

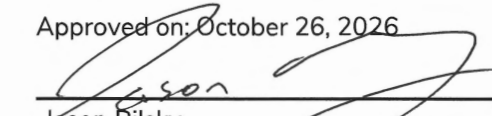
GOVERNMENT OF YUKON
Consolidated Statement of Financial Position
as at March 31, 2026

	2026	2025
	(thousands of dollars)	
Financial assets		
Cash and cash equivalents (Note 4)	\$ 217,398	\$ 65,068
Due from Government of Canada (Note 5)	118,308	178,728
Accounts receivable (Note 6)	85,081	100,253
Portfolio investments (Note 7)	49,803	49,342
Advances to government business enterprises (Note 11(b)(c))	31,200	32,200
Loan receivable - Victoria Gold Corp. (Note 9)	86,558	105,000
Loans receivable (Note 9)	70,658	72,349
Inventories for resale (Note 10)	75,716	86,784
Retirement benefit assets (Note 18)	110,414	110,158
Investments in government business enterprises (Note 11(a))	242,697	217,781
	<u>1,087,833</u>	<u>1,017,663</u>
Liabilities		
Bank advances and short-term borrowings (Note 12)	-	267,438
Due to Government of Canada (Note 5)	40,473	45,599
Accounts payable and accrued liabilities (Note 13)	275,767	272,071
Unearned revenues (Note 14)	63,518	66,999
Surety bond - Victoria Gold Corp. (Note 9)	58,761	55,000
Environmental liabilities (Note 15)	185,400	180,365
Asset retirement obligation liabilities (Note 16)	63,681	62,129
Post-employment benefits and compensated absences (Note 17)	157,045	153,335
Retirement benefits (Note 18)	135,489	128,084
Borrowings (Note 19)	405,571	13,803
	<u>1,385,705</u>	<u>1,244,823</u>
Net debt	<u>(297,872)</u>	<u>(227,160)</u>
Non-financial assets		
Tangible capital assets (Note 20)	2,554,912	2,407,167
Inventories of supplies	14,247	15,182
Prepaid expenses	9,973	9,581
	<u>2,579,132</u>	<u>2,431,930</u>
Accumulated surplus	<u>\$ 2,281,260</u>	<u>\$ 2,204,770</u>
Accumulated surplus is comprised of:		
Accumulated operating surplus	2,271,037	2,195,949
Accumulated remeasurement gains	10,223	8,821
	<u>\$ 2,281,260</u>	<u>\$ 2,204,770</u>

Commitments (Note 11(d)), Contingencies (Notes 11(e) and 29), Guarantees (Notes 18(d)(e) and 26), Contractual rights (Note 23), Contractual obligations (Note 24), and Subsequent events (Note 30).

The accompanying notes and schedules are an integral part of these consolidated financial statements.

Approved on: October 26, 2026


 Jason Bilsky
 Deputy Minister of Finance


 Currie Dixon
 Minister of Finance

GOVERNMENT OF YUKON
Consolidated Statement of Operations and Accumulated Operating Surplus
for the year ended March 31, 2026

	2026		2025
	Budget	Actual	Actual
	(Note 1(b))		
	(thousands of dollars)		
Revenues (Schedule A)			
Transfers from Government of Canada	\$ 1,893,955	\$ 1,875,023	\$ 1,821,302
Taxes and general revenues	297,551	360,619	344,267
Funding and service agreements with other parties	59,011	63,618	67,962
Income (loss) from investment in government business enterprises (Note 11(a))	23,106	30,995	(5,137)
	<u>2,273,623</u>	<u>2,330,255</u>	<u>2,228,394</u>
Expenses (Schedule B)			
Health and social services	768,500	760,667	719,880
Community and transportation	402,790	485,178	447,281
Education	308,973	297,533	271,132
General government	329,835	250,805	283,693
Natural resources	143,289	283,881	145,517
Justice	111,648	121,747	128,035
Business, tourism and culture	63,788	58,034	58,991
Interest on borrowings	12,120	5,723	1,104
	<u>2,140,943</u>	<u>2,263,568</u>	<u>2,055,633</u>
Recovery of prior years' expenses	-	8,401	2,246
Surplus for the year	<u>\$ 132,680</u>	<u>\$ 75,088</u>	<u>\$ 175,007</u>
Accumulated operating surplus at beginning of year		<u>2,195,949</u>	<u>2,020,942</u>
Accumulated operating surplus at end of year		<u><u>\$ 2,271,037</u></u>	<u><u>\$ 2,195,949</u></u>

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF YUKON
Consolidated Statement of Remeasurement Gains and Losses
for the year ended March 31, 2026

	2026	2025
	(thousands of dollars)	
Accumulated remeasurement gains at beginning of year	\$ 8,821	\$ 6,870
Unrealized gains attributable to:		
Portfolio investments	1,635	338
Amounts reclassified to the statement of operations and accumulated operating surplus:		
Portfolio investments	(630)	1,157
Other comprehensive gain of government business enterprises (Note 11(a))	397	456
Net remeasurement gains for the year	<u>1,402</u>	<u>1,951</u>
Accumulated remeasurement gains end of year	<u><u>\$ 10,223</u></u>	<u><u>\$ 8,821</u></u>

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF YUKON
Consolidated Statement of Change in Net Debt
for the year ended March 31, 2026

	2026		2025
	Budget	Actual	Actual
	(Note 1(b))		
	(thousands of dollars)		
Surplus for the year	\$ 132,680	\$ 75,088	\$ 175,007
Effect of change in tangible capital assets			
Acquisitions	(334,011)	(247,200)	(289,549)
Amortization of tangible capital assets	80,279	91,990	81,953
Loss on disposal of tangible capital assets	22	645	231
Proceeds on disposal of tangible capital assets	195	-	-
Write-down of tangible capital assets	-	6,311	-
Change in asset retirement obligation estimate	-	509	411
	(253,515)	(147,745)	(206,954)
Effect of change in other non-financial assets			
Acquisition of inventories of supplies	(20)	(23,367)	(23,677)
Consumption of inventories of supplies	-	24,302	23,531
Increase in prepaid expenses	(60)	(392)	(963)
	(80)	543	(1,109)
Net remeasurement gains	-	1,402	1,951
Decrease (increase) in net debt	\$ (120,915)	(70,712)	(31,105)
Net debt at beginning of year		(227,160)	(196,055)
Net debt at end of year		<u>\$ (297,872)</u>	<u>\$ (227,160)</u>

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF YUKON
Consolidated Statement of Cash Flow
for the year ended March 31, 2026

	2026	2025
	(thousands of dollars)	
Operating transactions		
Surplus for the year	\$ 75,088	\$ 175,007
Non-cash items included in surplus for the year:		
Amortization of tangible capital assets	91,990	81,953
Recognition of surety bond income	(45,000)	-
Loans receivable valuation adjustment	98,505	(176)
Amortization of unearned revenues	(375)	(375)
Accretion expense	2,321	2,038
Accounts receivable valuation adjustment	18,169	-
Bad debt expense	1,649	816
Write-down of tangible capital assets	6,311	-
Loss (gain) on sale of inventories held for resale	424	(2,370)
Write-down of inventories held for resale	1,138	14,857
Loss on disposal of tangible capital assets	645	231
Adjustment as per ARO change of estimates	(97)	-
(Surplus) deficit of government business enterprises (Note 11(a))	(30,995)	5,137
Net change in accounts receivable	(3,142)	(53,270)
Net change in accounts payable and accrued liabilities balances	5,653	30,415
Proceeds from surety bond - Victoria Gold Corp.	48,761	55,000
Net change in environmental liabilities	5,035	(9,577)
Net change in other operating asset and liability balances	55,988	(30,362)
Amounts remitted from government business enterprises	7,041	8,033
Cash provided by (used for) operating transactions	<u>339,109</u>	<u>277,357</u>
Capital transactions		
Acquisition of tangible capital assets	<u>(244,117)</u>	<u>(297,229)</u>
Cash provided by (used for) capital transactions	<u>(244,117)</u>	<u>(297,229)</u>
Investing transactions		
Net proceeds from (acquisition of) portfolio investments	1,114	(1,389)
Repayment of advances to government business enterprises	945	2,000
Repayments of loans receivable	26,834	25,126
Issuance of loans receivable	(83,826)	(109,402)
Investment in inventories held for resale	<u>(12,007)</u>	<u>(42,428)</u>
Cash provided by (used for) investing transactions	<u>(66,940)</u>	<u>(126,093)</u>
Financing transactions		
Proceeds from borrowings	396,972	-
Repayment of borrowings	(5,256)	(5,099)
Repayment of liabilities for leased tangible capital assets	<u>-</u>	<u>(362)</u>
Cash provided by (used for) financing transactions	<u>391,716</u>	<u>(5,461)</u>
Change for the year	<u>419,768</u>	<u>(151,426)</u>
(Bank indebtedness) cash and cash equivalents, beginning of year	<u>(202,370)</u>	<u>(50,944)</u>
Cash and cash equivalents (bank indebtedness), end of year	<u>\$ 217,398</u>	<u>\$ (202,370)</u>
Represented by:		
Cash and cash equivalents (Note 4)	\$ 217,398	\$ 65,068
Bank advances and short-term borrowings (Note 12)	<u>-</u>	<u>(267,438)</u>
Total	<u>\$ 217,398</u>	<u>\$ (202,370)</u>
Interest received in the year	\$ 9,419	\$ 12,753
Interest paid in the year	\$ 7,558	\$ 7,000

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
March 31, 2026

1. Authority and operations

(a) Authority

The Government of Yukon (“the Government”) operates under the authority of the Yukon Act (Canada). All disbursements for operations and loans are authorized by the Yukon Legislative Assembly.

(b) Budget

The Budget figures are based on the Consolidated Budget of the Government Reporting Entity as published in the Government’s Operation & Maintenance and Capital Estimates 2025-26 and approved in the Legislative Assembly in March 2025. These figures do not reflect changes arising from Special Warrants issued or any Supplementary Estimates approved later in the year by the Yukon Legislative Assembly.

(c) Investments

The *Financial Administration Act* (Yukon) allows the Government to invest money from the consolidated revenue fund in the following investments:

- securities that are obligations of, or guaranteed by, the Government of Canada or a province;
- fixed deposits, notes, certificates, and other short-term paper of, or guaranteed by, a bank including swapped deposit transactions in the currency of the United States of America;
- commercial paper issued by a company incorporated under the laws of the Government of Canada or a province, the securities of which are rated in the highest rating category by at least two recognized security rating institutions.

(d) Basis of accounting

These consolidated financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

2. Significant accounting policies

(a) Reporting entity and method of consolidation

The consolidated financial statements include the accounts of all controlled government sector entities and government not-for-profit organizations.

Government sector entities include departments and government-controlled corporations. Government not-for-profit organizations comprise government-controlled education and health institutions.

The accounts of government sector entities and not-for-profit organizations, except for those that are classified as government business enterprises, are consolidated using the full consolidation method. With the full consolidation method, revenue and expense transactions, capital, investing and financing transactions, and related assets and liability accounts between consolidated entities have been eliminated.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
March 31, 2026

2. Significant accounting policies (continued)

(a) Reporting entity and method of consolidation (continued)

The accounts of government business enterprises are consolidated using the modified equity method. Under the modified equity method of consolidation, the accounting policies of consolidated entities are not adjusted to conform with those of the government organizations that are consolidated using the full consolidation method. Under the modified equity method, inter-entity revenue and expense transactions and related asset and liability balances are properly not eliminated in these consolidated financial statements.

All accounts of the government reporting entity are consolidated using the financial information for the year ended March 31. As for the organization that uses a fiscal year-end other than March 31, namely the Yukon Development Corporation, the Government uses their unaudited interim financial statements as at March 31.

Trusts administered by the Government on behalf of other parties (Note 22) are excluded from the government reporting entity.

The organizations comprising the government reporting entity are categorized by their specific operating authority and accounting method for consolidation as follows:

Full consolidation:

Government of Yukon departments
Yukon Hospital Corporation
Yukon Housing Corporation
Yukon University

Modified equity:

Yukon Development Corporation
Yukon Liquor Corporation

Authority for operations:

Financial Administration Act
Hospital Act
Housing Corporation Act
Yukon University Act

Yukon Development Corporation Act
Liquor Act
Cannabis Control and Regulation Act

(b) Specific accounting policies

Revenues

Revenues are recorded on an accrual basis.

Government transfers are recognized as revenue when the funding is authorized and any eligibility criteria are met, except to the extent that funding stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as unearned revenue when transfer stipulations give rise to a liability. Transfer revenues are recognized as the stipulation liabilities are settled.

Government transfers include the Formula Financing grant and the Canada health and the Canada social transfers in accordance with the *Federal-Provincial Fiscal Arrangements Act* (Canada) which expires on March 31, 2029. The Formula Financing grant is principle-based, and the Canada health transfer and the Canada social transfer are simple equal cash per capita grants. Adjustments for health and social transfers are made in the year they are known.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
March 31, 2026

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

Revenues (continued)

Income taxes, levied under the *Income Tax Act* (Yukon), are collected by the Government of Canada on behalf of the Government under a tax collection agreement and are remitted to the Government monthly.

Remittances are determined in accordance with the Department of Finance – Canada's best estimates for the taxation year, and income tax revenues are recognized on the basis of these estimates, subject to adjustments for known factors. Any adjustments upon finalization are reflected in the accounts in the year they are identified. Tax concessions are accrued on the same basis as the associated tax revenues and reduce gross taxation revenue.

Fuel and tobacco taxes are levied under the authority of the *Fuel Oil Tax Act* (Yukon) and the *Tobacco Tax Act* (Yukon). Revenues are recognized based on the statements received from collectors and estimates. Adjustments from reassessments are recorded in revenue in the year they are identified.

Revenue from funding and service agreements with other parties are recognized as they are determined to be earned based on the terms and conditions of the agreements. These determinations occur on an agreement-by-agreement basis due to the diverse nature of each individual agreement.

Property tax revenues are recognized in the period in which the taxable event occurs and when they are authorized by legislation, or the ability to assess and collect the tax has been provided through legislative convention. Reported property tax revenues include estimated revenues for the current period and adjustments between the estimated revenues of previous years and actual amounts.

Revenue for permits and licenses issued by the Government are recognized at a point in time, when they are issued, if they provide a right or access to an activity with no ongoing performance obligations for the Government. Revenues for permits and licenses that grant access rights for a finite number of instances or a fixed period of time with an ongoing performance obligation are recognized over a period of time as the access rights are used.

Resource revenues are received in the form of fees for access, as well as resource royalties for resource extraction. Resource access rights have ongoing performance obligations to grant access, therefore revenues are recognized over time as the access term elapses. Resource royalties are recognized at a point in time when the terms and conditions for the royalties are met.

Land sale revenue has a performance obligation and is satisfied through sale of government land. Land sale revenue is recognized at a point in time when all sale conditions are met, and the transaction is closed with transfer of title to the buyer.

Revenues for leases and lease-like arrangements have a performance obligation to provide access to the leased asset. The revenues are recognized over the term of the lease in accordance with the applicable lease terms.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
March 31, 2026

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

Expenses

Expenses are recorded on an accrual basis. Transfer payments are recorded as expenses when authorized and recipients have met eligibility criteria.

Recovery of prior years' expenses includes reversal of amounts accrued in prior years which are in excess of actual expenses. These amounts cannot be used to increase the amount appropriated for the current year.

Assets

Financial assets

Cash and cash equivalents include cash on hand, balances with banks, and short-term investments that have terms to maturity of less than 90 days from the dates of acquisition.

Accounts receivables are recorded at cost. A valuation allowance is recorded when collection of the receivable is considered doubtful.

Portfolio investments include investments such as treasury bills, GICs, term deposits; short-term debt securities of Canadian governments and corporate issuers with terms to maturity of 90 days or more but one year or less from the date of acquisition; and mortgage funds, bonds, and equities. Portfolio investments are measured at their fair value.

Loans receivable are stated at the lower of principal amounts and net recoverable value. Valuation allowances, which are recorded to reduce loans receivable to their net recoverable value, are based on historical experience, current conditions and all circumstances known at the date of the preparation of the financial statements. The loan receivable is reduced by the amount of a loss when the amount is known with sufficient precision, and there is no realistic prospect of recovery. Interest revenue is recognized on an accrual basis until such time that the collectability of either principal or interest is not reasonably assured. Loans with significant concessionary terms are reviewed annually. Concessionary loans are recorded at the discounted value of the loan after the grant portion has been expensed.

Inventories for resale include land that has been developed by the Government and supplies held for eventual sale. Land is comprised of the costs of acquiring, planning, and developing lots. The lots are valued at cost, except, when there has been a loss in value that is other than a temporary decline, in which case the lots are written down to net realizable value to recognize the loss. Supplies held for sale are recorded at the lower of cost and net realizable value.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
March 31, 2026

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

Non-financial assets

Non-financial assets are assets that do not normally provide resources to discharge existing liabilities, but instead are normally used to deliver future government services or may be consumed in the normal course of operations. Non-financial assets include tangible capital assets, inventories of supplies and prepaid expenses.

Tangible capital assets are buildings, roads, equipment, and other items, whose useful life extends beyond the fiscal year and are intended to be used on an ongoing basis for delivering services. These assets are recorded at cost, or fair value if donated. For certain tangible capital assets that have previously been transferred from the Government of Canada or where the original costs are not readily available, estimated costs have been extrapolated back in time in a systematic and rational manner to approximate the appropriate transfer value of the assets at the time of transfer. Certain tangible capital assets that have legal obligations requiring specific retirement activities create a future asset retirement liability that is offset at inception by capitalizing the estimated future cost and amortizing it over the life of the tangible capital asset. Costs include all costs directly attributable to acquisition, construction, development, betterment and retirement of tangible capital assets. Interest costs on loans that are directly attributable to the acquisition of tangible capital assets are capitalized.

The value of works of art, historical treasures, certain intangibles, and items inherited by right of the Crown, such as Crown lands, forests, water, and mineral resources are not recorded as tangible capital assets. Historical treasures and works of art are expensed when they are acquired.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
March 31, 2026

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

Non-financial assets (continued)

Tangible capital assets that are held and available for use by the Government are generally amortized on a straight-line basis over their estimated useful life of the asset as follows:

<u>Asset category</u>	<u>Estimated useful life</u>
Land	Indefinite
Buildings	
Buildings	10-100 years
Leasehold Improvements	Lease term
Portable classroom/housing trailers	10-40 years
Equipment and vehicles	
Heavy equipment	7-30 years
Operating equipment	5-25 years
Vehicles	5-20 years
Computer hardware and software	
Computer hardware	3-7 years
Computer software	3-20 years
Infrastructure	
Transportation infrastructure ¹	5-75 years
Forestry access roads	5-10 years
Resource access roads	Life of Mine
Land improvements and fixtures	5-50 years
Waste and water systems	
Landfills	25-80 years
Sewage and water systems	5-50 years
Communications technology	
Mobile radio system infrastructure	5-20 years
Network transmission systems	20-40 years

¹ Includes Highways, Surfaces, Bridges and Airport runways

Tangible capital assets under construction or development are reported as work-in-progress with no amortization until the asset is placed in service.

Other non-financial assets

Inventories of supplies consist primarily of fuel and lubricants, repair parts, stationery and office supplies, highway materials that are tracked through revolving funds and medical supplies of the Yukon Hospital Corporation. These inventories of supplies are valued at the lower of cost and replacement value, as they are not held for sale but rather are intended to be used in providing government services. Other materials and supplies are expensed at the time of acquisition.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
March 31, 2026

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

Liabilities

Bank advances and short-term borrowings are due on demand.

Unearned revenues are cash received for which goods and services have not been provided by year-end and are primarily comprised of prepaid lease payments and transfer payments from the Government of Canada, which have associated stipulations that gave rise to a liability as of year-end.

Liabilities for leased tangible capital assets are recorded at the present value of the minimum lease payments, excluding the portion relating to executory costs. A corresponding asset is recorded at the lower of the present value of the minimum lease payments, excluding the portion relating to executory costs, and the fair value of the asset. The present value is based on the Government's borrowing rate, over a similar term length as the related lease terms, at the time the obligation is incurred.

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is considered likely to occur (or likely to fail to occur) and is quantifiable, an estimated liability is accrued. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed.

Environmental liabilities

Liabilities for remediation of contaminated sites are recognized when an environmental standard exists; contamination exceeds the environmental standard; the Government is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made.

Asset retirement obligation liabilities

An asset retirement obligation is recognized when, as at the financial reporting date, all the following criteria are met:

- (i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (ii) The past transaction or event giving rise to the liability has occurred;
- (iii) It is expected that future economic benefits will be given up; and
- (iv) A reasonable estimate of the amount can be made.

The estimate of the asset retirement obligation includes costs directly attributable to the asset retirement activities. The estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods. The discount rate used reflects the reporting entity's cost of borrowing, associated with the estimated number of years to complete retirement or remediation.

If the tangible capital asset is in productive use, the estimated obligation is recorded as a liability and increase to the related tangible capital asset. The capitalized asset retirement cost is amortized on the same basis as the related tangible capital asset and recorded in amortization expense. If the tangible capital asset is

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
March 31, 2026

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

Asset retirement obligation liabilities (continued)

unrecognized or no longer in productive use, the asset retirement costs are expensed.

The liability is adjusted annually for accretion due to the passage of time over the expected term to settlement of the obligation based on the applicable discount rate. Accretion is recorded as an expense.

The carrying value of the liability is reviewed at each financial reporting date. Any changes in the amount or timing of the underlying future cash flows or any other new information impacting the estimate are recognized as a change in estimate in the period the new information is identified and accounted for prospectively. The Government continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Post-employment benefits and compensated absences

Post-employment benefits are expected to be provided after employment but before retirement to employees. These benefits include severance benefits, as well as accumulated sick and vacation leave benefits that are paid in cash when employment is terminated. Compensated absences are benefits such as sick leave, vacation leave, special leave and education leave that are paid to employees during their employment. The Government recognizes the obligation for these benefits as a liability and uses actuaries to estimate the amount of the obligation based on the projected benefit method prorated on service. Expenses related to post-employment benefits and compensated absences are recognized in the period in which the employee's service is rendered and the benefits are earned. The accrued benefit liability for these benefits is calculated as the accrued benefit obligation adjusted by unamortized actuarial gains or losses.

Retirement benefits

The Government's employees participate in the Public Service Pension Plan administered by the Government of Canada. The Government's contributions are expensed during the year in which the services are rendered and represent its total pension obligation. The Government is not currently required to make contributions with respect to any actuarial deficiencies of the pension plan.

Other retirement benefits for Government employees include extended health care for retired employees who choose to participate in the plan and a life insurance plan for retirees who meet certain criteria. They are both non-pension defined benefit plans. Liabilities for these benefits are triennially valued on an actuarial basis using the projected benefit method prorated on service, with an actuarial valuation for accounting purposes updated annually. Non-pension retirement benefit expenses for these plans are recognized as the member renders service. Actuarial gains and losses are amortized on a straight-line basis over the estimated average remaining service lives of the participants. Both extended health care and life insurance retirement benefits are not funded and thus have no plan assets, resulting in a plan deficit equal to the accrued benefit obligation.

Retirement benefits to Members of the Legislative Assembly, territorial court judges, and the employees of Yukon University and the Yukon Hospital Corporation are defined benefit plans and are valued on an actuarial basis. Actuarial valuations of these benefits are performed triennially using the projected benefit method prorated on service, with an actuarial valuation for accounting purposes updated annually. Pension expenses

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
March 31, 2026

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

Retirement benefits (continued)

for these plans are recognized as the member renders services. Actuarial gains and losses are amortized on a straight-line basis over the estimated average remaining service lives of the participants. The accrued benefit liability for these plans is calculated as the accrued benefit obligation less plan assets, if any, adjusted by unamortized actuarial gains or losses. Plan assets are valued at fair market value.

Borrowings

Borrowings are recognized initially at cost or amortized cost, reflecting premiums, discounts, and directly attributable transaction costs, and are subsequently measured at amortized cost using the effective interest method.

Borrowings include embedded interest rate swap derivatives. These embedded derivatives are not separated from the loan agreements and are not accounted for as standalone derivative instruments because the economic characteristics and risks associated with these embedded derivatives are closely related to those of the loan agreements. Therefore, they are included in the measurement of the borrowings.

Financial instruments

Financial instruments are contracts that give rise to the financial assets of one entity and financial liabilities or equity instruments of another entity. Financial instruments are measured at fair value or cost/amortized cost. Fair value measurement will apply to portfolio investments in equity instruments that are quoted in an active market. Also, when groups of financial assets and financial liabilities are managed on a fair value basis they may be reported on that basis. Other financial assets and financial liabilities will generally be measured at cost or amortized cost. Until an item is derecognized, gains and losses arising due to fair value remeasurement will be reported in the consolidated statement of remeasurement gains and losses. The following is a list of the Government's financial instruments and their related measurement basis:

Financial Assets:	Measurement Basis
Cash and cash equivalents	Cost
Due from Government of Canada	Cost
Accounts receivable	Cost
Portfolio investments	Fair value
Advances to government business enterprises	Amortized cost
Loans receivable	Amortized cost
Financial Liabilities:	Measurement Basis
Bank advances and short-term borrowings	Cost
Due to Government of Canada	Cost
Accounts payable and accrued liabilities	Cost
Borrowings	Amortized cost

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
March 31, 2026

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

Fair value measurement

The determination of fair value requires judgement and is based on market information where available and appropriate. Fair value measurements are categorized, based on the nature of the inputs used, into one of three levels within a fair value hierarchy as follows:

Level 1 - Fair value is based on quoted market prices in active markets for identical assets or liabilities.

Level 2 - Fair value is based on observable inputs other than Level 1 prices, such as quoted market prices for similar (but not identical) assets or liabilities in active markets, quoted market prices for identical assets or liabilities in markets that are not active, and other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Fair value is based on non-observable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

For financial instruments measured at cost or amortized cost, transaction costs are a component of the cost of the financial instruments and gains and losses are recognized in the statement of operations and accumulated operating surplus. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenues or expenses. Foreign currency transactions are translated at the exchange rate in effect at the transaction date.

Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues, and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant although, at the time of preparation of these financial statements, the Government believes the estimates and assumptions to be reasonable.

Some of the more significant management estimates relate to the tobacco settlement receivable, Victoria Gold Corp. loan receivable, inventories for resale, post-employment and retirement benefits, environmental liabilities, asset retirement obligations, amortization of tangible capital assets, corporate and personal income tax revenue, and contingencies.

There is measurement uncertainty related to the tobacco settlement receivable as it involves estimates in future net after-tax income of the three tobacco companies, annual distribution amounts, the discount rate and actual settlement period. The degree of measurement uncertainty cannot be reasonably determined.

There is measurement uncertainty related to the Victoria Gold Corp. loan receivable as its recoverability is subject to significant uncertainty. The recoverability of the receivable depends on a number of factors, including the outcome of the sale process, the terms of any definitive transaction, remediation and restart costs, regulatory requirements, and the timing and amount of future realizations. The degree of measurement uncertainty cannot be reasonably determined.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
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2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

Measurement uncertainty (continued)

There is measurement uncertainty related to the valuation of the inventories for resale. The estimated net realizable value of these inventories is dependent on assumptions regarding anticipated sale prices and estimated development and selling costs. The degree of measurement uncertainty cannot be reasonably determined.

The provision for environmental liabilities is subject to a high degree of measurement uncertainty because determining the existence and extent of contamination, the responsibility for, and the timing and cost of remediation activities are complex and subjective. These estimates require a high degree of management judgement. The degree of measurement uncertainty resulting from the estimation of the provision cannot be reasonably determined.

The provision for asset retirement obligations is subject to a high degree of measurement uncertainty because determining the timing and cost of retirement activities is complex and subjective. These estimates require a high degree of management judgement. The degree of measurement uncertainty resulting from the estimation of the provision cannot be reasonably determined.

3. Future changes in accounting standards

The Government will adopt the Conceptual Framework for Financial Reporting in the Public Sector (Conceptual Framework) and PS 1202 Financial Statement Presentation effective for the Government's fiscal year beginning on April 1, 2026.

The Conceptual Framework establishes the nature, purpose, and boundaries of financial accounting and reporting. It provides the foundation for the development of PSAS and supports the application of professional judgment. Upon implementation, it will be applied prospectively and will replace the conceptual components of PS 1000 Financial Statement Concepts and PS 1100 Financial Statement Objectives.

PS 1202, sometimes referred to as the new reporting model, outlines key requirements for presenting information in public sector financial statements, drawing on the principles set out in the Conceptual Framework. The new standard requires retroactive application, including the restatement of prior year comparatives.

In March 2026, the Public Sector Accounting Board issued Section PS 3251, Employee Benefits, which replaces the existing standards for employee benefits. It is effective for fiscal years beginning on or after April 1, 2029, with early adoption permitted. The new standard provides revised guidance for the recognition, measurement and disclosure of employee benefits, including defined benefit plans. The Government is assessing the impact of the new standard on its financial statements and will implement the standard by the effective date.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
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4. Cash and cash equivalents

	2026	2025
	(thousands of dollars)	
Bank balances	\$ 217,340	\$ 65,009
Cash on hand	<u>58</u>	<u>59</u>
	<u><u>\$ 217,398</u></u>	<u><u>\$ 65,068</u></u>

5. Due from/to Government of Canada

	2026	2025
	(thousands of dollars)	
Due from Government of Canada		
Cost-sharing agreements and projects delivered on behalf of the Government of Canada	\$ 110,420	\$ 170,580
Income tax	7,216	7,517
Other	<u>672</u>	<u>631</u>
	<u><u>\$ 118,308</u></u>	<u><u>\$ 178,728</u></u>
Due to Government of Canada		
RCMP	\$ 13,164	\$ 11,344
Public Service Pension Plan contribution	10,609	10,976
Payroll taxes	8,850	10,155
Program funding liable for claw back	3,081	3,081
Type II mine sites	849	1,270
CMHC mortgages and loans	170	364
Other	<u>3,750</u>	<u>8,409</u>
	<u><u>\$ 40,473</u></u>	<u><u>\$ 45,599</u></u>

Amounts due from and due to the Government of Canada are payable on demand and are non-interest bearing except for mortgages and loans due to CMHC (Note 19). The carrying amounts, with the exception of mortgages and loans due to CMHC, approximate fair values because of their short term to maturity.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
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6. Accounts receivable

	2026	2025
	(thousands of dollars)	
Taxes, interest, other revenue, and recovery receivables	\$ 72,405	\$ 48,183
Less: valuation allowance	(23,585)	(5,126)
	48,820	43,057
Tobacco settlement ¹	28,325	54,026
Due from government business enterprises that are not fully consolidated	7,936	3,170
	<u>\$ 85,081</u>	<u>\$ 100,253</u>

¹ The Government is party to litigation initiated against three tobacco manufacturers to recover health care costs associated with tobacco-related illnesses. This action is part of a coordinated effort among several Canadian jurisdictions and claimants.

On March 6, 2025, the Ontario Superior Court of Justice approved a mediated settlement of \$32.5 billion under the *Companies' Creditors Arrangement Act*. Of this, \$24.7 billion is payable to provinces and territories, including an upfront payment of \$6.2 billion upon implementation of the agreement in August 2025.

The Government is entitled to approximately \$101,000,000 under the agreement. During the year, the Government received the upfront payment of \$25,701,000 in settlement proceeds. The outstanding balance is expected to be collected through annual instalments based on a percentage of the tobacco companies' net after-tax income. The receivable of \$28,325,000 (2025 – \$54,026,000) represents the remaining amount.

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7. Portfolio investments

The classification of investments by level within the valuation hierarchy is as follows:

	Quoted prices (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total 2026	Total 2025
(thousands of dollars)					
Short-term investments	\$ 175	\$ 4,642	\$ -	\$ 4,817	\$ 5,489
Bonds	2,745	6,757	-	9,502	6,304
Mortgages	-	4,533	-	4,533	4,347
Equities	4,006	26,945	-	30,951	30,357
Other debt securities	-	-	-	-	2,845
Investments at fair value	<u>\$ 6,926</u>	<u>\$ 42,877</u>	<u>\$ -</u>	<u>\$ 49,803</u>	<u>\$ 49,342</u>

Portfolio investments include designated investments set aside within the Consolidated Revenue Fund (Note 8). The investments are managed by a third party.

8. Designated assets

The Government has designated a portion of its assets for the purpose of meeting the obligations under Part 3 (Supplemental Plan) of the *Legislative Assembly Retirement Allowances Act* (Yukon) as well as the "Severance allowance" section of the *Legislative Assembly Act* (Yukon).

Designated assets of \$42,877,000 (2025 - \$41,935,000) are included in portfolio investments (Note 7).

9. Loans receivable

	2026	2025
(thousands of dollars)		
Yukon Housing Corporation mortgages receivable, secured by registered charges against real property, chattel mortgages or general security agreements, due in varying annual amounts to the year 2055 (2025 – 2036) bearing interest rates ranging from 0.00% to 8.20% (2025 – 0.00% to 8.20%), excluding allowance for subsidies and valuation of \$104,000 (2025 – \$114,000) and discount in the amount of \$582,000 (2025 – \$655,000) for loans with concessionary terms.	\$ 22,953	\$ 26,524
Agreements for sale of land, due in varying annual amounts over a three- or five-year term to the year 2030 (2025 – 2029), bearing interest at 5.00% to 7.75% (2025 – 5.00% to 7.75%).	33,400	29,941

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Notes to the Consolidated Financial Statements
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9. Loans receivable (continued)

	2026	2025
	(thousands of dollars)	
Regional Relief and Recovery Fund loans providing assistance to businesses to recover from COVID-19 pandemic, due with forgivable terms, bearing interest rates ranging from 0.00% to 5.00% (2025 - 0.00% to 5.00%).	271	405
Local improvement loans, due in varying annual amounts to the year 2040 (2025 – 2040), bearing interest rates ranging from 0.50% to 5.25% (2025 – 0.50% to 5.25%).	7,585	8,232
Debenture loans to municipalities, due in varying annual amounts to the year 2038 (2025 – 2038), bearing interest rates ranging from 2.72% to 5.85% (2025 – 2.72% to 5.85%).	1,732	2,077
Other, net of allowance for doubtful accounts of \$686,000 (2025 – \$1,091,000).	4,717	5,170
	<u>\$ 70,658</u>	<u>\$ 72,349</u>

The Government received consideration in the form of loans receivable for sale of land of \$21,424,000 (2025 - \$24,446,000).

Loan receivable - Victoria Gold Corp.

On June 24, 2024, Victoria Gold Corp. suffered a significant heap leach failure at its Eagle Gold Mine, prompting the Government to order a temporary closure of the operation. The incident triggered an urgent need for environmental stabilization and remediation, which the Ontario Superior Court placed under the oversight of PricewaterhouseCoopers, as receiver, in August 2024.

At March 31, 2026, the Government advanced to the court-appointed receiver of Victoria Gold Corp. a total of \$185,000,000 (2025 - \$105,000,000). The loan bears 9.00% annual interest (2025 – 9.00%), compounded monthly. The advances were made under court-approved lending arrangements to support stabilization and remediation-related activities at the Eagle Gold Mine.

The loan is fully repayable on the maturity date which is the earlier of any of these events (i) the occurrence of a default (ii) lifting of the temporary closure of Eagle Gold Mine (iii) the closing of any sale, refinancing, recapitalization, liquidation or other transactions involving Victoria Gold Corp.'s business or property or (iv) the discharge, replacement of the receiver or termination of the receivership proceeding.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
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9. Loans receivable (continued)

On October 20, 2026, the court-appointed receiver of Victoria Gold Corp. and the purchaser entered into a \$140,000,000 agreement for the sale of the Eagle Gold Mine, subject to the approval of the Ontario Superior Court. The Government estimated the net recoverable value of the loan receivable at \$86,558,000 based on the probability-weighted present value of the sale proceeds, with some of the sale proceeds being contingent on events that are not currently expected to occur until future years (5-9 years). The Government considered these developments in the subsequent events period, and determined that the sale terms have provided additional evidence of conditions which existed at March 31, 2026. Accordingly, the Government has treated these developments as an adjusting subsequent event and has recognized a valuation allowance of \$116,611,000 as at March 31, 2026. The Government has also ceased further accrual of interest on the loan receivable effective from April 1, 2026.

The estimated net recoverable value reflects the assessed likelihood and expected timing of the loan repayments. Significant judgment was applied in determining these estimates, and changes in the underlying assessments could materially affect the net recoverable value of the loan receivable.

Surety bond - Victoria Gold Corp.

Of the \$185,000,000 (2025 - \$105,000,000) Court-approved loan, \$103,761,000 (2025 - \$55,000,000) was funded by surety bonds from Intact Insurance Company and Trisura Guarantee Insurance Company (insurance companies), which the Government accessed under the Quartz Mining licence. The insurance companies raised an issue in Court at the December 9, 2024 proceeding, in the event of a sales process, about who would be entitled to assert claim to any surplus proceeds after the Government was fully repaid the non-bond sourced borrowings. The parties agreed that such an issue would be decided by the Court if and when that situation arose. The surety bond is recorded as a liability as at year-end.

The Government determined that the nominal sale price of the Eagle Gold Mine, which became known during the subsequent events period, has provided additional evidence for estimating the surety bond liability at March 31, 2026. Accordingly, the Government revised its surety bond liability balance at March 31, 2026 to \$58,761,000. The balance remains subject to significant uncertainty regarding the legal effect of the surety arrangements, related Court orders and any claims to future sale or restart-related proceeds. The Government will continue to assess the reasonableness of this liability estimate based on future developments.

The Victoria Gold Corp. related balances represent a significant concentration of estimation uncertainty for the Government's 2026 financial statements. Actual results may differ materially from the estimates and judgments reflected in these disclosures, and any resulting adjustments will be recognized in the period in which the underlying facts become known or the relevant uncertainties are resolved.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
March 31, 2026

10. Inventories for resale

	2026	2025
	(thousands of dollars)	
Land		
Undeveloped land	\$ 6	\$ 603
Land under development ¹	59,014	68,354
Developed land	<u>16,623</u>	<u>17,665</u>
	75,643	86,622
Other	<u>73</u>	<u>162</u>
	<u><u>\$ 75,716</u></u>	<u><u>\$ 86,784</u></u>

¹ In 2026 a valuation of the land inventory for resale was performed based on current market conditions and independent appraisals.

As a result, an impairment loss of \$1,138,000 (2025 - \$14,857,000) was recognized as an expense in the statement of operations and accumulated operating surplus. The land inventory was written down from a carrying amount of \$60,152,000 to a net realizable value of \$59,014,000.

The net realizable value was determined using independent appraisals against internal valuations and reflects the estimated selling price in the ordinary course of operations, less estimated costs to complete and sell the land. No reversals of impairment losses were recognized during the year.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
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11. Investment in government business enterprises

(a) Summary of financial statements

Summary financial statements of the government entities accounted for by the modified equity method are provided below. The Yukon Liquor Corporation has a fiscal year-end of March 31. The Yukon Development Corporation ("YDC") has a fiscal year-end of December 31, therefore, the Government uses YDC's unaudited interim financial statements for the year ended March 31 for consolidation purposes. These summary financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board:

	Yukon		2026	2025
	Development Corporation	Yukon Liquor Corporation	Total	Total
	(thousands of dollars)			
Assets				
Current	\$ 63,705	\$ 6,653	\$ 70,358	\$ 61,408
Capital Assets	667,013	1,418	668,431	599,733
Regulatory debit balances (Note 11(f))	61,967	-	61,967	57,099
Right of use of assets	-	702	702	778
Other	39,190	33	39,223	31,239
	<u>831,875</u>	<u>8,806</u>	<u>840,681</u>	<u>750,257</u>
Liabilities				
Current	216,883	4,723	221,606	126,367
Long-term debt	242,144	-	242,144	247,232
Regulatory credit balances (Note 11(f))	10,532	-	10,532	29,559
Contributions in aid of construction	103,243	-	103,243	109,461
Lease liabilities	446	376	822	1,013
Other	17,865	1,772	19,637	18,844
Equity	<u>240,762</u>	<u>1,935</u>	<u>242,697</u>	<u>217,781</u>
	<u>\$ 831,875</u>	<u>\$ 8,806</u>	<u>\$ 840,681</u>	<u>\$ 750,257</u>

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
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11. Investment in government business enterprises (continued)

(a) Summary of financial statements (continued)

	Yukon Development Corporation	Yukon Liquor Corporation	2026 Total	2025 Total
	(thousands of dollars)			
Revenues ¹	\$ 148,320	\$ 19,150	\$ 167,470	\$ 112,276
Expenses	<u>150,911</u>	<u>12,794</u>	<u>163,705</u>	<u>138,079</u>
(Deficit) surplus before the following:	(2,591)	6,356	3,765	(25,803)
Net movement in regulatory deferral (Note 11(f))	<u>27,230</u>	<u>-</u>	<u>27,230</u>	<u>20,666</u>
Surplus (deficit)	<u>\$ 24,639</u>	<u>\$ 6,356</u>	<u>\$ 30,995</u>	<u>\$ (5,137)</u>

¹ Yukon Liquor Corporation revenue is shown as net of cost of goods sold of \$34,678,000 (2025 - \$34,048,000).

	Yukon Development Corporation	Yukon Liquor Corporation	2026 Total	2025 Total
	(thousands of dollars)			
Equity, beginning of year	\$ 215,729	\$ 2,052	\$ 217,781	\$ 230,183
Surplus (deficit)	24,639	6,356	30,995	(5,137)
Other comprehensive gain	394	3	397	456
Profit to be remitted to the Government	<u>-</u>	<u>(6,476)</u>	<u>(6,476)</u>	<u>(7,721)</u>
Equity, end of year	<u>\$ 240,762</u>	<u>\$ 1,935</u>	<u>\$ 242,697</u>	<u>\$ 217,781</u>

Equity represents the Government's investment in the government business enterprises.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
March 31, 2026

11. Investment in government business enterprises (continued)

(b) Inter-entity balances and transactions

	Yukon Development Corporation	Yukon Liquor Corporation	2026 Total	2025 Total
	(thousands of dollars)			
	\$	\$	\$	\$
Government of Yukon:				
Accounts receivable from	5,732	2,204	7,936	3,170
Advance receivable from	31,200	-	31,200	32,200
Accounts payable to	6,786	29	6,815	10,665
Revenues from	-	6,476	6,476	7,721
Expenses to ¹	46,252	-	46,252	38,349

¹ Only for Yukon Development Corporation: The amount includes cost of electricity of \$21,290,000 (2025 – \$17,479,000) purchased by the Government from an unrelated third party. This unrelated party buys electricity from the Yukon Development Corporation's wholly owned subsidiary, Yukon Energy Corporation.

(c) Advance receivable

Yukon Development Corporation

In 2018 the Government advanced \$39,200,000 to YDC for the development of the Whitehorse diesel - natural gas conversion project, which was completed by the Yukon Energy Corporation ("YEC"), YDC's wholly owned subsidiary. The term of the loan is to March 31, 2028, and pursuant to the agreement, the loan may be extended for additional five-year terms upon mutual consent of the parties. The per annum interest rate was based off the one-year indicative swap rate plus a 0.65% premium increase. The rate of interest effective on March 31, 2026 was 3.42% (2025 – 5.69%). The loan agreement requires principal repayments of \$1,000,000 on March 31 each year and full repayment of any principal outstanding at the end of each loan term if the loan is not extended. The payment due March 31, 2026 from YDC was received in March 2026.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
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11. Investment in government business enterprises (continued)

(d) Commitments

Yukon Development Corporation

In June 2010, YDC issued 30-year bonds in the amount of \$100,000,000 at a fixed coupon rate of 5.0% per annum. In the Memorandum of Understanding ("the MOU") between the Government and YDC dated March 10, 2011, the Government agreed to provide YDC with financial assistance to a maximum of \$2,625,000 annually from April 1, 2011 to March 31, 2042, based on a prescribed formula where, depending on the annual financial results of YDC, the Government funding will be reduced or eliminated. In 2026, the Government paid \$2,331,000 (2025 – \$2,625,000) to YDC based on the MOU.

The Government committed funding to YDC under the Winter Electrical Affordability Rebate program. The funding had been authorized up to \$3,850,000 for the year ending March 31, 2026. This rebate program provided subsidies to non-government residential customers for the period October 1, 2025 to March 31, 2026. In 2026, the Government provided \$3,850,000 (2025 – \$nil) to YDC for this purpose.

The Government has committed funding to YDC under the Affordability Rate Relief Rebate program, implemented in 2026 with an initial rebate period of January 1, 2026 to March 31, 2026. The funding had been authorized up to \$1,600,000 for the year ending March 31, 2026. This rebate program provides subsidies to non-government residential customers. In 2026, the Government provided \$1,600,000 (2025 – \$nil) to YDC for this purpose.

As at March 31, 2026, YEC had contractual obligations for future purchases of products or services in the amount of \$96,050,000 (2025 – \$43,870,000).

The Yukon Water Board has issued licenses to YEC for the purposes of operating hydro generation stations in the Yukon. The licenses also indicated the terms and conditions for the operation of these facilities. The current water licenses have the following terms:

Aishihik Generating Station	December 31, 2027
Mayo Generating Station	December 31, 2030
Whitehorse Generating Station	July 30, 2045

Yukon Liquor Corporation

In the normal course of operations, the Yukon Liquor Corporation enters into multi-year arrangements for the provision of freight and other goods and services. The total commitments as at March 31, 2026 for future years are \$8,256,000 (2025 – \$6,927,000).

(e) Contingencies

Yukon Development Corporation

YEC has not recognized a provision for asset retirement obligations for the closure and restoration obligations for certain generation, transmission and distribution assets. YEC anticipates maintaining and operating these assets for an indefinite period, making the dates of retirement of the assets indeterminate. The significant uncertainties around the timing of any potential future cash outflows are such that a reasonable estimate of the liability is not possible at this time. A provision will be recognized when the timing of the retirement of these assets can be reasonably estimated.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
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11. Investment in government business enterprises (continued)

(f) Regulatory deferral accounts

Yukon Development Corporation

Regulatory deferral accounts in YDC's financial statements are accounted for differently than they would be in the absence of rate regulation. Where regulatory decisions dictate, YDC defers certain expenses or revenues as regulatory deferral account debit balances or regulatory deferral account credit balances and recognizes them in the net movement of regulatory deferral account balances as it collects or refunds amounts through customer rates. Any adjustments to these regulatory deferral accounts are recognized in the net movement of regulatory deferral account balances in the period that the Yukon Utilities Board ("YUB") renders a subsequent decision. All amounts maintained as regulatory deferral account debit balances and regulatory deferral account credit balances are expected to be recovered or settled and are assessed on an annual basis by comparing the rates approved by the YUB to the current balances.

The net movement in regulatory deferral account balances is reported as income from investment in government business enterprises in the Government's consolidated statement of operations and accumulated operating surplus.

12. Bank advances and short-term borrowings

The amounts borrowed from lines of credit fluctuated throughout the year with interest rates between 3.60% to 4.10% (2025 - 4.10% to 6.35%). Interest expense incurred was \$1,834,000 (2025 - \$5,896,000).

The bank advances and short-term borrowings are comprised of:

	2026	2025
	(thousands of dollars)	
Bank balances ¹	\$ -	\$ (91,580)
Line of credit	-	359,018
	<u>\$ -</u>	<u>\$ 267,438</u>

¹ Bank balances offset against the line of credit (rather than being separately presented within cash and cash equivalents) are those for which the Government has legally enforceable rights to set off the outstanding balance under the line of credit against bank balances in other accounts with the same financial institution, as well as an intention to realize/settle those balances on a net basis (or otherwise simultaneously).

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
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13. Accounts payable and accrued liabilities

	2026	2025
	(thousands of dollars)	
Accounts payable	\$ 90,687	\$ 84,091
Accrued liabilities ¹	131,455	127,278
Contractors' holdbacks and security deposits	29,217	29,783
Due to government business enterprises (Note 11(b))	6,815	10,665
Other	<u>17,593</u>	<u>20,254</u>
	<u>\$ 275,767</u>	<u>\$ 272,071</u>

¹ The Government is defending multiple legal actions including contract, negligence property and personal injury and tax disputes. When a liability is identified and reasonably estimable, it is recorded as an accrued liability and an expense. The Government has recorded an accrued liability of \$11,142,000 (2025 - \$13,654,000).

One of the legal disputes relates to a 2022 class action against the Government regarding the use of holds, restraints and seclusions of students at Jack Hullah Elementary School. In 2025 the parties reached an agreement on a settlement framework, which was approved by the court and provides a process for adjudicating claims. The ultimate cost of the settlement remains uncertain because it depends on the number and nature of claims submitted through the settlement process and the adjudication of those claims.

14. Unearned revenues

	2026	2025
	(thousands of dollars)	
Unearned balance of government transfers	\$ 35,637	\$ 41,242
Prepaid lease payments ¹	13,875	14,625
Other	<u>14,006</u>	<u>11,132</u>
	<u>\$ 63,518</u>	<u>\$ 66,999</u>

¹ The Government has an agreement with Northwestel Inc., a private sector, non-government entity for the Dempster Fibre Line (DFL), a fiber optic telecommunications network connecting Dawson City, Yukon and Inuvik, Northwest Territories. Based on the terms of the agreement, Northwestel has prepaid \$15,000,000 to gain access to rights to the DFL over 20 years. The construction was concluded in September 2024 and \$750,000 was recognized as revenue in 2026 (2025 - \$375,000). The unearned amount of \$13,875,000 (2025 - \$14,625,000) will be recognized as revenue on a straight-line basis over the remaining lease term.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
March 31, 2026

15. Environmental liabilities

The following table presents the total estimated amounts of environmental liabilities:

	2026		2025	
	Number of sites	Estimated Liability	Number of sites	Estimated Liability
	(thousands of dollars)			
Liabilities for:				
Highway maintenance camps and airports	36	\$ 29,884	36	\$ 28,181
Other storage tanks and buildings	93	15,826	91	15,963
Wellgreen	1	19,946	1	20,165
Wolverine	1	46,963	1	45,595
Minto	1	48,568	1	47,820
Other	35	19,243	34	17,815
	167	180,430	164	175,539
Type II sites	1	4,970	1	4,826
	168	\$ 185,400	165	\$ 180,365

(a) Contaminated sites and other environmental liabilities

The Government has recorded environmental liabilities for contaminated sites of \$180,430,000 (2025 - \$175,539,000). These liabilities consist of estimated costs related to the remediation of contaminated sites as well as estimated costs associated with other liabilities related to these sites. The liabilities are determined on a site-by-site basis and are based on preliminary environmental assessments or estimation for those sites where an assessment has not been conducted. The amount recorded is based on management's best estimates utilizing the information available at the financial statement date. The amount of liabilities becomes determinable over a continuum of events and activities as information becomes available. As a result, the actual amount of liabilities to remediate these sites could vary significantly.

As at March 31, 2026, the Government was aware of 167 sites (2025 – 164 sites) where the Government is obligated or is likely obligated to incur such costs. During the year remediation work was undertaken at 10 sites (2025 - 10 sites).

A site known as **Wellgreen** ceased operations in the 1970's. The Government of Canada approved the tailings dam and resulting pond built at that time as meeting required specifications; however, concerns regarding the level of water in the pond were raised. Initial assessment confirmed that further remediation of the site is required. Negotiations with the previous owner and the Government of Canada are underway to establish final levels of responsibility and liability. Remediation has been estimated at \$19,946,000 (2025 - \$20,165,000), which reflects the Government's potential exposure before any potential recoveries from the other parties.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
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15. Environmental liabilities (continued)

(a) Contaminated sites and other environmental liabilities (continued)

The Wolverine Mine site was owned and operated by Yukon Zinc Corporation under a license pursuant to the Quartz Mining Act (Yukon). After operating for a short period of time, during which the required financial security for potential closure and remediation costs was not provided in full, the company was placed in receivership on September 16, 2019. After several legal rulings and appeals, the Court appointed receiver was unsuccessful in finding a viable purchaser of the mine and recommended it be turned over to the Government for closure. The Government has included \$46,963,000 (2025 - \$45,595,000) as an estimated liability for the remediation of this mine.

Following Minto Metals Corporation's (Minto) abandonment of the Minto Mine site in 2023, the Government recognized an environmental liability for related reclamation and closure activities. During the year, the estimated total cost to remediate the site was revised to \$116,800,000, based on updated project information available at March 31, 2026.

At March 31, 2026, the remaining environmental liability was approximately \$48,568,000 (2025 - \$47,820,000). Of the \$72,143,000 surety bond held by insurers for the mine, the Government claimed \$21,094,000 (2025 - \$22,482,000). At year end, the remaining balance of the surety bond is approximately \$4,754,000 (2025 - \$25,849,000).

The Government holds security from Minto in trust in relation to the environmental liability. At year-end, the balance held in trust was \$2,887,000 (2025 - \$3,386,000).

In 2026, Selkirk Mining Corporation, a subsidiary of a Selkirk First Nation corporation, acquired substantially all of Minto's tangible assets. The Government agreed to pause reclamation work beginning April 2026, while Selkirk Mining Corporation undertakes an 18-month feasibility program to evaluate long-term options for the site.

The Government continues to recognize the liability because responsibility for the site had not been transferred at year end. The amount and timing of future remediation costs remain subject to the outcome of Selkirk Mining Corporation's restart assessment and any future transfer of licences and related security.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
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15. Environmental liabilities (continued)

(b) Type II sites

Pursuant to the Devolution Transfer Agreement ("DTA"), the Government of Canada retained responsibility for the clean-up of waste sites that were identified on lands transferred effective April 1, 2003. The Government of Canada also accepted financial responsibility for the remediation of impacts attributable to activities that took place prior to April 2003 on the mine sites identified as Type II sites, which have been abandoned by their owner/operator. Except for the Ketz River site discussed below, the Government is not aware of any financial obligations on its part in relation to these mine sites.

On April 10, 2015, Veris Gold Corporation abandoned the Ketz River Mine site ("the site"). The site is identified as a Type II mine site in the DTA between the Government and the Government of Canada. The Government has provided notice to the Government of Canada pursuant to the DTA that the site has been abandoned by its owner/operator. Once a Type II site becomes abandoned the DTA requires that an Independent Assessor assess the condition of the site and develop a remediation plan. The Government is responsible for the cost of this assessment. Under the DTA, the Government of Canada accepted financial responsibility for the remediation of impacts attributable to activities that were permitted by the Government of Canada. The Government will be financially responsible for remediation of impacts of activities it permitted after devolution. The Government's costs, if any, may be offset by the security bond it holds. The financial obligations related to the assessment required under the DTA are estimated to be \$4,970,000 (2025 - \$4,826,000) and remediation costs, if any, which are the Government's responsibility, are currently undeterminable. No assets are designated for settling these liabilities.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
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16. Asset retirement obligation liabilities

The following table presents the total estimated amounts of asset retirement obligation liabilities:

	Asbestos & other hazardous building material	Forestry access roads	Fuel tanks	Landfills	2026 Total	2025 Total
	(thousands of dollars)					
Opening balance	\$ 42,864	\$ 635	\$ 2,325	\$ 16,305	\$ 62,129	\$ 60,269
Liability incurred	-	24	-	-	24	43
Liability settled	(205)	-	-	-	(205)	(82)
Accretion	1,824	28	102	408	2,362	2,377
Changes in estimates	<u>(624)</u>	<u>-</u>	<u>(5)</u>	<u>-</u>	<u>(629)</u>	<u>(478)</u>
	<u>\$ 43,859</u>	<u>\$ 687</u>	<u>\$ 2,422</u>	<u>\$ 16,713</u>	<u>\$ 63,681</u>	<u>\$ 62,129</u>

The undiscounted amount of estimated future cash flows is \$144,857,000 (2025 - \$145,917,000).

(a) Asbestos & other hazardous building materials liability

The Government owns and leases several buildings that are known to have asbestos and other hazardous building materials, which represents a health hazard upon demolition of the building. Per Occupational Health and Safety legislation, there is a legal obligation to remove the asbestos and other hazardous building materials in a prescribed manner when the building is demolished. The buildings have a remaining estimated useful life ranging from 1 to 69 years (2025 – 1 to 70 years). Estimated costs have been discounted to their present value using a discount rate range of 3.50% to 4.50% per annum (2025 – 3.50% to 4.50%). The retirement costs are expected to be incurred between 2027 and 2096.

(b) Forestry access roads liability

The Government has asset retirement obligations for its forestry access roads under the Forest Resources Act – Forest Resources Regulation. Asset retirement activities include decommissioning of the roads to restrict future access. The forestry access roads have an estimated remaining useful life ranging from 1 to 10 years (2025 – 1 to 10 years). Estimated costs have been discounted to their present value using a discount rate of 4.50% per annum (2025 – 4.50%). The retirement costs are expected to be incurred between 2027 and 2036.

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Notes to the Consolidated Financial Statements
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16. Asset retirement obligation liabilities (continued)

(c) Fuel tanks liability

The Government has asset retirement obligations for its fuel tanks under the *Environment Act (Yukon) – Storage Tank Regulations*. Asset retirement activities for the fuel tanks include decommissioning or dismantling the tanks, remediation of contamination from their normal use, and post-retirement monitoring. The fuel tanks have an estimated remaining useful life ranging from 7 to 18 years (2025 - 8 to 19 years). Estimated costs have been discounted to their present value using a discount rate range of 3.50% to 4.50% per annum (2025 – 3.50% to 4.50%). The retirement costs are expected to be incurred between 2033 and 2053.

(d) Landfill liability

There are 23 (2025 - 23) active or closed landfill sites that are outside incorporated communities that are operated by the Government. These landfill sites are subject to the *Environment Act (Yukon) – Solid Waste Regulations* which includes requirements for closure and post-closure care of a landfill. In calculation of the liability for these sites, the remaining landfill life was estimated to be from 0 to 47 years (2025 – 0 to 48 years). Solid waste permits issued under the *Solid Waste Regulations* specify 25 years of post-closure monitoring; therefore, 25 years is used as an estimated length of time needed for post-closure care. A discount rate of 2.50% per annum (2025 – 2.50%) was used for the net present value calculation for active and closed landfill sites. The retirement costs are expected to be incurred between 2027 and 2099.

17. Post-employment benefits and compensated absences

(a) The Government of Yukon and Yukon Housing Corporation

Employees of the Government of Yukon and the Yukon Housing Corporation receive severance benefits that are paid on termination of service or upon retirement based on the number of years worked, the level of the pay at the time of termination or retirement and the category of employment. In addition, if an employee has at least five years of continuous service, a cash-in of sick leave will be paid. The cash-in amount is calculated as 1/3 of unused sick leave credits to a maximum of 60 days multiplied by the daily pay rate at termination or retirement.

The Government and the Yukon Housing Corporation have conducted actuarial valuations of post-employment benefits as at December 31, 2025. March 31, 2026 amounts are based on an extrapolation of the December 31, 2025 amounts. These post-employment benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

The Government and the Yukon Housing Corporation also account for compensated absences liabilities in accordance with Canadian public sector accounting standards. Compensated absences include sick leave benefits, vacation leave benefits, special leave benefits and educational leave benefits.

Effective December 31, 2019 all current resignation and retirement severance accruals have been frozen for employees classified as Deputy Ministers and Managers. All employees in this group are eligible to receive severance payouts based on service accrued prior to December 31, 2019.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
March 31, 2026

17. Post-employment benefits and compensated absences (continued)

(a) The Government of Yukon and Yukon Housing Corporation (continued)

Effective June 30, 2018 all current and retirement severance accruals were frozen for certain employees of the Government. All employees in this group are entitled to receive severance payouts based on service accrued prior to June 30, 2018.

Members of the Yukon Legislative Assembly receive a severance benefit in accordance with the *Legislative Assembly Retirement Allowance Act, 2007* (Yukon). The accrued benefit obligation is calculated actuarially using the projected benefit method prorated on service. The accrued benefit liability at March 31, 2026 is based on an extrapolation of an actuarial valuation that was performed as at March 31, 2024. The Government has designated a portion of its assets for the purpose of meeting this obligation (Note 8).

(b) Yukon University

The Yukon University's ("the University") cost of benefit plans, other than pensions, including severance benefits, sick leave and managers' accrued leave, payable upon termination of employment, death or retirement, is actuarially determined using the projected accrued benefit method prorated on employment services. These post-employment benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation. The actuarial valuation of the accrued benefit liability was performed as at March 31, 2026.

The University accrues vacation leave and other compensated absences for employees as earned.

(c) Yukon Hospital Corporation

Employees of the Yukon Hospital Corporation are entitled to specified severance, special leave and sick leave benefits as provided for under union contracts and conditions of employment. There are no segregated assets for these post-employment benefits.

The Yukon Hospital Corporation accrues vacation leave as earned. This liability is included in accounts payable and accrued liabilities.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
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17. Post-employment benefits and compensated absences (continued)

The accrued liabilities for the above benefits were as follows:

	2026	2025
	(thousands of dollars)	
Post-employment benefits and compensated absences liability		
Government of Yukon employees	\$ 139,234	\$ 135,883
Members of the Yukon Legislative Assembly	685	1,535
Yukon Hospital Corporation	3,367	2,800
Yukon Housing Corporation	2,873	2,605
Yukon University	10,886	10,512
	<u>\$ 157,045</u>	<u>\$ 153,335</u>
(Schedule D)		

18. Retirement benefits

(a) Public Service Pension Plan

The Government's employees participate in the Public Service Pension Plan administered by the Government of Canada. In this plan, employees accumulate pension benefits up to a maximum period of 35 years at 2% per year of pensionable service based on the average of their five consecutive years of highest paid services. In December 2012, the Government of Canada passed legislation to create a new group of plan members for the employees who join the plan on or after January 1, 2013. This group of plan members is eligible to retire with an unreduced public service pension benefit at age 65 with at least two years of pensionable service (or at age 60 with at least 30 years of service) while the old group of members is eligible to retire with an unreduced public service pension benefit at age 60 with at least two years of pensionable service (or at age 55 with at least 30 years of service). Since January 1, 2013, there are two groups paying different rates of contributions to the plan.

In the calendar year 2025, the Government contributed \$1.01 for every dollar contributed by the old group of plan members and \$1.00 for the new group of plan members. For the portion of the employee's salary above \$210,200 the Government contributed \$5.09 for every dollar contributed by both groups of plan members.

In the calendar year 2026, the Government contributes \$1.01 for every dollar contributed by the old group of plan members and \$1.00 for the new group of plan members. For the portion of the employee's salary above \$220,000 the Government contributes \$5.04 for every dollar contributed by both groups of plan members.

The Government's contributions to the Public Service Pension Plan during the year and recorded as expenses were \$48,229,000 (2025 – \$48,691,000).

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
March 31, 2026

18. Retirement benefits (continued)

(b) Legislative Assembly Retirement Allowances Plan

The Legislative Assembly Retirement Allowances Plan is a contributory defined benefit pension plan. These benefits are based on service and earnings. The Members' Services Board of the Legislative Assembly is responsible, pursuant to the *Legislative Assembly Retirement Allowances Act* (Yukon), for the administration of the Plan.

The funds are held by an investment manager in two different accounts. The first account holds the assets of the trust fund for the registered pension plan established pursuant to Parts 1 and 2 of the *Legislative Assembly Retirement Allowances Act*. The second account holds the assets of the Government, from which benefits under Part 3 of the *Legislative Assembly Retirement Allowances Act* are paid (Note 8). It is the Government's policy to fully fund Parts 1 and 2 of this pension plan.

The *Legislative Assembly Retirement Allowances Act* stipulates that actuarial valuations for funding purposes must be performed at least triennially. An actuarial valuation is based on a number of assumptions about future events, such as inflation rates, interest rates, salary increases and member turnover and mortality. The assumptions used in a valuation for funding purposes are based on the actuary's best estimates with margins for conservatism. The last actuarial valuation for funding purposes was performed as of March 31, 2024. The accrued benefit obligation as at March 31, 2026 is based on an actuarial valuation performed for accounting purposes using the membership data as of March 31, 2024.

(c) Territorial Court Judiciary Pension Plan

The Territorial Court Judiciary Pension Plan is a defined benefit pension plan, which is comprised of a judiciary registered pension plan, a judiciary retirement compensation arrangement and a supplementary judiciary pension plan. In addition to pension payments, these plans also contain a provision for payment of lump sum death and severance allowances. The Plan is administered by the Public Service Commissioner in the meaning assigned by the *Public Service Act* (Yukon).

Pursuant to the *Territorial Court Judiciary Pension Plan Act* (Yukon), the pension fund assets for the judiciary registered pension plan and the judiciary retirement compensation arrangement are held separate and distinct from the Government's operations and are managed by an investment manager. The *Territorial Court Judiciary Pension Plan Act* stipulates that no contributions are to be made to the supplementary judiciary pension plan, and no fund is to be maintained for this plan.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
March 31, 2026

18. Retirement benefits (continued)

(c) Territorial Court Judiciary Pension Plan (continued)

The last actuarial valuation for funding purposes was performed as of March 31, 2023. The accrued benefit obligation as at March 31, 2026 is based on an actuarial valuation performed for accounting purposes using the membership data as of March 31, 2023.

(d) Yukon University Employees' Pension Plan

The University Employees' Pension Plan is a contributory defined benefit pension plan. The University's pension plan provides mandatory pension benefits for all full-time employees and optional benefits for part-time employees after 24 months of continuous service. The University's pension plan provides for defined retirement benefits based on an employee's years of service and average final earnings, in accordance with the *Pension Benefits Standards Act, 1985* (Canada). The University has contracted with external organizations to provide the services of trustee, administration, consulting and investment manager for the pension plan. The pension plan assets are held by a trustee and separate financial statements are prepared for the pension plan.

An actuarial valuation for funding purposes was performed as at June 30, 2025, which established the University's required contributions as 100% (June 30, 2024 - 100%) of employee contributions. The actuarial valuation for funding purposes as at June 30, 2025 indicates the University had an actuarial surplus of \$26,879,000 (June 30, 2024 – \$27,035,000) at the measurement date on a going concern basis and a surplus of \$26,200,000 (June 30, 2024 – \$17,708,000) if valued on the basis that the pension plan was to be terminated/wound up as at June 30, 2025. The solvency ratio of the plan was 120% at June 30, 2025 (114% at June 30, 2024).

An actuarial valuation for accounting purposes was performed as at March 31, 2026.

For any unfunded pension liability, the University has obtained a letter of credit in lieu of making solvency payments. The amount of the letter of credit is equal to the amount of solvency payments required as determined by the actuary. The Government has issued letters to a bank guaranteeing that, should there be a requirement to draw upon the letters of credit required by the University to address its solvency deficit in its pension plan, the Government will provide the necessary financial support to address any resulting debt, interest and costs that may be required under the federal pension legislation. As the solvency ratio was 120% and the average solvency ratio exceeds 100% in the most recent actuarial valuation, the letter of credit was canceled effective April 2, 2025.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
March 31, 2026

18. Retirement benefits (continued)

(e) Yukon Hospital Corporation Employees' Pension Plan

The Yukon Hospital Corporation ("the Corporation") Employees' Pension Plan is a contributory defined benefit pension plan, which provides defined retirement benefits based on the length of service and final average earnings of an employee and is administered by the Corporation's Board of Trustees. A separate pension fund is maintained to hold plan assets. The Corporation has contracted with external organizations to provide trustee and investment management services for the fund.

An actuarial valuation for funding purposes was performed at December 31, 2025, which established the Corporation's required contribution as 115% (2024 – 115%) of employee contributions. This valuation reported that, as at December 31, 2025, the pension plan had a surplus of \$69,168,000 (2024 – \$71,534,000) on a going concern basis. The solvency ratio of the plan at December 31, 2025 is 120% (111% at December 31, 2024).

In accordance with the *Pension Benefits Standards Act, 1985*, the Corporation is required to make special payments when applicable to address any pension solvency requirements. The pension plan had a solvency surplus of \$39,204,000 in 2025 calendar year (2024 - \$22,468,000) if valued on the basis that the pension plan was terminated/wound up at the end of 2025 calendar year. The Corporation is allowed to cover up to a specified maximum with a conforming letter of credit that is guaranteed by the Government. As at March 31, 2026, the Corporation had a Government-guaranteed conforming letter of credit totalling \$15,366,000 (2025 - \$19,450,000). Starting June 1, 2024, the Corporation has taken a contribution holiday in accordance with the *Federal Income Tax Act*.

An actuarial valuation for accounting purposes was performed as at March 31, 2026.

(f) Extended health care and life insurance retirement benefits

The Government provides optional extended health care benefits to retired employees as well as life insurance coverage to eligible retirees. The extended health care plan is self-insured. The accrued benefit obligation as at March 31, 2026 is based on an extrapolation of an actuarial valuation conducted as at December 31, 2025.

Effective for all employees retiring after January 1, 2019, the cost sharing arrangement for extended health benefits was revised. Existing retirees and those retiring prior to January 1, 2019 are not impacted by the change.

Effective April 1, 2020, the eligibility for post-retirement life insurance was amended through changes to Section M, the terms and conditions of employment for managers. Managers appointed to MG3 or higher positions prior to April 1, 2020 retain their eligibility for post-retirement life insurance on retirement. Management employees newly appointed at the MG3 level or higher as of April 1, 2020 are not eligible for post-retirement life insurance.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
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18. Retirement benefits (continued)

The accrued benefit liability (asset) for the above retirement benefits was as follows:

	2026	2025
	(thousands of dollars)	
Accrued benefit asset		
Yukon Hospital Corporation Employees' Pension Plan	\$ (71,904)	\$ (72,243)
Yukon University Employees' Pension Plan	<u>(38,510)</u>	<u>(37,915)</u>
	<u>\$ (110,414)</u>	<u>\$ (110,158)</u>
Accrued benefit liability		
Extended health care retirement benefit	\$ 91,755	\$ 86,188
Legislative Assembly Retirement Allowances Plan	29,242	28,054
Life insurance retirement benefit	4,263	4,196
Territorial Court Judiciary Pension Plan	<u>10,229</u>	<u>9,646</u>
	<u>\$ 135,489</u>	<u>\$ 128,084</u>
Total net benefit liability (Schedule E)	<u><u>\$ 25,075</u></u>	<u><u>\$ 17,926</u></u>

GOVERNMENT OF YUKON
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March 31, 2026

19. Borrowings

	2026	2025
	(thousands of dollars)	
Yukon Government Canadian Domestic Bond - 1, due June 1, 2035, bearing fixed interest rate at 3.80% payable semi-annually	\$ 200,000	\$ -
Yukon Government Canadian Domestic Bond - 2, due December 1, 2030, bearing fixed interest rate at 3.10% payable semi-annually	200,000	-
Yukon Hospital Corporation – loans with a chartered bank. (see below)	8,599	13,803
Yukon Housing Corporation – mortgages payable to chartered banks and Canada Mortgage and Housing Corporation (CMHC), secured by fixed charges against housing projects, with net book value of \$467,000 (2025 – \$497,000), repayable in blended monthly payments with maturities up to the year 2029, bearing fixed interest rate of 5.00%.	144	199
Yukon Housing Corporation – loans payable to chartered banks and CMHC, repayable in blended periodic instalments with maturities up to the year 2029, bearing fixed interest rate of 9.50%.	26	165
	\$ 408,769	\$ 14,167
Less: Amounts included in Due to Government of Canada (Note 5)	(170)	(364)
	408,599	13,803
Less: Unamortized discount and issuance costs	(3,028)	-
	<u>\$ 405,571</u>	<u>\$ 13,803</u>

Principal repayment requirements over the next five years on outstanding borrowings are as follows:

	(thousands of dollars)
2027	\$ 5,006
2028	3,634
2029	129
2030	200,000
2031	-
2032 and beyond	200,000
	<u>\$ 408,769</u>

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
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19. Borrowings (continued)

Yukon Hospital Corporation - loans with chartered bank

	2026	2025
	(thousands of dollars)	
Demand term installment loan with the CIBC with interest calculated at a fixed rate of 5.15% per annum for the Watson Lake Hospital construction project. Blended payments of \$160,000 due monthly with the final payment due on December 31, 2026.	\$ 1,407	\$ 3,201
Demand term installment loan with the CIBC with interest calculated at a fixed rate of 4.525% per annum for the Dawson City Hospital construction project. Principal payments of \$100,000 due monthly with the final payment due on April 1, 2028.	2,500	3,700
Demand term installment loan with the CIBC with interest calculated at a fixed rate of 5.23% per annum for the Crocus Ridge construction project. Blended payments of \$117,000 due monthly with the final payment due on March 15, 2028.	2,673	3,908
Demand term installment loan with the CIBC with interest calculated at a fixed rate of 5.30% per annum for the Pension solvency and Letter of Credit interest. Blended payments of \$93,000 due monthly with the final payment due on February 28, 2028.	2,019	2,994
	<u>\$ 8,599</u>	<u>\$ 13,803</u>

The remaining undiscounted contractual cash flows on Yukon Hospital Corporation's borrowings are \$9,008,000 as at March 31, 2026 (2025 - \$14,787,000).

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
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19. Borrowings (continued)

Borrowing limit

The Yukon *Borrowing Limits Regulations* prescribe what constitutes borrowing, identifies the entities whose borrowing must be taken into account, and establishes how the value of borrowing is determined.

At March 31, 2026, the regulation, made pursuant to subsection 23 (4) of the Yukon Act (Canada), authorized the Government of Yukon and its entities to borrow, in aggregate, up to a maximum of \$1.2 billion under P.C. 2024-1341. Subsequent to year-end, an Order in Council (P.C. 2026-0974) came into force on October 9, 2026, increasing the aggregate borrowing limit to \$3.0 billion.

	2026	2025
	(thousands of dollars)	
Authorized borrowing limit	\$ 1,200,000	\$ 1,200,000
Borrowings by Government of Yukon	400,000	-
Borrowings by government reporting entity:		
Government business enterprises		
Yukon Development Corporation, bonds	100,000	100,000
Yukon Development Corporation, other long-term debt	112,014	116,159
	<u>212,014</u>	<u>216,159</u>
Fully consolidated entities		
Yukon Hospital Corporation, bank loans	8,599	13,803
Yukon Housing Corporation, mortgages payable	144	199
Yukon Housing Corporation, loans payable	26	165
	<u>8,769</u>	<u>14,167</u>
Accrued interest payable	5,489	1,813
Credit facilities used	184,297	357,543
Total debt	<u>810,569</u>	<u>589,682</u>
Available borrowing capacity	<u>\$ 389,431</u>	<u>\$ 610,318</u>

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
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20. Tangible capital assets

	2026	2025
	Net Book Value	Net Book Value
	(thousands of dollars)	
Land	\$ 24,948	\$ 24,911
Buildings	985,967	934,248
Equipment & vehicles	106,954	106,497
Computer hardware & software	50,316	51,865
Infrastructure	1,171,482	1,064,046
Land improvements & fixtures	59,649	58,313
Waste & water systems	52,043	57,937
Communications technology	<u>103,553</u>	<u>109,350</u>
(Schedule C)	<u><u>\$ 2,554,912</u></u>	<u><u>\$ 2,407,167</u></u>

21. Expenses by object

	2026	2025
	(thousands of dollars)	
Personnel	\$ 919,656	\$ 861,501
Government transfers	456,789	461,299
Contract and special services	278,873	270,508
Materials, supplies, and utilities	186,705	170,603
Amortization	91,990	81,953
Rent	71,862	64,547
Communication and transportation	52,888	53,479
Environmental obligations	26,501	13,578
Accretion	2,362	2,376
Interest on borrowings	5,723	1,104
Valuation allowance adjustment (Note 9)	116,611	-
Other	<u>53,608</u>	<u>74,685</u>
	<u><u>\$ 2,263,568</u></u>	<u><u>\$ 2,055,633</u></u>

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
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22. Trusts under administration

The Government administers trust accounts on behalf of third parties, which are not included in the Government's assets.

The largest such trust account, the Compensation Fund (Yukon) has a fiscal year-end of December 31. Details of the assets of the Compensation Fund (Yukon), principally investments, are available from its financial statements, which are reproduced in Section III of the Public Accounts of the Government. At March 31, 2026, the remaining trust account balances were held in bank accounts or invested in term deposits and GICs.

Investments of the Compensation Fund (Yukon) are valued at fair value. Investments of the remainder of the trust accounts are valued at the lower of cost and market. Any other assets held under administration such as property, securities and valuables are reflected in trust accounts only upon conversion to cash. The following is a summary of the trusts under administration as at March 31, 2026, except for the Compensation Fund (Yukon) which is at December 31, 2025.

	2026	2025
	(thousands of dollars)	
Compensation Fund (Yukon)	\$ 330,259	\$ 313,006
Canada Community Building Fund	119,732	135,143
Lottery Commission	5,148	8,736
Crime Prevention and Victim Services	8,467	8,557
Forest Sector trust	7,215	6,996
Quartz Mining Licence Security Deposit	9,696	6,012
Extended health and dental plan trust funds	8,141	4,353
Oil & Gas Well Abandonment Deposit	3,067	2,975
Public Guardian trust	3,146	2,587
School Trust Accounts	2,491	1,868
Other	3,809	2,657
	<u>\$ 501,171</u>	<u>\$ 492,890</u>

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
March 31, 2026

23. Contractual rights

The Government has entered into agreements to receive, or has contractual rights for, the following receipts subsequent to March 31, 2026:

	Expiry Date	2027	2028 - 2034	Total
(thousands of dollars)				
Contribution and Service Agreements				
Infrastructure Canada	2034	\$ 79,902	\$ 385,339	\$ 465,241
Transport Canada	2029	43,623	39,639	83,262
Indigenous Services Canada	2032	34,000	136,000	170,000
Health Canada	2030	18,555	17,628	36,183
Canada Mortgage and Housing Corporation	2030	9,699	10,187	19,886
Environment and Natural Resources	2031	33,060	17,298	50,358
Early Learning and Childcare Agreement	2031	19,327	57,868	77,195
Employment and Social Development	2029	7,617	12,537	20,154
Canada-Yukon Nature Agreement	2028	501	501	1,002
Canadian Heritage	2028	9,895	9,876	19,771
Justice Canada	2027	1,343	-	1,343
National Action Plan to End Gender Based Violence	2027	4,118	-	4,118
National Food Program	2027	5,096	-	5,096
Student Financial Assistance	2027	509	2,036	2,545
Shakwak Highway Project	2028	9,119	-	9,119
Other	2029	18,293	8,639	26,932
		<u>\$ 294,657</u>	<u>\$ 697,548</u>	<u>\$ 992,205</u>

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
March 31, 2026

24. Contractual obligations

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2026:

	Expiry Date	2027	2028 - 2040	Total
(thousands of dollars)				
Capital projects - in progress at March 31, 2026	2032	\$ 260,505	\$ 58,187	\$ 318,692
RCMP policing agreement	2032	49,788	248,941	298,729
Other operational commitments	2034	142,541	96,577	239,118
Yukon Hospital Corporation medical equipment maintenance	2030	14,205	8,296	22,501
Building/office space leases	2033	14,493	13,151	27,644
Mineral Resources and Geoscience Services	2028	19,365	3,859	23,224
Alkan Air Ltd. medical evacuation contract	2036	15,715	141,433	157,148
Information Services Corporation	2040	268	4,905	5,173
Student Transportation	2028	4,928	1,320	6,248
NorthwesTel Inc. mobile radio network system	2035	6,194	50,531	56,725
		<u>\$ 528,002</u>	<u>\$ 627,200</u>	<u>\$ 1,155,202</u>

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
March 31, 2026

25. Overexpenditure

Over-expenditure of a vote contravenes subsection 17(2) of the *Financial Administration Act* (Yukon) which specifies that “a vote does not authorize any payment to be made in excess of the amount specified in the vote”. During the year, no (2025 – no) departments exceeded their votes.

The *Appropriation Acts* (Yukon) state that the Government is not to expend grant payments except in accordance with the Act. During the year, no (2025 – no) departments exceeded the authorized amounts.

26. Guarantees

At March 31, 2026, YDC had long-term debt of \$242,144,000 (2025 – \$247,232,000) (Note 11(a)) and a credit facility of up to \$200,000,000 (2025 – \$100,000,000). While the Government has not issued guarantees for these instruments, as YDC is an agent of the Government, lenders may have recourse to the Government. Except for the amounts committed as described in Note 11(d), it is expected that no significant costs will be incurred by the Government with respect to any guarantees and debts.

27. Risk management of financial instruments

The Government has exposure to the following risks related to its financial instruments: credit risk, liquidity risk, interest rate risk, foreign exchange risk, and other price risk. The Government employs various risk management strategies and operates within fixed risk exposure limits to ensure exposure to risk is managed in a prudent and cost-effective manner.

The concentration of risk arises from financial instruments that have similar characteristics and are affected similarly by changes in economic or other conditions.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Government is primarily exposed to credit risk on its cash and cash equivalents, accounts receivable, loans receivable, and investments, excluding equity investments. The Government's carrying amounts for these financial assets best represent its maximum exposure to credit risk.

For cash and cash equivalents, and portfolio investments, the Government manages this risk by dealing solely with reputable financial institutions, and through an investment policy that limits investments to high credit quality as well as maintains asset allocation and portfolio diversification.

For accounts receivable, the Government reviews balances and aging information to determine if a valuation allowance is necessary, and initiates collection actions. For the receivable related to the tobacco settlement, the Government monitors the financial results of the tobacco companies to determine if a valuation allowance is required.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
March 31, 2026

27. Risk management of financial instruments (continued)

Information regarding the Government's accounts receivable is as follows:

	2026	2025
	(thousands of dollars)	
Carrying value	\$ 85,081	\$ 100,253
Allowance for doubtful accounts	\$ 23,585	\$ 5,126
Accounts receivable % less than 30 days	84 %	90 %
Accounts receivable % over 90 days	13 %	8 %

To manage the credit risk on mortgages and loans receivable, the Government actively monitors loan payments and works with borrowers to develop payment plans to resolve outstanding arrears issues. The maximum exposure of the mortgages and loans receivable to credit risk is \$70,658,000 (2025 - \$72,349,000). As at March 31, 2026, approximately 96% (2025 - 98%) of loans receivable were current or less than 30 days past due, whereas 4% (2025 - 2%) were over 30 days past due.

For the Loan receivable - Victoria Gold Corp., the Government monitors developments in the sale process and court proceedings to assess the impacts to the Government.

Liquidity risk is the risk that the Government will encounter difficulty in meeting obligations associated with financial liabilities. The Government is exposed to liquidity risk on its bank advances and short-term borrowings, accounts payable and accrued liabilities, due to Government of Canada, and other borrowings.

The Government manages its overall liquidity risk by managing cash resources which is achieved by monitoring actual and forecasted cash flows from operating, investing, and financing activities. The Government manages this risk on its borrowings by distributing debt maturities over many years (Note 19).

Expected contractual maturities for financial liabilities are disclosed in the table below.

	Less than one year or on demand	Later than one year and less than five years	Later than five years	Total
Undiscounted cash flows of financial liabilities				
	(thousands of dollars)			
Accounts payables and accrued liabilities	\$ 269,326	\$ -	\$ -	\$ 269,326
Due to Government of Canada	40,372	101	-	40,473
Borrowings	4,937	203,662	200,000	408,599
Interest on bonds	12,908	55,200	34,200	102,308
	<u>\$ 327,543</u>	<u>\$ 258,963</u>	<u>\$ 234,200</u>	<u>\$ 820,706</u>

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
March 31, 2026

27. Risk management of financial instruments (continued)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate with changes in market interest rates.

The Government is exposed to interest rate risk through its investment holdings in interest-bearing, or fixed-income assets. The Government manages this risk on its investments by setting asset mix guidelines that limit the extent to which interest rates impact the market value of the Government's portfolio investments, which may include GICs, term deposits, and funds that include short-term debt securities of Canadian Governments and corporate issuers with terms to maturity of 90 days or more but one year or less from the date of acquisition. Based on year-end short-term investment balances, a one per cent increase (decrease) in the bank's prime lending rate could increase (decrease) interest income by approximately \$46,000 (2025 - \$53,000).

The Government manages this risk on its debt by issuing securities at predominantly fixed rates of interest rather than at floating rates of interest. To reduce its exposure to interest rate risk, the Government, through its government reporting entities, uses interest rate contracts, including interest rate swap agreements, to manage the fixed and floating interest rate mix on its debt portfolio. The Government has interest rate swaps on a value of debt of \$8,599,000 (2025 - \$13,803,000). At March 31, 2026, 100% (2025 - 100%) of the Government's gross debt effectively carried a rate of interest that was fixed for greater than a one-year period. As such, fluctuations in market interest rates would not impact future cash flows and the operations of the Government.

The Government has access to lines of credit up to the following limits:

	2026	2025
	(thousands of dollars)	
Government of Yukon	\$ 350,000	\$ 449,000
Yukon University	1,000	1,000
	<u>\$ 351,000</u>	<u>\$ 450,000</u>

The Government of Yukon used its line of credit during the year and incurred interest expenses at prime rate minus 0.85% (2025 - prime rate minus 0.85%) per annum. The University line of credit was unused at both 2026 and 2025. The Government's credit facility interest rates are subject to fluctuations in the prime rate. The interest rate risk is minimal due to the short-term nature of amounts drawn.

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate with a change in the value of the Canadian dollar relative to other currencies. The Government is not exposed to any significant foreign exchange risk because instruments held in foreign currency are not considered significant.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
March 31, 2026

27. Risk management of financial instruments (continued)

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Government is exposed to other price risk through its portfolio investments; and manages these risks through maximum proportions of equities in its investment portfolio and through concentration limits on investments in any one issuer, as outlined in the investment policies and procedures.

The Government is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes. Overall, the other price risk is not considered significant.

28. Land claims

Since February 1995, eleven Yukon First Nation Final and Self-government Agreements came into effect. The Government of Canada's negotiating mandate expired prior to the completion of the remaining three Yukon agreements. Settlements for these outstanding claims would not result in a general liability to the Government as they are to be funded by the Government of Canada. The Government would, however, be responsible for any financial obligations it might agree to during the negotiations.

The bilateral funding agreement with the Government of Canada that had been in place since June 24, 1993, and which provided funding towards the Government's additional implementation costs expired on March 31, 2009. However, there are no additional costs for the Government as all the existing funding commitments are captured elsewhere, either through a specific funding agreement with the Government of Canada or as a component of the base funding received by the Government. The specific implementation costs include Board and Council funding arising from the various Final Agreement Implementation Plans and other negotiated funding amounts.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
March 31, 2026

29. Contingencies

Contingent liabilities

In the normal course of operations, the Government is subject to legal claims. These claims include items with pleading amounts and items where an amount is not specified. At March 31, 2026, the amounts claimed, excluding the claim from Northern Cross (Yukon) Ltd., which is described below, is \$18,884,000 (2025 - \$12,884,000). No provision for these claims has been made as it is unlikely or indeterminable that a liability has been incurred as at the date of the financial statements. Furthermore, a reasonable estimate of extent cannot be made as at the date of the financial statements.

On April 4, 2017, Northern Cross (Yukon) Ltd. ("Northern Cross") filed a Statement of Claim in the Supreme Court of Yukon against the Government of the Yukon and the Minister of Energy, Mines and Resources. Northern Cross identified a number of causes of action although all of these are based upon its allegation that due to the moratorium on hydraulic fracturing Northern Cross' exploration rights in the Eagle Plains area have been adversely affected. The claim seeks up to \$2.26 billion which is comprised of \$395,000,000 for refund of work deposits, application fees, rental amounts, sunk costs and interest and \$1.86 billion in damages for loss of opportunity of 8.6 billion barrels of oil, at fair value, identified as being in the area through a resource evaluation. On April 12, 2017, Northern Cross changed its name to Chance Oil and Gas Limited. No provision for this claim has been made as it is undeterminable that any liability exists at the date of the financial statements.

The Government established a Risk Management Revolving Fund in December 2004, with a limit of \$5,000,000, which is to be used for providing limited insurance and risk management services to Government departments. Expenses relating to some of the property and liability losses incurred by the Government are to be paid out of this fund. The Government has legal liability and property insurance with a \$2,000,000 deductible. In 2026, the Government paid \$867,000 (2025 - \$735,000) for liability claims such as bodily injury, property damage and automobile liability. The Government had unpaid claims against the fund in the amount of \$809,000 as at March 31, 2026 (2025 - \$1,301,000). This amount is reported as part of the Government's accrued liabilities. The fund balance at March 31, 2026 was \$3,778,000 (2025 - \$1,552,000).

In addition to the environmental liabilities discussed in Note 15, there may be other instances of contamination for which the Government may be obligated to incur remediation costs. No liability has been recognized for these instances of contamination as the future costs of remediation and the Government's obligation to incur these costs are undeterminable at the date of the financial statements.

GOVERNMENT OF YUKON
Notes to the Consolidated Financial Statements
March 31, 2026

30. Subsequent events

On October 20, 2026, the court-appointed receiver of Victoria Gold Corp. and the purchaser entered into a \$140,000,000 agreement for the sale of the Eagle Gold Mine. The impacts of this subsequent event are described in Note 9.

On October 20, 2026, the Government entered into a framework agreement with the court-appointed receiver of Victoria Gold Corp. and the purchaser. The agreement establishes the parties' rights, obligations and protections relating to post-closing activities, implementation of the restart plan, and legacy contamination from the Eagle Gold Mine heap leach failure in the event that future contamination concerns arise. The Government's obligation to incur any costs depends on future events and the satisfaction of specific contractual conditions and these are undeterminable at the date of the financial statements.

31. Comparative information

Certain comparative information for 2025 has been reclassified to conform with the 2026 presentation.

**Consolidated Schedule of Revenues by Source
for the year ended March 31, 2026**

	2026		2025
	Budget	Actual	Actual
	(thousands of dollars)		
Transfers from Government of Canada			
Formula financing grant	\$ 1,454,190	\$ 1,454,186	\$ 1,350,134
Contributions and service agreements	355,825	333,205	325,753
Other government transfers	83,940	87,632	145,415
	<u>1,893,955</u>	<u>1,875,023</u>	<u>1,821,302</u>
Taxes and general revenues			
Income taxes	152,860	172,116	157,186
Other taxes			
Tobacco tax	10,220	9,110	9,728
Fuel oil tax	11,790	11,164	9,090
General property tax	6,695	8,289	7,636
Liquor tax	5,269	5,032	5,146
Insurance premium tax	9,430	10,133	9,100
Grant in lieu of property tax	264	276	256
Sale of land	31,750	21,424	24,446
Licences, permits, and fees	41,753	37,602	34,649
Tobacco settlement (Note 6)	-	-	54,026
Investment and interest revenue	12,295	23,087	14,103
Hospital revenues	8,740	4,385	3,775
Resource revenue - mineral, oil and gas and forestry	2,087	3,237	2,057
Aviation operations	1,345	1,907	1,800
Income from portfolio investments	2,222	1,362	1,791
Fines	500	666	541
Surety bond - Victoria Gold Corp.	-	45,000	-
Other revenue	331	5,829	8,937
	<u>297,551</u>	<u>360,619</u>	<u>344,267</u>
Funding and service agreements with other parties	59,011	63,618	67,962
Income (loss) from investment in government business enterprises			
Yukon Liquor Corporation	6,306	6,356	7,461
Yukon Development Corporation	16,800	24,639	(12,598)
	<u>23,106</u>	<u>30,995</u>	<u>(5,137)</u>
	<u>\$ 2,273,623</u>	<u>\$ 2,330,255</u>	<u>\$ 2,228,394</u>

GOVERNMENT OF YUKON

Schedule B

**Consolidated Schedule of Operations by Function
for the year ended March 31, 2026**

	Health and Social Services		Community and Transportation		Education		General government ¹	
	2026	2025	2026	2025	2026	2025	2026	2025
	(thousands of dollars)							
Revenues								
Transfers from Government of Canada	\$ 65,898	\$ 76,255	\$ 160,993	\$ 186,100	\$ 51,885	\$ 18,587	\$ 1,556,891	\$ 1,501,299
Taxes and general revenues	9,185	63,364	60,094	59,479	7,290	6,950	214,607	202,211
Funding and service agreements with other parties	15,223	12,934	13,572	10,163	10,298	17,007	731	3,424
Income (loss) from investment in government business enterprises	-	-	24,639	(12,598)	-	-	6,356	7,461
	<u>90,306</u>	<u>152,553</u>	<u>259,298</u>	<u>243,144</u>	<u>69,473</u>	<u>42,544</u>	<u>1,778,585</u>	<u>1,714,395</u>
Expenses (Note 21)								
Personnel	321,288	298,244	92,850	91,655	216,235	195,500	148,409	139,095
Contracts, materials and other	271,874	253,544	187,073	190,670	2,424	1,898	66,242	67,609
Government transfers	151,067	151,489	156,873	122,582	70,063	65,384	22,623	66,897
Amortization expenses	<u>16,438</u>	<u>16,603</u>	<u>48,382</u>	<u>42,374</u>	<u>8,811</u>	<u>8,350</u>	<u>13,531</u>	<u>10,092</u>
Subtotal	760,667	719,880	485,178	447,281	297,533	271,132	250,805	283,693
Interest on borrowings	<u>451</u>	<u>1,075</u>	<u>15</u>	<u>29</u>	<u>-</u>	<u>-</u>	<u>5,257</u>	<u>-</u>
	<u>761,118</u>	<u>720,955</u>	<u>485,193</u>	<u>447,310</u>	<u>297,533</u>	<u>271,132</u>	<u>256,062</u>	<u>283,693</u>
Recovery of prior years' expenses	<u>3,292</u>	<u>664</u>	<u>65</u>	<u>47</u>	<u>362</u>	<u>229</u>	<u>1,101</u>	<u>427</u>
Surplus (deficit) for the year	<u>\$ (667,520)</u>	<u>\$ (567,738)</u>	<u>\$ (225,830)</u>	<u>\$ (204,119)</u>	<u>\$ (227,698)</u>	<u>\$ (228,359)</u>	<u>\$ 1,523,624</u>	<u>\$ 1,431,129</u>

¹ Includes the legislature, tax collection and administration, Formula Financing and other government transfers from the federal government, liquor profits, general administration and central agency services such as building maintenance, Public Service Commission, finance and IT services to government departments and organizations

GOVERNMENT OF YUKON

Schedule B

Consolidated Schedule of Operations by Function (continued)
for the year ended March 31, 2026

	Natural Resources		Justice		Business, Tourism and Culture		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
	(thousands of dollars)							
Revenues								
Transfers from Government of Canada	\$ 23,306	\$ 23,121	\$ 9,505	\$ 8,943	\$ 6,545	\$ 6,997	\$ 1,875,023	\$ 1,821,302
Taxes and general revenues	67,905	10,976	1,468	1,235	70	52	360,619	344,267
Funding and service agreements with other parties	21,996	23,049	1,173	703	625	682	63,618	67,962
Income (loss) from investment in government business enterprises	-	-	-	-	-	-	30,995	(5,137)
	<u>113,207</u>	<u>57,146</u>	<u>12,146</u>	<u>10,881</u>	<u>7,240</u>	<u>7,731</u>	<u>2,330,255</u>	<u>2,228,394</u>
Expenses (Note 21)								
Personnel	70,402	69,076	49,062	46,782	21,410	21,149	919,656	861,501
Contracts, materials and other	190,935	56,144	60,887	70,189	9,975	9,722	789,410	649,776
Government transfers	20,551	18,447	9,701	9,138	25,911	27,362	456,789	461,299
Amortization expenses	<u>1,993</u>	<u>1,850</u>	<u>2,097</u>	<u>1,926</u>	<u>738</u>	<u>758</u>	<u>91,990</u>	<u>81,953</u>
Subtotal	283,881	145,517	121,747	128,035	58,034	58,991	2,257,845	2,054,529
Interest on borrowings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,723</u>	<u>1,104</u>
	<u>283,881</u>	<u>145,517</u>	<u>121,747</u>	<u>128,035</u>	<u>58,034</u>	<u>58,991</u>	<u>2,263,568</u>	<u>2,055,633</u>
Recovery of prior years' expenses	<u>453</u>	<u>700</u>	<u>2,907</u>	<u>96</u>	<u>221</u>	<u>83</u>	<u>8,401</u>	<u>2,246</u>
Surplus (deficit) for the year	<u>\$ (170,221)</u>	<u>\$ (87,671)</u>	<u>\$ (106,694)</u>	<u>\$ (117,058)</u>	<u>\$ (50,573)</u>	<u>\$ (51,177)</u>	<u>\$ 75,088</u>	<u>\$ 175,007</u>

GOVERNMENT OF YUKON

Schedule C

**Consolidated Schedule of Tangible Capital Assets
for the year ended March 31, 2026**

	Land	Buildings	Equipment & vehicles	Computer hardware & software	Infrastructure	Land improvements & fixtures	Waste & water systems	Communications technology	2026 Total	2025 Total
(thousands of dollars)										
Cost of tangible capital assets, opening	\$ 24,911	\$ 1,526,621	\$ 266,999	\$ 144,816	\$ 1,615,163	\$ 84,130	\$ 83,069	\$ 118,959	\$ 3,864,668	\$ 3,584,550
Change in asset retirement obligation estimate	-	(509)	-	-	-	-	-	-	(509)	(411)
Acquisitions	37	79,880	17,354	6,819	136,118	6,034	752	206	247,200	289,549
Write-downs	-	-	(53)	(812)	-	-	(5,446)	-	(6,311)	-
Disposals	-	(404)	(7,484)	(1,049)	-	-	-	-	(8,937)	(9,020)
Cost of tangible capital assets, closing	<u>24,948</u>	<u>1,605,588</u>	<u>276,816</u>	<u>149,774</u>	<u>1,751,281</u>	<u>90,164</u>	<u>78,375</u>	<u>119,165</u>	<u>4,096,111</u>	<u>3,864,668</u>
Accumulated amortization, opening	-	592,373	160,502	92,951	551,117	25,817	25,132	9,609	1,457,501	1,384,337
Amortization expense	-	27,331	16,520	7,556	28,682	4,698	1,200	6,003	91,990	81,953
Disposals	-	(83)	(7,160)	(1,049)	-	-	-	-	(8,292)	(8,789)
Accumulated amortization, closing	<u>-</u>	<u>619,621</u>	<u>169,862</u>	<u>99,458</u>	<u>579,799</u>	<u>30,515</u>	<u>26,332</u>	<u>15,612</u>	<u>1,541,199</u>	<u>1,457,501</u>
Net book value (Note 20)	<u>\$ 24,948</u>	<u>\$ 985,967</u>	<u>\$ 106,954</u>	<u>\$ 50,316</u>	<u>\$ 1,171,482</u>	<u>\$ 59,649</u>	<u>\$ 52,043</u>	<u>\$ 103,553</u>	<u>\$ 2,554,912</u>	<u>\$ 2,407,167</u>
Asset retirement obligation ^(a)	\$ -	\$ 651	\$ 93	\$ -	\$ 279	\$ -	\$ 1,623	\$ -	\$ 2,646	\$ 2,342
Work-in-progress ^(a)	\$ -	\$ 87,757	\$ 4,269	\$ 18,608	\$ 312,366	\$ 7,447	\$ 2,660	\$ -	\$ 433,107	\$ 571,459

^(a)Included in net book value

GOVERNMENT OF YUKON

Schedule D

Consolidated Schedule of Post-employment Benefits and Compensated Absences
For the year ended March 31, 2026

	Government of Yukon Employees	Members of Yukon Legislative Assembly	Yukon Hospital Corporation	Yukon Housing Corporation	Yukon University	2026 Total	2025 Total
(thousands of dollars)							
Accrued benefit obligation							
Obligation at beginning of year	\$ 124,584	\$ 1,461	\$ -	\$ 2,257	\$ 8,709	\$ 137,011	\$ 127,397
Current service costs	11,475	151	-	220	1,017	12,863	12,032
Interest cost on benefit obligation	5,988	58	-	83	313	6,442	6,434
Curtailment / settlement gain	-	-	-	-	(168)	(168)	-
Actuarial loss (gain)	(7,477)	17	-	77	(239)	(7,622)	4,899
Benefits paid	(13,186)	(985)	-	(88)	(665)	(14,924)	(13,751)
Accrued benefit obligation at end of year	121,384	702	-	2,549	8,967	133,602	137,011
Unrecognized net actuarial gain (loss)	17,074	(17)	-	324	(605)	16,776	10,234
Accrued benefit liability	138,458	685	-	2,873	8,362	150,378	147,245
Liabilities that are not included in actuarial valuation	776	-	3,367	-	2,524	6,667	6,090
Post employment benefits and compensated absences (Note 17)	<u>\$ 139,234</u>	<u>\$ 685</u>	<u>\$ 3,367</u>	<u>\$ 2,873</u>	<u>\$ 10,886</u>	<u>\$ 157,045</u>	<u>\$ 153,335</u>
Net benefit cost							
Current service cost	\$ 11,475	\$ 151	\$ -	\$ 220	\$ 1,017	\$ 12,863	\$ 12,032
Interest cost on benefit obligation	5,988	58	-	83	313	6,442	6,434
Curtailment / settlement gain	-	-	-	-	(168)	(168)	-
Amortization of net actuarial loss (gain)	(976)	(74)	-	(63)	(239)	(1,352)	(1,574)
Net costs for the year	<u>\$ 16,487</u>	<u>\$ 135</u>	<u>\$ -</u>	<u>\$ 240</u>	<u>\$ 923</u>	<u>\$ 17,785</u>	<u>\$ 16,892</u>

GOVERNMENT OF YUKON

Schedule D

Consolidated Schedule of Post-employment Benefits and Compensated Absences (continued)
For the year ended March 31, 2026

	Government of Yukon Employees	Members of Yukon Legislative Assembly	Yukon Hospital Corporation	Yukon Housing Corporation	Yukon University
2025-26 Key Assumptions					
Discount rate on benefit costs	4.60 %	5.60 %	N/A	3.50 %	4.50 %
Discount rate on accrued benefit obligation at end of year	5.10 %	5.60 %	N/A	4.00 %	4.90 %
Inflation rate at end of year	2.00 %	2.00 %	N/A	2.00 %	2.00 %
Rate of compensation increase	see below ¹	2.50 %	N/A	see below ¹	see below ²
Amortization period (expected average remaining service life)	14.2 years	1.0 years	N/A	13.7 years	13.0 years

¹Based on the annual rates from the Public Service Pension Plan ("PSPP") March 31, 2023 valuation report.

²Group 1: 3.00% and Group 2: 4.00%.

2024-25 Key Assumptions					
Discount rate on benefit costs	4.90 %	5.70 %	N/A	4.90 %	4.85 %
Discount rate on accrued benefit obligation at end of year	4.60 %	5.60 %	N/A	3.50 %	4.50 %
Inflation rate at end of year	2.00 %	2.00 %	N/A	2.00 %	2.00 %
Rate of compensation increase	see below ¹	2.50 %	N/A	see below ¹	see below ²
Amortization period (expected average remaining service life)	13.0 years	2.0 years	N/A	11.8 years	10.0 years

¹Based on the annual rates from the Public Service Pension Plan ("PSPP") March 31, 2020 valuation report.

²Group 1: 3.00% and Group 2: 4.00%

GOVERNMENT OF YUKON

Schedule E

**Consolidated Schedule of Retirement Benefits
for the year ended March 31, 2026**

	Extended health care retirement benefit	Legislative Assembly Retirement Allowances Plan	Life insurance retirement benefit	Territorial Court Judiciary Pension Plan	Yukon Hospital Corporation Employees' Pension Plan	Yukon University Employees' Pension Plan	2026 Total	2025 Total
(thousands of dollars)								
Pension and retirement plan assets are valued at fair value.								
Accrued benefit obligation								
Obligation at beginning of year	\$ 87,764	\$ 41,863	\$ 4,044	\$ 17,364	\$ 131,177	\$ 113,276	\$ 395,488	\$ 357,247
Current service costs	3,558	1,588	43	581	5,522	4,542	15,834	14,865
Transfer from other plans	-	-	-	-	309	-	309	2,235
Interest cost on benefit obligation	4,143	2,331	186	924	8,780	5,979	22,343	21,451
Actuarial (gain) loss	(13,348)	169	(863)	715	1,403	(481)	(12,405)	17,795
Benefits paid	(2,526)	(2,076)	(189)	(915)	(8,043)	(5,895)	(19,644)	(17,356)
Administration expenses	-	-	-	-	-	(768)	(768)	(749)
Accrued benefit obligation at end of year	<u>79,591</u>	<u>43,875</u>	<u>3,221</u>	<u>18,669</u>	<u>139,148</u>	<u>116,653</u>	<u>401,157</u>	<u>395,488</u>
Plan assets - valued at fair value								
Value at beginning of year	-	13,702	-	7,512	210,770	159,423	391,407	364,467
Actual return on plan assets	-	865	-	299	18,054	7,402	26,620	32,425
Transfer from other plans	-	-	-	-	309	-	309	2,235
Employer contributions	-	393	-	558	45	325	1,321	2,902
Member contributions	-	90	-	111	74	332	607	3,909
Benefits paid	-	(488)	-	(915)	(8,043)	(5,895)	(15,341)	(13,227)
Actual plan expenses	-	-	-	-	(991)	(768)	(1,759)	(1,304)
Value at end of year	<u>-</u>	<u>14,562</u>	<u>-</u>	<u>7,565</u>	<u>220,218</u>	<u>160,819</u>	<u>403,164</u>	<u>391,407</u>

GOVERNMENT OF YUKON

Schedule E

Consolidated Schedule of Retirement Benefits (continued)
for the year ended March 31, 2026

	Extended health care retirement benefit	Legislative Assembly Retirement Allowances Plan	Life insurance retirement benefit	Territorial Court Judiciary Pension Plan	Yukon Hospital Corporation Employees' Pension Plan	Yukon University Employees' Pension Plan	2026 Total	2025 Total
(thousands of dollars)								
Funded status - plan deficit (surplus)	79,591	29,313	3,221	11,104	(81,070)	(44,167)	(2,008)	4,081
Unrecognized net actuarial gain (loss)	<u>12,164</u>	<u>(71)</u>	<u>1,042</u>	<u>(875)</u>	<u>9,166</u>	<u>5,657</u>	<u>27,083</u>	<u>13,845</u>
Accrued benefit liability (asset) (Note 18)	<u>\$ 91,755</u>	<u>\$ 29,242</u>	<u>\$ 4,263</u>	<u>\$ 10,229</u>	<u>\$ (71,904)</u>	<u>\$ (38,510)</u>	<u>\$ 25,075</u>	<u>\$ 17,926</u>
Net benefit cost								
Current service cost	\$ 3,558	\$ 1,588	\$ 43	\$ 581	\$ 6,002	\$ 4,542	\$ 16,314	\$ 14,930
Less: Member contributions	-	(90)	-	(111)	(74)	(332)	(607)	(3,909)
Interest cost on benefit obligation	4,143	2,331	186	924	8,780	5,979	22,343	21,451
Expected return on plan assets	-	(767)	-	(392)	(13,937)	(8,334)	(23,430)	(22,910)
Amortization of net actuarial loss (gain)	<u>391</u>	<u>107</u>	<u>26</u>	<u>139</u>	<u>(387)</u>	<u>(2,124)</u>	<u>(1,848)</u>	<u>(4,499)</u>
Net cost for the year	<u>\$ 8,092</u>	<u>\$ 3,169</u>	<u>\$ 255</u>	<u>\$ 1,141</u>	<u>\$ 384</u>	<u>\$ (269)</u>	<u>\$ 12,772</u>	<u>\$ 5,063</u>

GOVERNMENT OF YUKON

Schedule E

Consolidated Schedule of Retirement Benefits (continued)
for the year ended March 31, 2026

	Extended health care retirement benefit	Legislative Assembly Retirement Allowances Plan	Life insurance retirement benefit	Territorial Court Judiciary Pension Plan	Yukon Hospital Corporation Employees' Pension Plan	Yukon University Employees' Pension Plan
2025-26 Key Assumptions						
Expected long-term rate of return on assets at beginning of year	N/A	5.60 %	N/A	5.30 %	6.75 %	5.33 %
Discount rate on benefit costs	4.60 %	5.60 %	4.60 %	5.30 %	6.75 %	5.33 %
Discount rate on accrued benefit obligation at end of year	5.10 %	5.60 %	5.10 %	5.30 %	6.75 %	5.72 %
Inflation rate at end of year	2.00 %	2.00 %	2.00 %	2.00 %	2.00 %	2.00 %
Rate of compensation increase	see below ¹	2.50 %	see below ¹	3.00 %	2.50 %	see below ³
Health care cost trend rate	see below ²	N/A	N/A	N/A	N/A	N/A
Amortization period (expected average remaining service life)	14.2 years	1.0 years	10.6 years	1.9 years	9.3 years	13.0 years

¹ Based on the annual rates from the Public Service Pension Plan ("PS") March 31, 2023 valuation report.

² 5.3% per annum for 2026-27, decreasing linearly to 4.9% in 2029, and following the McMaster Model to an ultimate trend rate of 4.0% in 2040.

³ Group 1: 3.00% and Group 2: 4.00%.

2024-25 Key Assumptions						
Expected long term rate of return on assets at beginning of year	N/A	5.60 %	N/A	5.30 %	6.75 %	6.20 %
Discount rate on benefit costs	4.90 %	5.70 %	4.90 %	5.40 %	6.75 %	6.20 %
Discount rate on accrued benefit obligation at end of year	4.60 %	5.60 %	4.60 %	5.30 %	6.75 %	5.33 %
Inflation rate at end of year	2.00 %	2.00 %	2.00 %	2.00 %	2.00 %	2.00 %
Rate of compensation increase	see below ¹	2.50 %	see below ¹	3.00 %	2.50 %	see below ³
Health care cost trend rate	see below ²	N/A	N/A	N/A	N/A	N/A
Amortization period (expected average remaining service life)	13.0 years	2.0 years	9.5 years	2.2 years	9.3 years	12.0 years

¹ Based on the annual rates from the Public Service Pension Plan ("PS") March 31, 2020 valuation report.

² 5.5% per annum for 2025-26, decreasing linearly to 4.9% in 2029, and following the McMaster Model to an ultimate trend rate of 4.0% in 2040.

³ Group 1: 3.00% and Group 2: 4.00%.