Western Canada Lottery Corporation	\$ 4,201,571	\$ 4,060,076
Break-open Tickets (schedule 1)	122,135	153,263
Interest	338,288	56,950
Terminals	9,230	9,135
	4,671,224	4,279,424
Administration expenditures		
Advertising and promotion	4,164	4,599
Amortization	3,700	4,716
Break-open Tickets (schedule 1)	52,380	58,652
Interest on lease liability (note 8)	7,934	1,633
Lease (note 8)	81,872	76,355
Office	6,922	8,587
Postage and courier	786	-
Professional fees	18,524	20,791
Public relations	1,146	3,566
Repairs and maintenance	15,016	17,601
Telephone and utilities	22,821	23,878
Travel	3,337	884
Wages and benefits	487,048	523,552
	705,650	744,814
	3,965,574	3,534,610
Commission meeting and program expenditures		
Directors' honoraria, travel and meetings	7,123	9,491
Retailer incentive	28,306	38,023
	35,429	47,514
Excess of revenues over expenditures before transfer payments	3,930,145	3,487,096
Transfer payments (note 11)	2,977,848	3,081,724
Excess of revenues over expenditures being comprehensive income	\$ 952,297	\$ 405,372

See accompanying notes

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Yukon Lottery Commission

Statement of Changes in Equity

For the year ended March 31,	2023	2022
Surplus, beginning of year	\$ 6,482,426	\$ 6,077,054
Excess of revenues over expenditures being comprehensive income	952,297	405,372
Surplus, end of year	\$ 7,434,723	\$ 6,482,426

See accompanying notes

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Yukon Lottery Commission

Statement of Financial Position

March 31, 2023 2022

Assets

Current

Cash	\$ 91	\$ 274
Funds held in trust (note 4)	10,852,210	9,358,702
Trade receivables (note 5)	415,127	495,571
Inventory (note 6)	3,168	4,402
Prepaid expenses	21,903	7,305

11,292,499 9,866,254

Property and equipment (note 7)

41,137 45,119

Leased office asset (note 8)

177,115 265,618

\$ 11,510,751 \$ 10,176,991

Liabilities

Current

Trade payables and accruals (note 9)	\$ 356,120	\$ 325,827
Provision, committed to Yukon Government (note 13)	2,700,502	2,407,179
Provision, committed transfer payments (note 10)	839,251	695,941
Current portion of lease obligation	88,503	88,539

3,984,376 3,517,486

Lease obligation (note 8)

91,652 177,079

4,076,028 3,694,565

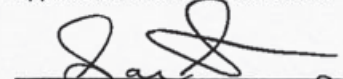
Equity

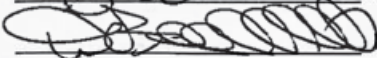
Surplus (schedule 2) (note 14) 7,434,723 6,482,426

\$ 11,510,751 \$ 10,176,991

Commitments and contingencies (note 11)

Approved on behalf of the Board:


Member


Member

See accompanying notes

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Yukon Lottery Commission

Statement of Cash Flows

For the year ended March 31,	2023	2022
Cash provided by (used for)		
Operating activities		
Excess (deficiency) of revenues over expenditures	\$ 952,297	\$ 405,372
Items not affecting cash		
Amortization	3,983	5,092
Interest income	(338,288)	(56,950)
Lease expense	96,437	84,443
	714,429	437,957
Change in non-cash working capital items		
Trade receivables	80,444	38,500
Inventory	1,234	2,166
Prepaid expenses	(14,598)	-
Trade payables and accruals	30,293	(28,903)
Provision, committed to Yukon Government	293,323	189,397
Provision, committed transfer payments	143,310	(233,968)
	1,248,435	405,149
Financing activity		
Lease payments	(93,398)	(87,354)
Investing activity		
Interest income	338,288	56,950
Increase in cash	1,493,325	374,745
Cash, beginning of year	9,358,976	8,984,231
Cash, end of year	\$ 10,852,301	\$ 9,358,976
Cash consists of:		
Cash	\$ 91	\$ 274
Funds held in trust	10,852,210	9,358,702
	\$ 10,852,301	\$ 9,358,976

See accompanying notes

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Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2023

1. Nature of operations

Yukon Lottery Commission (the "Commission"), was created under the provisions of the Yukon Public Lotteries Act, in Yukon, Canada 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 August 4, 2023.

2. First time adoption of International Financial Reporting Standards ("IFRS")

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 therefore this adoption has no impact on the financial statements.

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) Cash

Cash consists of cash on hand, bank deposits and cash funds held in trust.

(b) 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

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2023

3. Significant accounting policies (continued)

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.

(c) 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

(d) 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.

(e) 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, 2023

3. Significant accounting policies (continued)

(f) 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, 2023

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, 2023

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, 2023

3. Significant accounting policies (continued)

(g) 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.

(h) 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.

(i) 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.

(j) 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, 2023

3. Significant accounting policies (continued)

(k) Termination benefits

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

(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.

4. Funds held in trust

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

5. Trade receivables

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

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2023

5. Trade receivables (continued)

	2023	2022
Accounts receivable	\$ 415,127	\$ 495,571
Less: Allowance for doubtful accounts	-	-
	\$ 415,127	\$ 495,571

6. Inventory

Inventory consists of Commission-branded promotional items on hand at year-end. During the year, \$1,234 (2022 - \$2,166) was expensed as 'Public relations'.

	2023	2022
Inventory	\$ 3,168	\$ 4,402

7. Property and equipment

	2023				
	Furniture and fixtures	Leasehold improvements	Computer equipment	Artwork	
Cost					
Opening	\$ 118,880	\$ 76,391	\$ 62,664	\$ 26,275	\$ 284,210
Closing	118,880	76,391	62,664	26,275	284,210
Accumulated amortization					
Opening	102,172	76,391	60,527	-	239,090
Provision	3,341	-	642	-	3,983
Closing	105,513	76,391	61,169	-	243,073
Net book value	\$ 13,367	\$ -	\$ 1,495	\$ 26,275	\$ 41,137

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2023

7. Property and equipment (continued)

	2022				
	Furniture and fixtures	Leasehold improvements	Computer equipment	Artwork	
Cost					
Opening	\$ 118,880	\$ 76,391	\$ 62,664	\$ 26,275	\$ 284,210
Closing	118,880	76,391	62,664	26,275	284,210
Accumulated amortization					
Opening	97,995	76,391	59,611	-	233,997
Provision	4,177	-	917	-	5,094
Closing	102,172	76,391	60,528	-	239,091
Net book value	\$ 16,708	\$ -	\$ 2,136	\$ 26,275	\$ 45,119

8. Leased office asset

The Commission leases office space. The lease term is for three years beginning April 1, 2022 and ending March 31, 2025.

	Cost	Accumulated amortization	Net book value
Right-of-use asset - leased office asset	\$ 265,618	\$ 88,503	\$ 177,115

Maturity analysis - undiscounted lease liabilities

Less than one year	\$ 93,398
One to five years	186,796
More than five years	-

Total undiscounted lease liabilities \$ 280,194

Lease liabilities - principal

Total lease liabilities	\$ 180,155
Less current portion	(88,503)

Non-current portion \$ 91,652

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

March 31, 2023

8. Leased office asset (continued)

Amounts recognized in net income		
Depreciation expense on right-of-use asset - leased office asset	\$	88,503
Interest expense on lease liabilities		7,934
<hr/>		
Lease expense		96,437
Lease expense allocated to Break-open Tickets (Schedule 1)		(6,631)
<hr/>		
Total amounts recognized in net income	\$	89,806

9. Trade payables and accruals

Included in trade payables and accruals are the following:

	2023	2022
Accrued employee termination benefits	\$ 263,791	\$ 217,564
Due to Yukon Government, a related party, for contributions payable	15,408	14,400
Due to Yukon Government, a related party, for wages payable	47,804	63,019
Trade payables and accruals	29,117	30,844
<hr/>		
	\$ 356,120	\$ 325,827

10. Provision, committed transfer payments

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

	2023	2022
Provision, opening	\$ 695,941	\$ 929,909
Additions	839,251	696,151
Paid during the year	(508,535)	(649,090)
Unclaimed	(187,406)	(281,029)
<hr/>		
	\$ 839,251	\$ 695,941

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2023

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:

2024	\$ 1,198,210
	\$ 1,198,210

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

	2023	2022
Travel Assistance Program	\$ 251,578	\$ 79,279
Community Lottery Program	610,448	610,448
Project Fund		
Regular intake	579,458	883,980
Three year plan	200,222	181,981
Opportunity	40,014	39,225
Strategic partnerships	22,317	-
Special Funding - APTN	-	177,572
Recreation Awareness Campaign	-	2,161
Unclaimed Funds	(187,406)	(281,029)
Yukon Government - YRAC/YAAC (note 13)	1,434,462	1,293,890
Yukon Government - E-services	1,200	94,218
PMOU - Strategic Initiatives	25,555	-
	\$ 2,977,848	\$ 3,081,725

Yukon Lottery Commission

Notes to the Financial Statements

March 31, 2023

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.

	2023	2022
Excess of revenue over expenditures before transfer payments	\$ 3,930,145	\$ 3,487,096
Less: Break-open net income (schedule 1)	(69,755)	(94,611)
	3,860,390	3,392,485
Change in contingencies reserve (prior year less current year)	(85,488)	12,487
Total revenue available for distribution	\$ 3,774,902	\$ 3,404,972
	2023	2022
Total revenue available for distribution (from above)	\$ 3,774,902	\$ 3,404,972
Less: Available for Yukon Lottery Commission (62%)	(2,340,439)	(2,111,083)
Total available for Yukon Government (38%)	\$ 1,434,463	\$ 1,293,889
	2023	2022
Sport and Recreation Branch (62%)	\$ 889,367	\$ 802,211
Cultural Services Branch (38%)	545,096	491,678
Total transfer payments to Yukon Government	\$ 1,434,463	\$ 1,293,889
	2023	2022
Provision, opening	\$ 2,407,179	\$ 2,217,782
Additions	1,434,463	1,293,889
Paid during the year	(1,141,140)	(1,104,492)
Provision, closing	\$ 2,700,502	\$ 2,407,179

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, 2023

14. Capital management (continued)

The Commission has internally restricted surplus earnings of \$4,930,545 (2022 - \$4,930,545) 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 \$524,272 (2022- \$565,330).

During the year, the Commission committed \$1,434,463 (2022 - \$1,293,889) and paid out \$1,141,140 (2022 - \$1,104,492) to Yukon Government.

16. Key management compensation

During the year, key management compensation totaled \$156,776 (2022 - \$157,207). Key management compensation include the general manager's salary and benefits and all board members' honoraria.

17. Financial risk management

(a) 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.

(b) Credit risk

The Commission has credit risk in trade receivables from Western Canada Lottery Corporation in respect of commissions of \$415,127 (2022 - \$495,571), 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) 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 1.0% on its funds held in trust would result in an approximate impact on income of \$108,522.

(d) 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.

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

For the year ended March 31,

Schedule of Break-open Tickets	Schedule 1	
	2023	2022
Revenue	\$ 122,135	\$ 153,263
Expenditures		
Advertising and promotion	319	367
Amortization	283	376
Directors' honoraria, travel and meetings	544	757
Lease (note 8)	6,631	6,456
Office supplies	506	685
Postage and freight	60	-
Professional and consulting fees	1,416	1,659
Public relations	88	160
Repairs and maintenance	1,148	-
Retailer incentive	2,163	3,034
Telephone	1,744	1,905
Training	146	24
Travel	109	1,451
Wages and benefits	37,223	41,778
	52,380	58,652
Excess of revenues over administration expenditures	\$ 69,755	\$ 94,611

Yukon Lottery Commission
Schedule of Capital Management of Surplus

Schedule 2

For the year ended March 31,

2023

2022

	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	\$ 1,506,762	\$ 45,119	\$ 100,000	\$ 825,232	\$ 3,046,264	\$ 140,460	\$ 298,321	\$ 520,268	\$ 6,482,426	\$ 6,077,054
Excess of revenue over expenditures before transfer payments	3,860,390	-	-	-	-	-	-	69,755	3,930,145	3,487,096
Balance before transfer payments	5,367,152	45,119	100,000	825,232	3,046,264	140,460	298,321	590,023	10,412,571	9,564,150
Transfer payments	(1,457,979)	-	-	-	(1,430,141)	-	(251,578)	(25,555)	(3,165,253)	(3,362,753)
Unclaimed funds	-	-	-	-	84,307	68,827	34,271	-	187,405	281,029
Transfer payments (note 12)	(1,457,979)	-	-	-	(1,345,834)	68,827	(217,307)	(25,555)	(2,977,848)	(3,081,724)
Amortization	3,909,173	45,119	100,000	825,232	1,700,430	209,287	81,014	564,468	7,434,723	6,482,426
Invested in capital assets	3,982	(3,982)	-	-	-	-	-	-	-	-
Transfers from reserves	319,344	-	-	-	-	(140,460)	(136,028)	(42,856)	-	-
Transfers to reserves	(2,418,225)	-	-	85,489	2,115,429	-	217,307	-	-	-
Balance, end of year	\$ 1,814,274	\$ 41,137	\$ 100,000	\$ 910,721	\$ 3,815,859	\$ 68,827	\$ 162,293	\$ 521,612	\$ 7,434,723	\$ 6,482,426



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