Nunavut Lottery
Government of Nunavut
Department of Community Services

Financial Statements

March 31, 2025

Nunavut Lottery
Financial Statements
Year ended March 31, 2025

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with the terms and conditions of the Joint Lottery Marketing Agreement between the Government of Nunavut, the Western Canada Lottery Commission and the Northwest Territories Lottery Commission.

In discharging its responsibility for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

The financial statements have been reported on by EPR Yellowknife Accounting Professional Corporation. Their report outlines the scope of their examination and their opinion on the financial statements.

Ms. Mariele Depeuter
Director, Sport and Recreation
Community Services
Government of Nunavut
October 29, 2025

INDEPENDENT AUDITOR'S REPORT
Opinion on the Financial Statements

To the Government of Nunavut
NU Western Canada Lotteries

Opinion
We have audited the accompanying Annual Statement of Financial Position and Operations, and the related notes (hereinafter referred to as the "statements"), for the year ended March 31, 2025, prepared in accordance with the terms and conditions of the Joint Lottery Marketing Agreement ("the Agreement") dated April 1, 1999 and amended on March 31, 2023, between the Government of Nunavut, the Western Canada Lottery Commission ("WCLC"), and the Northwest Territories Lottery Commission ("NWTLC"). The Nunavut Lottery is delivered and administered by NWTLC under the terms and conditions of the Agreement. These statements are the responsibility of the Government of Nunavut. Our responsibility is to express an opinion on these statements based on our audit.

In our opinion, the accompanying statements of Nunavut Lottery for the year ended March 31, 2025 are prepared, in all material respects, in accordance with the financial reporting provisions of the Agreement.

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 Statements section of our report. We are independent of Nunavut Lottery in accordance with the ethical requirements that are relevant to our audit of the 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.

Emphasis of Matter – Restriction on Use
We draw attention to the fact that the statements have been prepared in accordance with the Agreement referred to above. The statements are prepared to provide information to the Government of Nunavut and NWTLC. As a result, the statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement
Management is responsible for the preparation and fair presentation of these statements in accordance with financial reporting provisions of the Agreement, and for such internal control as management determines is necessary for compliance with the established criteria and to enable the preparation of the statements that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Report
Our objectives are to obtain reasonable assurance about whether the statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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

INDEPENDENT AUDITOR'S REPORT – cont'd.
Opinion on the Financial Statements

expected to influence the economic decisions of users taken on the basis of the statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Nunavut Lottery's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the statements, including the disclosures, and whether the 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.

EPR Yellowknife Accounting Professional Corporation
Chartered Professional Accountants
Yellowknife, NWT
October 29, 2025

Nunavut Lottery
Statement of Financial Position
For The Year Ended March 31, 2025

	2025	2024
Financial Assets		
Due from NWT Lottery Commission	$ 526,419	$ 526,419
	526,419	526,419
	-	-
Net Financial Assets	526,419	526,419
Accumulated Surplus		
Balance, beginning of year	526,419	507,142
Excess of revenue over expenses per page 2	115,613	526,418
Funds remitted to the Government of Nunavut	(115,613)	(507,141)
Accumulated surplus, end of year	526,419	526,419
	526,419	526,419

On behalf of the Nunavut Lottery

Gov't of Nunavut, Dept. of Community Services

Nunavut Lottery
Statement of Operations
For The Year Ended March 31, 2025

		2025		2024
Revenues				
Lottery Revenue, Net (Schedule 1)	$	311,911	$	670,528
		311,911		670,528
Expenses				
Postage and freight		27,554		12,506
Promotional and educational material		382		-
		27,936		12,506
Excess before allocation		**283,975**		**658,022**
Corporate Overhead Allocation (Note 8)		168,362		131,604
Excess of revenue over expenses	**$**	**115,613**	**$**	**526,418**

On behalf of the Nunavut Lottery

Gov't of Nunavut, Dept. of Community Services

1. Organization and jurisdiction

The Northwest Territories Lottery Commission (NWTLC) has agreements with the Western Canada Lottery Corporation (Western Canada Lottery Corporation Agreement, signed June 17, 2019) and the Government of Nunavut (Joint Lottery Marketing Agreement, signed June 19, 2019) for the purpose of conducting and managing the sale of Western Canada Lottery products. The NWTLC was appointed to assist in the joint marketing of the Western Canada Lottery (the "Lottery") in the Territory of Nunavut. The Joint Lottery Marketing Agreement was updated on March 31, 2023 and expires March 31, 2027 unless terminated earlier in accordance with the Agreement or renewed by mutual parties.

2. Significant accounting policies

These financial statements are prepared in accordance with the financial reporting provisions of the Joint Lottery Marketing Agreement between the Government of Nunavut, the Western Canada Lottery Corporation and the Northwest Territories Lottery Commission. The significant accounting policies used are as follows:

a) Funds received from Western Canada Lottery Corporation are recognized as revenue only when the draw has been completed.

b) Financial assets, consisting of due from NWT Lottery Commission, are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

3. Net sales for this period

		$	%
Eastern Arctic / Nunavut *(Schedule 3)*	$	4,200,032	14.39
Western Arctic / NWT *(Schedule 3)*		17,406,484	85.61
Total	**$**	**21,606,516**	100.00

The financial statements for Nunavut Lottery have a discrepancy in sales between the lottery sales reported in schedules 1 and 2 compared to schedule 3 and note 3. This discrepancy is due to differences in how sales are captured in reports. The Western Canada Lottery Corporation accounting uses draw-based accounting to account for sales, only counting sales once the draw has happened, regardless of when the money has come in. The report used by NWT/NU Lotteries uses a mix between draw-based accounting and calendar-based accounting, meaning that sales are counted the day a ticket is purchased. As an example, all dollars spent in the month are accounted for. If a ticket is bought on April 30th but the draw is May 1st, a calendar-based report shows it as an April sale. Western Canada Lottery Corporation provides audited statements done by Deloitte and all sales by Nunavut are correct. Work is being conducted so that the reports align and there is not a discrepancy in reported sales.

4. Number of terminals

		#	%
Eastern Arctic / Nunavut			
April 1, 2024 to June 30, 2024	5		
Multiply by number of months	3		
	15		
July 1, 2024 - July 30, 2024	7		
Multiply by number of months	1		
	7		
August 1, 2024 - September 30, 2024	10		
Multiply by number of months	2		
	20		
October 1, 2024 - December 31, 2024	12		
Multiply by number of months	3		
	36		
January 1, 2025 - January 31, 2025	13		
Multiply by number of months	1		
	13		
Febryary 1, 2025 - March 31, 2025	14		
Multiply by number of months	2		
	28		
Weighted average number of terminals		**9.92**	**22**
Western Arctic / NWT			
April 1, 2024 to April 30, 2024	37		
Multiply by number of months	1		
	37		
May 1, 2024 to March 31, 2025	36		
Multiply by number of months	11		
	396		
Weighted average number of terminals		**36.08**	**78**
Total		**46.00**	**100**

5. Actual cost

Actual cost will be charged as the expenses are incurred.

6. Communications

Eastern Arctic / Nunavut			
Wireless Locations			
April 1 through March 31, 2025		3	
Multiply by number of months		12	
Total months		36	
Monthly cost per terminal		84	
Fixed cost for eastern non-satellite terminals			3,024
Wireline Locations			
April 1 through March 31, 2025		2	
Multiply by number of months		12	
Total months		24	
Monthly cost per terminal		684.60	
Fixed cost for eastern terminals on satellite			16,430
Total communications cost per WCLC		117,305	
Less: Fixed communication costs		-	
Other communications costs, total	117,305		
Multiply by: Percentage of sales, Nunavut			
Total - to Schedule 1			**19,454**

7. Amortization

	$	%	$
50% based on percentage of sales	110,885	19.44	21,555
50% based on number of terminals	110,885	21.56	23,904
Total - to Schedule 1	**221,769**		**45,459**

8. Corporate overhead allocation

The corporate overhead allocation is calculated as 19.44% of Northwest Territories expenses.

	$
Northwest Territories Expenses	
Compensation and Benefits	468,411
Travel	380
Material and Supplies	115,237
Purchased Services	36,144
Contract Services	243,425
Computer Hardware/Software	2,465
	866,062
Corporate allocation charge	19.44 %
Total - to Statement of Operations	**168,362**

9. Other expenses

Any, and all, costs associated with loss of revenue as a result of theft, fraud, collusion or other acts at the Eastern retailers will be the responsibility of the Nunavut government, not NWT Lottery Commission or the Government of the Northwest Territories.

0. Media expense

The media expense *per Schedule 1* is based on the total media expense before management fee
multiplied by the percentage of terminals located in Nunavut.

	$	%	$
Based on number of terminals	234,803	21.56	50,619

1. Financial instruments

Financial instruments consist of due from NWT Lottery Commission and accrued liabilities. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest, currency or credit risks. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

12. Equipment

The equipment expense per Schedule 1 is based on the total equipment expense less the moneris aintenace and monthly fees multiplied by the percentage of net sales in Nunavut plus NU portion of the moneris fees as reported on the monthly invoices from Moneris.

	$	$
Total NT/NU Equipment Expense	71,688	
Less: Moneris Maintence /Install Costs	10,608	
Less: Moneris Monthly Fees	29,674	
		31,406
Corporate allocation charge		19.44%
		6,105
Add: NU Moneris Expenses per invoices		15,507
Total - to Schedule 1		21,612

Nunavut Lottery
Schedule Of Lottery Revenue, Net **Schedule 1**
(See Schedule 2 for Calculations of Actual Amounts)
For The Year Ended March 31, 2025

	2025	2024
Revenue		
Lottery ticket sales	$ 4,329,979	$ 2,839,846
Direct Expense		
Free tickets	129,947	86,478
Prizes	3,099,976	1,685,978
Retailer commissions	286,407	158,774
Online transactional costs	28,059	-
Ticket printing	171,625	55,985
	3,716,014	1,987,215
Net ticket sales revenue	613,965	852,631
Interest and other income	23,167	10,973
Operating income	**637,132**	**863,604**
Corporate Expenses		
Amortization *(Note 7)*	45,459	18,773
Communications *(Note 6)*	19,454	18,531
Cost of premises	5,752	2,047
Draws and winning numbers publication	923	531
Employee development	1,469	792
Equipment*(Note 12*	21,612	12,412
Federal Government	766	572
Goods and services tax	26,300	14,804
I.L.C. expense	4,239	1,745
Insurance and bank charges	2,236	1,481
Media & advertising *(Note 10)*	50,619	32,975
Overhead allocation	(71)	(49)
Freight and product transport	45,344	30,599
Presentations, publications and miscellaneous	441	1,169
Professional fees	30,488	16,075
Promotion	1,870	1,059
Supplies	282	228
Travel	528	329
Wages and benefits	67,509	39,003
	325,221	**193,076**
Excess of revenue over expenses	**$ 311,911**	**$ 670,528**

Nunavut Lottery
Calculation of Amounts **Schedule 2**
For Schedule of Lottery Revenue, Net
(Amounts derived from Western Canada Lottery Corporation Financial Statements)
For The Year Ended March 31, 2025

	Actual Total	Nunavut Percentage %	**Nunavut Amount**
Revenue			
Lottery ticket sales (Note 3)	22,744,107	-	4,329,979
Interest and other income	119,172	19.44	23,167
	22,863,279	-	4,353,146
Direct Expenses			
Free tickets	1,142,850	-	129,947
Prizes	12,388,955	-	3,099,976
Retailer commissions	1,204,003	-	286,407
Online transactional costs (NU is not legislated for online costs)	144,338	-	28,059
Ticket printing	512,370	-	171,625
	15,392,516	-	3,716,014
Operating income	7,470,763		637,132
Corporate Expenses			
Amortization *(Note 7)*	221,769	-	45,459
Communications *(Note 6)*	117,305	-	19,454
Cost of premises	29,587	19.44	5,752
Draws and winning numbers publication	4,750	19.44	923
Employee development	7,557	19.44	1,469
Equipment*(Note 12)*	71,688	-	21,612
Freight and product transport	3,939	19.44	766
Goods and services tax	135,286	19.44	26,300
I.L.C. expense	21,808	19.44	4,239
Insurance and bank charges	11,501	19.44	2,236
Media & advertising *(Note 10)*	234,803	19.44	50,619
Overhead allocation	(363)	19.44	(71)
Payment to Government of Canada	233,252	19.44	45,344
Presentations, publications and miscellaneous	2,268	19.44	441
Professional fees	156,829	19.44	30,488
Promotion	9,621	19.44	1,870
Supplies	1,453	19.44	282
Travel	2,714	19.44	528
Wages and benefits	347,268	19.44	67,510
	1,613,035		**325,221**
Excess of revenue over expenses	**5,857,728**		**311,911**

Nunavut Lottery
Continuity of Monthly Sales and Percentages
For The Year Ended March 31, 2025

Schedule 3

	Net Sales			Monthly Percentage		Cumulative Net Amount			Cumulative Percentage	
	East	West	Total	East	West	East	West	Total	East	West
	$	$	$	%	%	$	$	$	%	%
April 30, 2024	298,547	1,553,210	1,851,757	16.12	83.88	298,547	1,553,210	1,851,757	16.12	83.88
May 31, 2024	293,078	1,698,258	1,991,336	14.72	85.28	591,625	3,251,468	3,843,093	15.39	84.61
June 30, 2024	244,264	1,358,569	1,602,833	15.24	84.76	835,889	4,610,037	5,445,926	15.35	84.65
July 31, 2024	249,132	1,468,174	1,717,306	14.51	85.49	1,085,021	6,078,211	7,163,232	15.15	84.85
August 31, 2024	385,225	1,645,025	2,030,250	18.97	81.03	1,470,246	7,723,236	9,193,482	15.99	84.01
September 30, 2024	409,755	1,393,581	1,803,336	22.72	77.28	1,880,001	9,116,817	10,996,818	17.10	82.90
October 31, 2024	356,706	1,315,887	1,672,593	21.33	78.67	2,236,707	10,432,704	12,669,411	17.65	82.35
November 30, 2024	407,041	1,607,881	2,014,922	20.20	79.80	2,643,748	12,040,585	14,684,333	18.00	82.00
December 31, 2024	463,619	1,621,831	2,085,450	22.23	77.77	3,107,367	13,662,416	16,769,783	18.53	81.47
January 31, 2025	370,027	1,285,603	1,655,630	22.35	77.65	3,477,394	14,948,019	18,425,413	18.87	81.13
February 28, 2025	319,704	1,095,608	1,415,312	22.59	77.41	3,797,098	16,043,627	19,840,725	19.14	80.86
March 31, 2025	402,934	1,362,857	1,765,791	22.82	77.18	4,200,032	17,406,484	21,606,516	19.44	80.56
	4,200,032	**17,406,484**	**21,606,516**							