



LOTTERIES YUKON

2023-24

Yukon Lottery
Commission

ANNUAL REPORT

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



Whitehorse Cross Country Ski Club was a recipient of the **Project Fund** for the Whitehorse Spring Nordic Festival.



Table of Contents

Message from the Yukon Lottery Commission.....	3
Yukon Lottery Commission	4
Lotteries Yukon	5
Our Values	6
New Initiatives	8
Moving Ahead 2024-25	11
Sales.....	12
Revenue Distribution	14
Revenue Sharing.....	20

On the cover:

Climb Yukon was a recipient of the **Project Fund**.

Yukon Lottery Commission Annual Report for the year ended March 31, 2024.

Music Yukon was a recipient of the **Project Fund** for Arts in the Park.



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 2023-24.

In 2023-24, Lotteries Yukon continued to implement our funding program framework that provides Yukoners with an array of programming options. Doing so improves participation in arts, sports and recreation in the Yukon.

Lottery players in Yukon continue to have the ability to purchase tickets online through the 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 continues to be a leader of social responsibility in gambling by assisting lottery players in making informed choices, with a focus on positive play. www.gamesenseyukon.com.

Additionally, the Commission made improvements to our website allowing for the submission of funding applications through an online portal. This should speed up the submission process for our applicants. 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 continue to strive for a robust interjurisdictional lottery. Our focus moving forward is to continue to support Yukoners' living healthy, active and full lives. We remain committed to implementing new ideas to increase engagement and access to arts, sport and recreation.

Sincerely,



Sara Skelton

Chair & Chief Executive Officer, Yukon Lottery Commission

Yukon Lottery Commission



Sara Skelton
Chair



Norma Davignon
Vice-Chair



Deborah Bartlette



Tim Brady



Alex Brook



Kylie Campbell-Clarke



Linda Casson



Warren Pearson

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 \$4 million in the 2023-24 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 Yukon would not be possible without the significant infrastructure and support provided by WCLC and the network of 36 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 strategic and align arts, sport and recreation programs in Yukon.

Yukon First Nation Culture & Tourism Association was a recipient of the **Project Fund** for the Adäka Cultural Festival.





Friends of Mount Sima was a recipient of the **Project Fund** for the Lost in Paradise FIS Para Snowboard World Cup Festival.

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.

\$1,158,621

Lottery revenue shared with the Government of Yukon.

Transparency

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

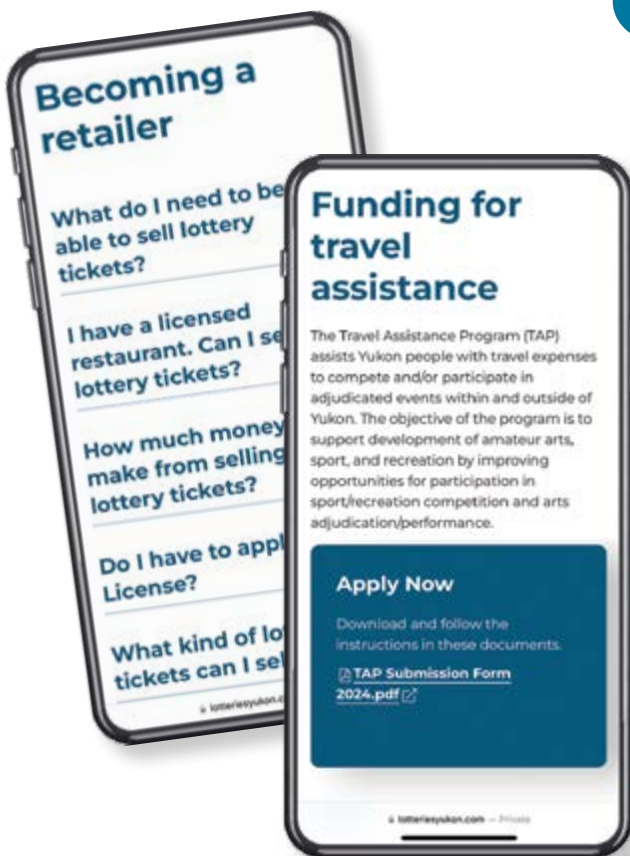
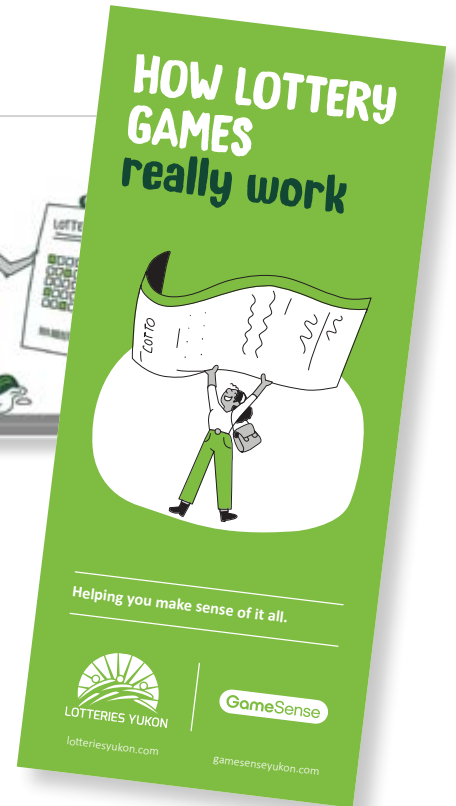
New Initiatives

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



GameSense



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

Lottery players in Yukon continue to have the ability to purchase tickets online through the Lotto Spot lottery app www.lottospot.ca for both Apple and Android devices.



Moving Ahead 2024-25

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 Partnership Memorandum of Understanding;
- ▶ Increase engagement and marketing of Lotteries Yukon;
- ▶ Increase in legacy sport, arts and recreation projects; and
- ▶ Celebrating Lotteries Yukon 50th anniversary.



19

Number of Yukon communities allocated \$ 651,958 in Community Lottery Program funding in 2023-24.

75

Number of Yukon non-profit groups approved for \$ 2,017,034 in Project funding in 2023-24.

Sales

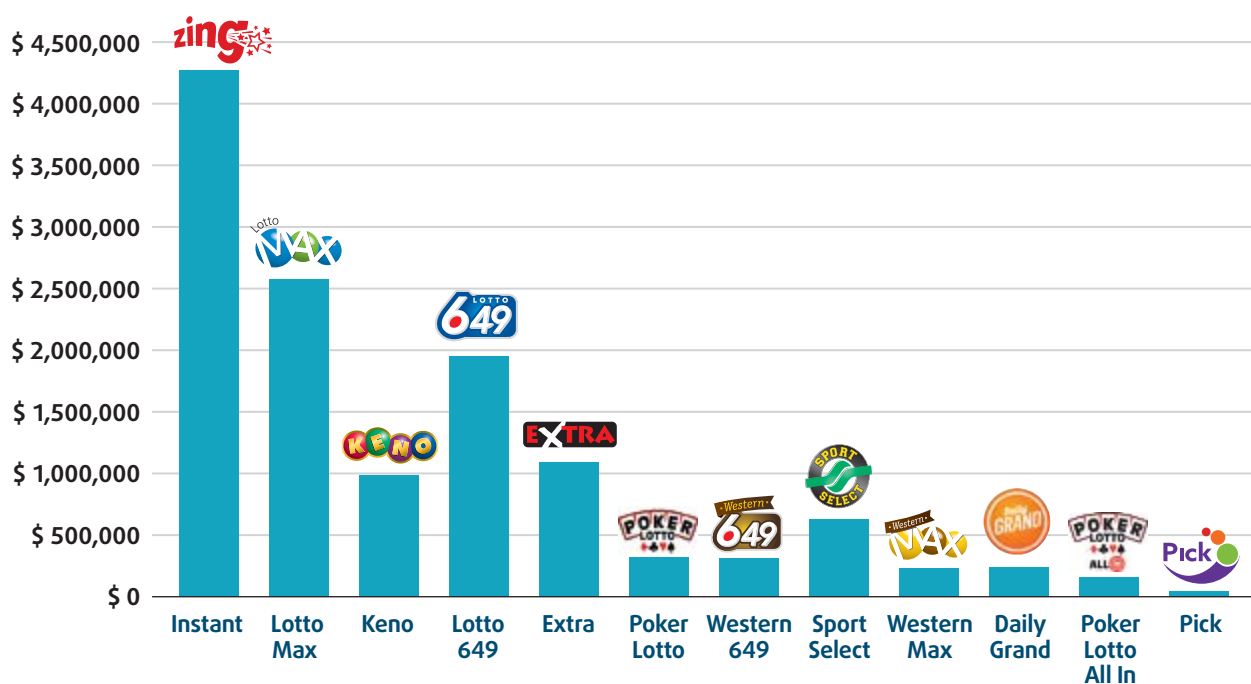
The Yukon is a member of the WCLC, a non-profit organization authorized to manage, conduct and operate lottery and gaming-related activities in Alberta, Saskatchewan, Manitoba, Yukon, Northwest Territories and Nunavut. Through a tri-party agreement between WCLC, Government of Yukon and the Yukon Lottery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

In the 2023-24 fiscal year, the Yukon achieved sales of 12.8 million dollars.



2023-24 Sales By Game



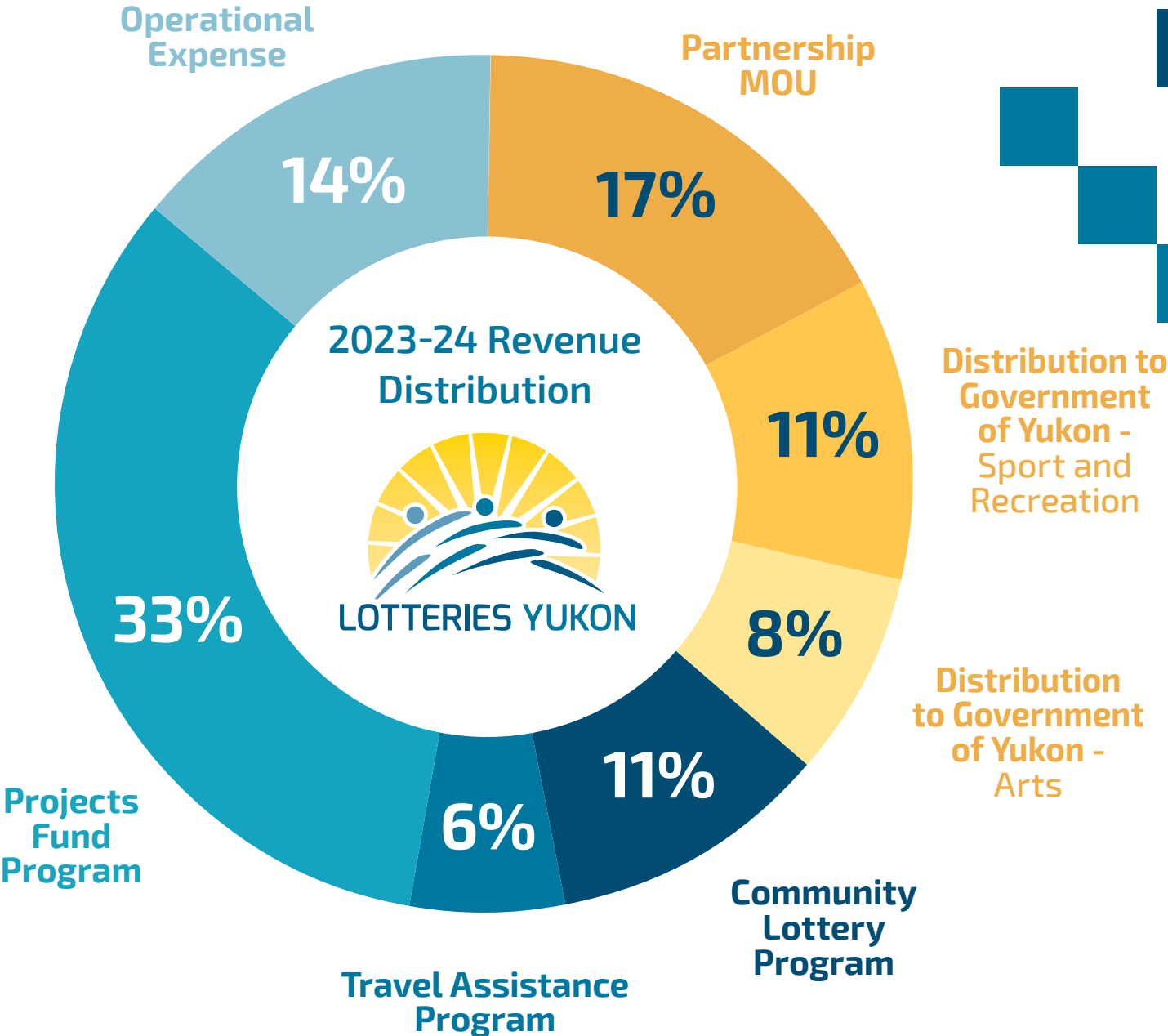
Yukon Sales By Game - Five Year Comparison

	2023-24	2022-23	2021-22	2020-21	2019-20
Instant	\$4,283,095	\$4,077,156	\$3,595,413	\$4,011,969	\$3,313,032
Lotto Max	\$2,584,515	\$3,484,635	\$3,451,430	\$3,120,215	2,702,083
Lotto 649	\$1,957,368	\$1,552,986	\$1,466,196	\$1,477,177	1,353,486
Keno	\$983,996	\$1,308,952	\$1,315,078	\$1,596,560	1,197,235
Extra	\$1,093,611	\$1,109,641	\$1,090,359	\$1,044,629	938,960
Sport Select	\$627,949	\$433,710	\$391,147	\$292,959	398,333
Western 649	\$310,018	\$283,028	\$287,863	\$296,682	248,602
Western Max	\$228,116	\$239,029	\$247,156	\$251,894	210,904
Daily Grand ¹	\$242,337	\$226,962	\$225,315	\$227,578	224,308
Pick	\$41,013	\$42,856	\$51,622	\$54,102	49,847
Poker Lotto ²	\$325,116	\$247,234	\$246,896	\$297,078	231,886
All In ³	\$158,728	\$120,796	\$119,874	\$143,909	108,954
Total Sales	\$12,835,862	\$13,126,985	\$12,488,349	\$12,814,752	\$10,977,630
Sales Comparison to Prior Year	(291,123)	\$638,636	(326,403)	1,837,122	(209,665)
Percentage Comparison	-2%	5%	-3%	14%	-2%
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).



Arctic Edge Skating Club was a recipient of the **Projects Fund**.



Flatwater Paddling Yukon was a recipient of the **Travel Assistance Program**.



U Kon Echelon Biking Club was a recipient of the **Project Fund**.

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.

Robotics North Society was a recipient of the **Travel Assistance Program**.



Projects Fund Program

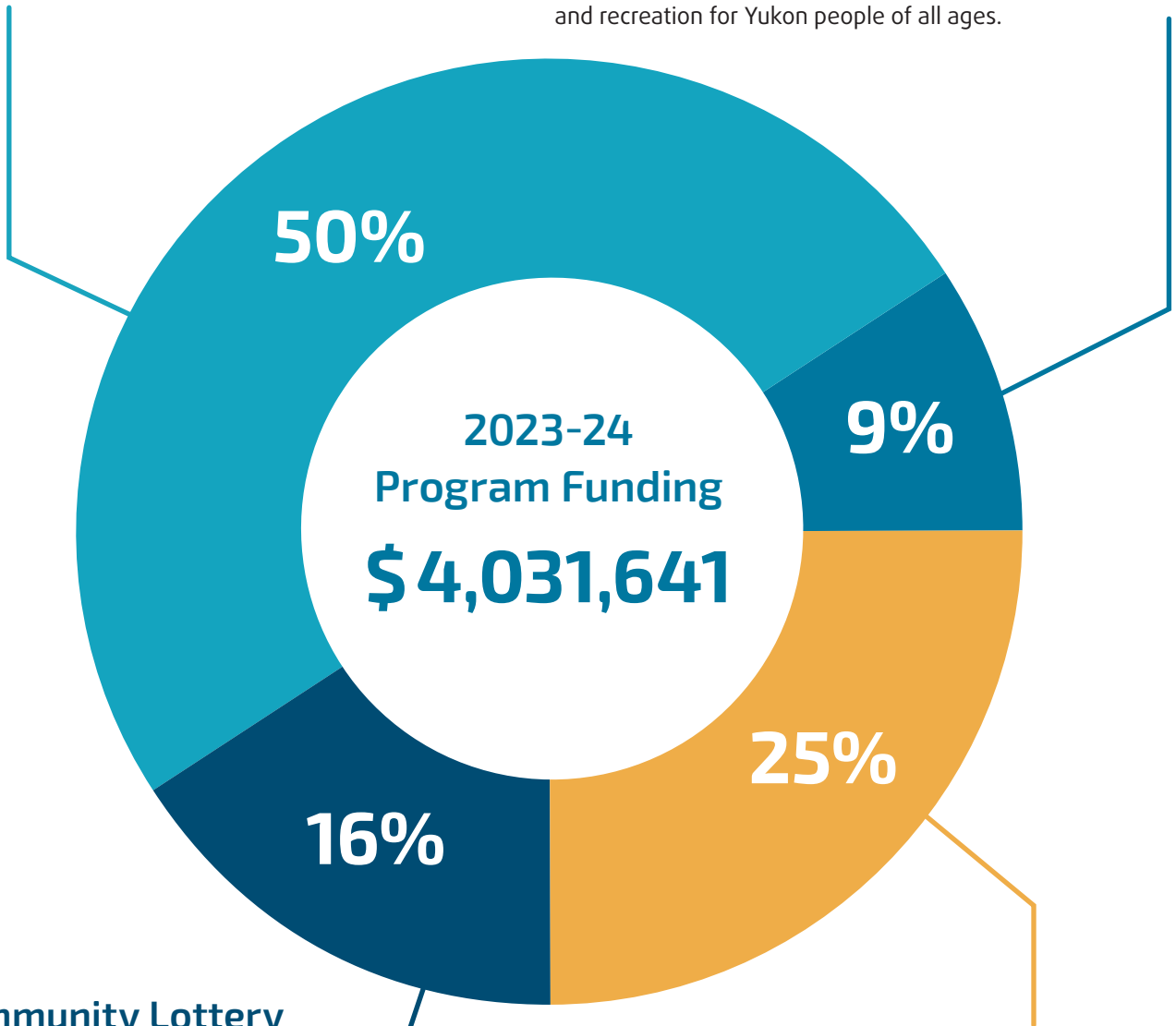
\$ 2,017,034

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

Travel Assistance Program

\$ 346,549

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



Community Lottery Program

\$ 651,958

- ▶ 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.

Partnership MOU

\$ 1,016,100

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

2023-24 Approved Funding*

Community	Organization	Program	Amount
Beaver Creek	Beaver Creek Community Club	CLP	\$ 11,746
Burwash Landing	Burwash Landing Recreation Committee	CLP	\$ 11,746
Carcross	Carcross Recreation Board	CLP	\$ 18,794
Carmacks	Village of Carmacks	CLP	\$ 18,794
Dawson City	City of Dawson	CLP	45,978
	Dawson City Arts Society	PF	42,816
	Dawson City Golf Association	PF	85,285
	Dawson Society for Children & Families	PF	27,221
	North Klondyke Highway Music Society	PF	3,944
	Shiver Arts Society	PF	10,000
			\$ 215,244
Faro	Town of Faro	CLP	14,095
	Del Van Gorder School	TAP	4,200
	Faro Golf Club	PF	35,334
			\$ 53,629
Haines Junction	Village of Haines Junction	CLP	23,493
	Junction Arts & Music Society	PF	34,707
	St. Elias Community School	TAP	1,800
			\$ 60,000
Keno	Keno Community Club	CLP	\$ 7,048
Lorne Mountain	Lorne Mountain Community Association	CLP	14,095
	Lorne Mountain Community Association	PF	21,700
			\$ 35,795
Marsh Lake	Marsh Lake Community Society	CLP	\$ 18,794
Mayo	Village of Mayo	CLP	18,794
	J.V Clark School	TAP	2,600
	Mayo Curling Club	PF	11,612
			\$ 33,006
Old Crow	Vuntut Gwitchin First Nation	CLP	\$ 14,095
Pelly Crossing	Selkirk First Nation	CLP	\$ 14,095
Ross River	Ross River Recreation Society	CLP	\$ 14,095
Tagish	Tagish Community Association	CLP	\$ 14,095
Teslin	Village of Teslin	CLP	\$ 18,794
Upper Liard	Liard First Nation	CLP	\$ 11,746
Watson Lake	Town of Watson Lake	CLP	28,191
	Kaska Dena Tsyone & Misga Society	PF	17,000
	Signpost Seniors Association	PF	7,500
	Watson Lake Ski Club	PF	437,428
			\$ 490,119

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
Whitehorse	City of Whitehorse	CLP	333,470
	All City Band	TAP	9,600
	Arctic Edge Skating Club	PF	25,578
	Arctic Edge Skating Club	TAP	3,800
	CSSC Mercier School	TAP	4,800
	F.H Collins Secondary School	TAP	18,600
	Friends of Mount Sima	PF	26,935
	Kita Kaze Budo Club	TAP	1,200
	Kwanlin Koyotes Ski Club	PF	14,150
	Mountain View Golf Club	PF	61,504
	Nakai Theatre	PF	29,153
	Network for Healthy Early Human Develop	PF	20,238
	Northernlight Dance of School	TAP	3,400
	Porter Creek Secondary School	TAP	10,500
	Robotics North Society	PF	5,545
	Robotics North Society	TAP	4,928
	St. Francis of Assisi Catholic Secondary School	TAP	10,300
	Teegatha'Oh Zheh	PF	7,500
	U Kon Echelon Biking Club	PF	22,500
	Utilities Consumer Group	PF	19,997
	Victoria Faulkner Women's Centre	PF	875
	Whitehorse Archery	PF	10,145
	Whitehorse Bike Kitchen Task Force	PF	6,000
	Whitehorse Cross Country Ski Club	PF	154,894
	Whitehorse Curling	PF	17,853
	Whitehorse Disc Golf	PF	11,398
	Whitehorse Duplicate Bridge Club	PF	7,500
	Whitehorse Glacier Bears	PF	10,619
	Whitehorse Oldtimers Hockey Society	TAP	3,000
	Whitehorse United F/C	PF	6,030
Whitehorse Women's Hockey	TAP	2,600	
			\$ 864,612
Yukon	Alpine Club of Canada Yukon Society	PF	1,713
	Alpine Ski	TAP	1,279
	Athletics Yukon	TAP	10,600
	Basketball Yukon	TAP	32,238
	Biathlon YK	TAP	3,600
	Biathlon YK	PF	3,553
	Blue Feather Music Society	PF	28,166
	Climb Yukon	TAP	2,400
	Climb Yukon	PF	17,161
	Cross Country Yukon	TAP	6,800
	Cross Country Yukon	PF	5,986
	Cycling Association of Yukon	PF	12,420
	Cycling Association of Yukon	TAP	400
	Flatwater Paddling Yukon	TAP	800
	Flatwater Paddling Yukon	PF	15,500
	Golden Age Society	PF	3,718
	Grapple Yukon Association	TAP	1,000
	Guild Society	PF	19,153
	Gwaandak Theatre Society	PF	21,406
	Heart of Riverdale Community Centre Society	PF	23,026
Heat Yukon Volleyball Club	PF	7,500	

Community	Organization	Program	Amount
Yukon continued	Japanese Canadian Association of Yukon	PF	3,984
	Jazz Yukon	PF	34,365
	Judo Yukon	TAP	17,242
	Larrikin Entertainment Ensemble	PF	55,000
	Learning Disabilities Association of Yukon	PF	11,267
	Longest Night Society	PF	16,525
	Music Yukon	PF	29,293
	Paradise Music Festival	PF	1,075
	Queer Yukon	PF	5,000
	Recreation & Parks Association of YT	PF	84,600
	Screen Production Yukon Association	PF	13,193
	Snowboard Yukon	PF	6,700
	Snowboard Yukon	TAP	2,200
	Softball Yukon	TAP	26,924
	Sport Yukon	PF	18,310
	Sport Yukon	TAP	800
	Squash Yukon	TAP	1,800
	Swim Yukon	TAP	9,200
	Tennis Yukon	PF	2,360
	Volleyball Yukon	TAP	56,088
	Yukon Aboriginal Sport Circle	TAP	9,692
	Yukon Aboriginal Women's Council	PF	14,780
	Yukon Amateur Hockey Association	TAP	35,958
	Yukon Amateur Speed Skating	TAP	4,000
	Yukon Anti-Poverty Coalition	PF	3,500
	Yukon Arts Centre Corporation	PF	75,400
	Yukon Bluegrass	PF	30,000
	Yukon Breeze Sailing	PF	2,550
	Yukon Canoe and Kayak Association	PF	53,430
	Yukon Conservation Society	PF	6,280
	Yukon Curling	PF	4,972
	Yukon Curling	TAP	2,200
	Yukon Dog Musers Association	TAP	1,200
	Yukon E Sports Alliance	TAP	1,400
	Yukon Film Society	PF	19,153
	Yukon First Nations Culture and Tourism Association	PF	28,166
	Yukon Freestyle Ski Association	PF	14,862
	Yukon Freestyle Ski Association	TAP	3,000
	Yukon Golf Association	TAP	1,000
	Yukon Gymnastics Association	TAP	7,000
Yukon Music Camp Society	PF	16,674	
Yukon Orienteering Association	TAP	2,400	
Yukon Quest International Association	PF	19,000	
Yukon River Marathon Paddling Association	PF	31,700	
Yukon Soccer	TAP	22,400	
Yukon Sourdough Rendezvous Society	PF	30,420	
Yukon Special Olympis	TAP	1,600	
Yukon Theatre for Young People	PF	21,000	
Yukon Wildlife Preserve Operating Society	PF	3,500	
Yukonconstruct Makerspace Society	PF	4,212	
YXY Beach Volleyball Club	PF	3,500	
			\$ 1,089,294



\$ 4,031,641

Total amount contributed to Yukon communities and non-profit organization in 2023-24.

Heart of Riverdale Community Centre Society was a recipient of the Project Fund.

Revenue Sharing

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

Arts

\$ 469,004

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

\$ 689,617

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.



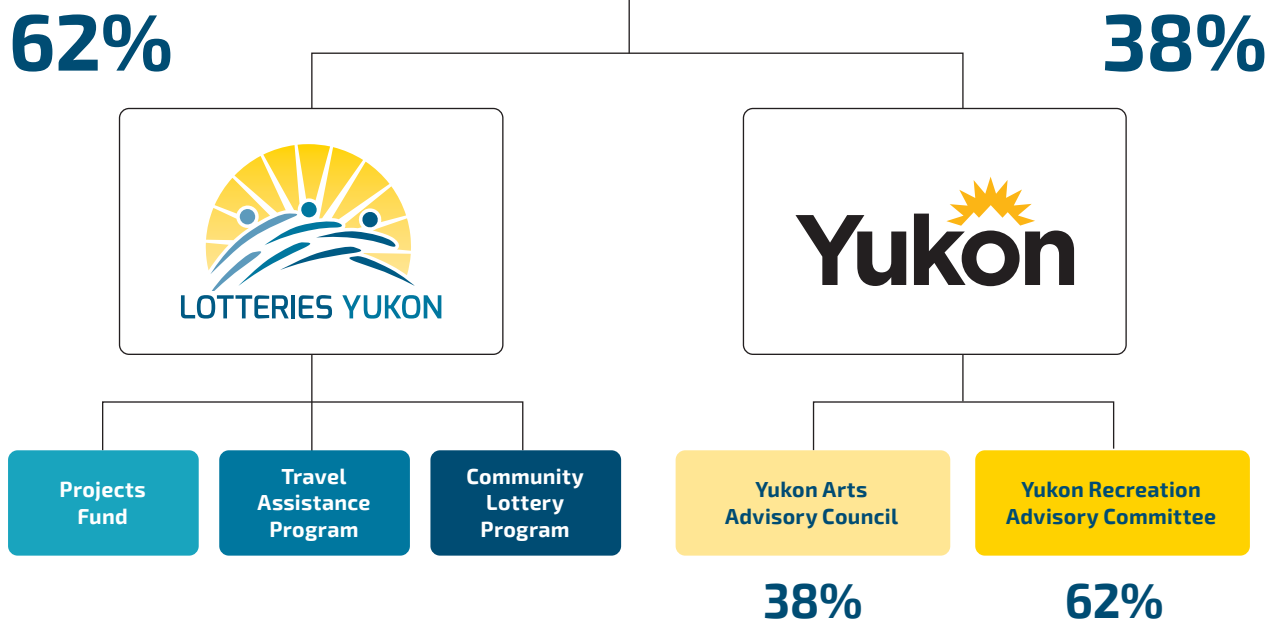
Queer Yukon was a recipient of the **Project Fund**.



Music Yukon was a recipient of the **Project Fund** for Arts in the Park.

Yukon Lottery Commission Revenue Sharing Model

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



Yukon Lottery Commission
Financial Statements
March 31, 2024
(Expressed in Canadian dollars)

Yukon Lottery Commission

**Financial Statements
(Expressed in Canadian dollars)**

March 31, 2024

	Page
Management Responsibility Statement	3
Independent Auditors' Report	4 - 5
Statement of Comprehensive Income (Loss)	6
Statement of Changes in Equity	7
Statement of Financial Position	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 25
Schedule of Break-Open Tickets	26
Schedule of Capital Management of Surplus	27

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 IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board. 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
September 20, 2024



Crowe Mackay LLP
Member Crowe Horwath International
200 – 303 Strickland St
Whitehorse, Yukon Y1A 2J9
Tel: (867) 667-7651
Fax: (867) 668-3797

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, 2024, and the statements of comprehensive income (loss), changes in equity, and cash flows for the year then ended, notes to the financial statements, including a summary of material accounting policies and the schedules of break-open tickets and capital management of surplus.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the commission as at March 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board.

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 IFRS as issued by the International Accounting Standards Board, 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
September 20, 2024

Crowe MacKay LLP

Chartered Professional Accountants

Yukon Lottery Commission

Statement of Comprehensive Income (Loss) (Expressed in Canadian dollars)

For the year ended March 31,	2024	2023
Revenues		
Commissions - Western Canada Lottery Corporation	\$ 3,722,637	\$ 4,201,571
Break-open Tickets (schedule 1)	223,295	122,135
Interest	576,603	338,288
Terminals	8,960	9,230
	<hr/>	<hr/>
	4,531,495	4,671,224
Administration expenditures		
Advertising and promotion	6,555	4,164
Depreciation on property and equipment (note 8)	2,890	3,700
Break-open Tickets (schedule 1)	64,293	52,380
Interest on lease liability (note 9)	4,895	7,934
Depreciation on right-of-use asset (note 9)	81,964	81,872
Office	6,644	6,922
Postage and courier	1,610	786
Professional, consulting and administrative services agreement fees (note 16)	109,853	18,524
Public relations	802	1,146
Repairs and maintenance	16,713	15,016
Telephone and utilities	23,627	22,821
Travel	4,313	3,337
Wages and benefits (note 16)	510,862	487,048
	<hr/>	<hr/>
	835,021	705,650
	<hr/>	<hr/>
	3,696,474	3,965,574
Commission meeting and program expenditures		
Directors' honoraria, travel and meetings	9,747	7,123
Retailer incentive	26,485	28,306
	<hr/>	<hr/>
	36,232	35,429
Excess of revenues over expenditures before transfer payments	3,660,242	3,930,145
Transfer payments (note 13)	5,112,652	2,977,848
Excess (deficiency) of revenues over expenditures being comprehensive income (loss)	\$ (1,452,410)	\$ 952,297

See accompanying notes

6

Yukon Lottery Commission

**Statement of Changes in Equity
(Expressed in Canadian dollars)**

For the year ended March 31,	2024	2023
Surplus, beginning of year	\$ 7,434,723	\$ 6,482,426
Excess (deficiency) of revenues over expenditures being comprehensive income (loss)	(1,452,410)	952,297
Surplus, end of year	\$ 5,982,313	\$ 7,434,723

See accompanying notes

7

Yukon Lottery Commission

**Statement of Financial Position
(Expressed in Canadian dollars)**

March 31, 2024 2023

Assets

Current

Cash	\$ 147	\$ 91
Funds held in trust (note 5)	10,855,367	10,852,210
Trade receivables (note 6)	457,740	415,127
Inventory (note 7)	2,494	3,168
Prepaid expenses	28,933	21,903

11,344,681 11,292,499

Property and equipment (note 8)	38,015	41,137
Right-of-use asset (note 9)	88,576	177,115

\$ 11,471,272 \$ 11,510,751

Liabilities

Current

Trade payables and accruals (note 10)	\$ 445,242	\$ 356,120
Provision, committed to Yukon Government (note 14)	2,891,003	2,700,502
Provision, committed transfer payments (note 11)	2,061,063	839,251
Current portion of lease obligation	91,651	88,503

5,488,959 3,984,376

Lease obligation (note 9)	-	91,652
---------------------------	---	--------

5,488,959 4,076,028

Equity

Surplus (schedule 2) (note 15)	5,982,313	7,434,723
--------------------------------	-----------	-----------

\$ 11,471,272 \$ 11,510,751

Commitments and contingencies (note 12)

Approved on behalf of the Commission:

 Member
 Member

See accompanying notes

8

Yukon Lottery Commission**Statement of Cash Flows**
(Expressed in Canadian dollars)

For the year ended March 31,	2024	2023
Cash provided by (used for)		
Operating activities		
Excess (deficiency) of revenues over expenditures	\$ (1,452,410)	\$ 952,297
Items not affecting cash		
Depreciation	3,122	3,983
Lease expense	93,434	96,437
	(1,355,854)	1,052,717
Change in non-cash working capital items		
Trade receivables	(42,613)	80,444
Inventory	674	1,234
Prepaid expenses	(7,030)	(14,598)
Trade payables and accruals	89,121	30,293
Provision, committed to Yukon Government	190,501	293,323
Provision, committed transfer payments	1,221,812	143,310
	96,611	1,586,723
Financing activity		
Lease payments	(93,398)	(93,398)
Increase in cash	3,213	1,493,325
Cash, beginning of year	10,852,301	9,358,976
Cash, end of year	\$ 10,855,514	\$ 10,852,301
Cash consists of:		
Cash	\$ 147	\$ 91
Funds held in trust	10,855,367	10,852,210
	\$ 10,855,514	\$ 10,852,301

See accompanying notes

9

Yukon Lottery Commission

Notes to the Financial Statements (Expressed in Canadian dollars)

March 31, 2024

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 September 20, 2024.

2. Adoption of new and revised standards

The following amendments were adopted during the year:

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

These amendments continue the International Accounting Standard Board's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The International Accounting Standards Board also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures. Management reviewed the accounting policies and made updates to the information disclosed in certain instances in line with the amendments.

Yukon Lottery Commission

Notes to the Financial Statements (Expressed in Canadian dollars)

March 31, 2024

3. New and revised IFRSs issued but not yet effective

The following new standards and amendments are not yet effective and have not been applied in preparing these financial statements. The Partnership expects to adopt the new amendments or standards at the effective dates.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2024 and are not expected to have a material impact on the financial statements.

Amendment to IAS 1 – Non-current Liabilities with Covenants

The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. This amendment is effective for reporting periods beginning on or after January 1, 2024 and are not expected to have a material impact on the financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

1. Three defined categories for income and expenses—operating, investing and financing—to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit.
2. Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement.
3. Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. The Commission will be assessing the impact on its financial statements in the future.

Yukon Lottery Commission

Notes to the Financial Statements (Expressed in Canadian dollars)

March 31, 2024

4. Material accounting policies

These financial statements are prepared in accordance with IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board. The material 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.

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.

Yukon Lottery Commission

Notes to the Financial Statements (Expressed in Canadian dollars)

March 31, 2024

4. Material accounting policies (continued)

(b) Property and equipment

Property and equipment are recorded at cost. The Commission provides for depreciation using the following methods at rates designed to depreciate the cost of the property and equipment over their estimated useful lives. The annual depreciation 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) Provisions

Provisions are recognized when the Commission has a present obligation as a result of the approval of a transfer payment by the Commission where it is probable that the Commission will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

All unpaid, but approved transfer payments, are included in the provision for committed transfer payments. When the Commission determines that an obligation no longer exists, as there will be no future claims by the recipient of the transfer payment, the amount is considered unclaimed and the provision is reduced.

The Commission records two separate provisions.

- Committed to Yukon Government - provides for amounts that are subject to an agreement between the Commission and the Yukon Government that provides for the addition of 38% of the annual revenue available for distribution less amounts claimed in the current and prior year

-Committed transfer payments that provides for other claimants that are not subject to the agreement between the Yukon Government and the Commission.

Yukon Lottery Commission

Notes to the Financial Statements (Expressed in Canadian dollars)

March 31, 2024

4. Material accounting policies (continued)

(d) Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are initially recognised when the Commission becomes a party to the contractual provisions of the instrument and are measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of a financial instrument apart from those measured at fair value through profit and loss are added to the fair value on initial recognition and accreted to profit and loss over the term of the instrument.

Classification and subsequent measurement

Cash comprises cash on hand and funds held in trust.

Financial instruments 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, and lease obligations.

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 liabilities are classified as measured at amortised cost or FVTPL. A financial liability is measured as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition, otherwise it is classified as measured at amortized cost. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Subsequent measurement:

Yukon Lottery Commission

Notes to the Financial Statements
(Expressed in Canadian dollars)

March 31, 2024

4. Material accounting policies (continued)

Financial instruments at amortised cost are subsequently measured using the effective interest method. Any gain or loss on derecognition is recognised in profit or loss.

Impairment:

The Commission assesses at the end of each reporting period whether there is objective evidence that financial assets may be 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 receivables 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.

Yukon Lottery Commission

Notes to the Financial Statements (Expressed in Canadian dollars)

March 31, 2024

4. Material accounting policies (continued)

(e) 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 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 depreciation 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.

(f) Revenue recognition

Under IFRS 15 lottery commission revenue is recognized when the draw based game occurs. Instant win ticket or break-open ticket revenue is recognized at the time the retailer activates a specific book of tickets via the on-line accounting system for a sale to a customer.

IFRS 15 presents a single model of recognizing revenue from contracts with customers with the exception of certain contracts under other IFRSs. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the expected consideration receivable in exchange for transfer of those good and services. Under IFRS 15, revenue is measured at the transaction price, which is allocated to the performance obligations identified in the contract with the customer. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised good or services to customers.

As a result, commission revenues are required to be reported net of expected prize expense, and the Western Canada Lottery Commission's cost of producing and selling the tickets and is labeled Commissions - Western Canada Lottery Commission. Break-open tickets commission revenue is separately recorded and is labeled Break-open Tickets.

Terminal revenue is recognized as the administrative service is provided to retailers on a weekly basis.

Yukon Lottery Commission

Notes to the Financial Statements (Expressed in Canadian dollars)

March 31, 2024

4. Material accounting policies (continued)

(g) 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.

(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 (Expressed in Canadian dollars)

March 31, 2024

4. **Material 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.

5. **Funds held in trust**

All general funds of the Commission are held in trust for the Commission by the 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.

6. **Trade receivables**

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

7. **Inventory**

Inventory consists of Commission-branded promotional items on hand at year-end. During the year, \$802 (2022 - \$1,234) was expensed.

8. **Property and equipment**

	2024				
	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 depreciation					
Opening	105,513	76,391	61,168	-	243,072
Provision	2,674	-	450	-	3,124
Closing	108,187	76,391	61,618	-	246,196
Net book value	\$ 10,693	\$ -	\$ 1,046	\$ 26,275	\$ 38,014

Yukon Lottery Commission

**Notes to the Financial Statements
(Expressed in Canadian dollars)**

March 31, 2024

8. Property and equipment (continued)

	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 depreciation					
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

9. Right-of-use asset and lease obligation

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

	2024		
	Cost	Accumulated amortization	Net book value
Right-of-use	\$ 265,618	\$ 177,042	\$ 88,576
	2023		
	Cost	Accumulated amortization	Net book value
Right-of-use	\$ 265,618	\$ 88,503	\$ 177,115
Maturity analysis - undiscounted lease liabilities			
Less than one year			\$ 91,651

Yukon Lottery Commission

Notes to the Financial Statements (Expressed in Canadian dollars)

March 31, 2024

9. Right-of-use asset and lease obligation (continued)

Lease liabilities - principal	
Total lease liabilities	\$ 91,651
Less current portion	(91,651)
<hr/>	
Non-current portion	\$ -
<hr/>	
Amounts recognized in net income	
Depreciation expense on right-of-use asset - leased office asset	\$ 88,540
Interest expense on lease liabilities	4,895
<hr/>	
Lease expense	93,435
Lease expense allocated to Break-open Tickets (Schedule 1)	(6,576)
<hr/>	
	\$ 86,859

The lease payments have been discounted at an effective interest rate of 3.5%. The lease payments commenced on April 1, 2023 and will end on March 31, 2025. The continuity of the discounted lease liability over the term of the lease is as follows:

	Start of lease	2023	2024	2025
Lease Liability	\$ 280,194	\$ 180,155	\$ 91,652	\$ -

10. Trade payables and accruals

Included in trade payables and accruals are the following:

	2024	2023
Accrued employee termination benefits	\$ 270,699	\$ 263,791
Due to Yukon Government, a related party, for contributions payable	-	15,408
Due to Yukon Government, a related party, for expenses	892	-
Due to Yukon Government, a related party, for wages payable	129,180	47,804
Trade payables and accruals	44,471	29,117
<hr/>		
	\$ 445,242	\$ 356,120

Yukon Lottery Commission

Notes to the Financial Statements (Expressed in Canadian dollars)

March 31, 2024

11. Provision, committed transfer payments

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

	2024	2023
Provision, beginning of year	\$ 839,251	\$ 695,941
Additions	2,039,938	839,251
Paid during the year	(554,730)	(508,535)
Unclaimed	(263,396)	(187,406)
Provision, end of year	\$ 2,061,063	\$ 839,251

12. Commitments and contingencies

The Commission is responsible for paying their employees, with five or more years of service severance and sick pay upon retirement or termination of employment (see note 10). 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.

Yukon Lottery Commission

Notes to the Financial Statements (Expressed in Canadian dollars)

March 31, 2024

13. Transfer payments

	2024	2023
Travel Assistance Program	\$ 346,549	\$ 251,578
Community Lottery Program	651,958	610,448
Project Fund		
Regular intake	1,584,053	579,458
Three year plan	309,539	200,222
Opportunity	123,442	40,014
Strategic partnerships	1,016,100	22,317
Special Funding - APTN	-	-
Recreation Awareness Campaign	-	-
Unclaimed Funds	(268,111)	(187,406)
Yukon Government - YRAC/YAAC (note 14)	1,349,122	1,434,463
Yukon Government - E-services	-	1,200
PMOU - Strategic Initiatives	-	25,554
	\$ 5,112,652	\$ 2,977,848

14. 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.

	2024	2023
Excess of revenue over expenditures before transfer payments	\$ 3,660,241	\$ 3,930,145
Less: Break-open net income (schedule 1)	(159,002)	(69,755)
	3,501,239	3,860,390
Change in contingencies reserve (prior year less current year)	49,081	(85,488)
Total revenue available for distribution	\$ 3,550,320	\$ 3,774,902
	2024	2023
Total revenue available for distribution (from above)	\$ 3,550,321	\$ 3,774,902
Less: Available for Yukon Lottery Commission (62%)	(2,201,199)	(2,340,439)
Total available for Yukon Government (38%)	\$ 1,349,122	\$ 1,434,463

Yukon Lottery Commission**Notes to the Financial Statements
(Expressed in Canadian dollars)**

March 31, 2024

14. Provision, committed to Yukon Government (continued)

	2024	2023
Sport and Recreation Branch (62%)	\$ 836,456	\$ 889,367
Cultural Services Branch (38%)	512,666	545,096
	<u>\$ 1,349,122</u>	<u>\$ 1,434,463</u>
	2024	2023
Provision, beginning of year	\$ 2,700,502	\$ 2,407,179
Additions	1,349,122	1,434,463
Paid during the year	(1,158,621)	(1,141,140)
Provision, end of year	<u>\$ 2,891,003</u>	<u>\$ 2,700,502</u>

15. 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 for certain specified expenditures.

Yukon Lottery Commission

Notes to the Financial Statements (Expressed in Canadian dollars)

March 31, 2024

15. Capital management (continued)

The Commission has internally restricted surplus earnings of \$4,448,037 (2023 - \$4,930,545) to provide for contingencies, to maintain funding levels for the Commission's funding programs, and for partnership strategic initiatives (Schedule 2). These restricted amounts are not available for other purposes without approval of the Commission. The restricted amounts consist of:

Invested in Capital Assets - an amount equal to the net book value of the Commission Capital Assets.

Working Capital - a fixed amount of \$100,000 to cover working capital needs.

Contingencies - an amount equal to 20% of revenue not including break-open ticket revenue.

Project Fund, - an amount is added annually to support various projects as approved by the Commission. Any amount paid to recipients or or any unclaimed amounts once a project is completed reduce the restricted amount.

Community Lottery Program - an amount is approved annually by the Commission to fund community lottery programming. Any amount paid to recipients or or any unclaimed amount upon completion of a project reduces the restricted amount.

Travel Assistance Program - an amount is approved annually by the Commission to fund travel for applicants. Any amount paid to recipients or or any unclaimed amount upon completion of travel reduces the restricted amount.

PMOU Strategic Initiatives - the net amount of break-open ticket revenues less allocated expenses as shown in schedule 1 is added to the restricted amount each year to fund future initiatives of strategic importance as determined by the Commission from time to time.

16. Related party transactions

During the year, Yukon Government provided employee services to the Commission of \$551,846 (2023 - \$524,272) and provided other administrative services of \$74,230 (2023 - Nil).

During the year, the Commission committed transfer payments of \$1,349,122 (2023 - \$1,434,463) and paid out \$1,151,628 (2023 - \$1,141,140) to the Yukon Government.

17. Key management compensation

During the year, key management short-term employee benefits and Commission member compensation totaled \$172,376 (2023 - \$156,777) plus termination benefits of \$1,116 (2023 - \$5,555) Key management compensation includes the general manager's salary and benefits and all Commission members' honoraria.

Yukon Lottery Commission

Notes to the Financial Statements (Expressed in Canadian dollars)

March 31, 2024

18. 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 reviews and maintains sufficient cash resources to ensure that liabilities can be settled when they become due.

(b) Credit risk

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 Commission has credit risk in trade receivables from Western Canada Lottery Corporation in respect of commissions of \$457,740 (2023 - \$415,127) and has recorded a credit loss allowance of nil (2023 - nil) based on historical default rates and collections subsequent to the year end.

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 \$108,553.

(d) Fair value

The Commission's financial instruments include cash, funds held in trust, trade receivables, trade payables and accruals and lease liability. The fair values on initial recognition are measured at the transaction amounts due to the short-term to maturity, except for the lease liability which is measured using the entity's incremental borrowing rate.

19. Subsequent event

Subsequent to the end of the year, the Government of Yukon's Department of Community Services and Department of Tourism and Culture entered into a Partnership Memorandum of Understanding (MOU) with the Commission. Pursuant to the MOU, the Commission provided a commitment for funding to the Tourism and Culture department in the amount of \$825,075, \$925,075, and \$925,075 for the March 31, 2025, March 31, 2026 and March 31, 2027 fiscal years, respectively, and for funding to the Community Services department in the amount of \$1,052,996 annually for the three fiscal years from March 31, 2025 to March 31, 2027.

Yukon Lottery Commission**Schedule to the Financial Statements
(Expressed in Canadian dollars)**

For the year ended March 31,

	Schedule 1	
	2024	2023
Revenue	\$ 223,295	\$ 122,135
Expenditures		
Advertising and promotion	526	319
Depreciation	232	283
Directors' honoraria, travel and meetings	782	544
Lease (note 9)	6,576	6,631
Office supplies and printing	480	506
Postage and freight	129	60
Professional, consulting and administrative service agreement fees	8,813	1,416
Public relations	64	88
Repairs and maintenance	1,341	1,148
Retailer incentive	2,125	2,163
Telephone	1,895	1,744
Training	40	146
Travel	306	109
Wages and benefits	40,984	37,223
	64,293	52,380
Excess of revenues over expenditures	\$ 159,002	\$ 69,755

Yukon Lottery Commission
Schedule of Capital Management of Surplus
(Expressed in Canadian dollars)

Schedule 2

For the year ended March 31,

2024

2023

	Operating Surplus	Invested in Capital Assets	Working Capital	Contingencies	Project Fund	Community Lottery Program	Travel Assistance Program	PMOU Strategic Initiatives	Total
Balance, beginning of year	\$ 1,814,274	\$ 41,137	\$ 100,000	\$ 910,721	\$ 3,815,859	\$ 68,827	\$ 162,293	\$ 521,612	\$ 7,434,723
Excess of revenue over expenditures before transfer payments	3,501,240	-	-	-	-	-	-	159,002	3,660,242
Balance before transfer payments	5,315,514	41,137	100,000	910,721	3,815,859	68,827	162,293	680,614	11,094,965
Transfer payments Unclaimed funds	(1,348,122)	-	-	-	(3,680,377)	-	(346,549)	-	(5,376,048)
	-	-	-	-	46,645	192,775	23,976	-	263,396
Transfer payments (note 14)	(1,348,122)	-	-	-	(3,633,732)	192,775	(322,573)	-	(5,112,652)
Subtotal	3,966,392	41,137	100,000	910,721	182,127	261,602	(160,280)	680,614	5,982,313
Depreciation	3,122	(3,122)	-	-	-	-	-	-	-
Transfers from reserves	117,908	-	-	(48,081)	-	(68,827)	-	-	-
Transfers to reserves	(2,553,146)	-	-	-	2,340,439	-	212,707	-	-
Balance, end of year	\$ 1,534,276	\$ 38,015	\$ 100,000	\$ 861,640	\$ 2,522,566	\$ 192,775	\$ 52,427	\$ 680,614	\$ 5,982,313
									\$ 7,434,723



Shiver Arts Society was a recipient of the **Project Fund**.



Whitehorse Bike Kitchen Task Force was a recipient of the **Project Fund**.

Lotteries Yukon

101-205 Hawkins Street
Whitehorse, Yukon Y1A 1X3

Phone: (867) 633-7890
Toll free in Yukon: 1-800-661-0555
Email: LotteriesYukon@yukon.ca

lotteriesyukon.com

