

FINANCIAL SUMMARY ⁽¹⁾
SURPLUS / (DEFICIT)
(\$000s)

	2006-07 ESTIMATE	2005-06 FORECAST	% CHANGE	2004-05 ACTUAL
Revenues				
Taxes and General Revenues	86,427	84,355	2%	81,082
Third-Party Recoveries	84,414	72,331	17%	49,472
Recoveries from Canada	57,155	68,278	-16%	58,881
Transfers from Canada	558,558	552,876	1%	505,786
	786,554	777,840	1%	695,221
Less Expenditures				
Operation and Maintenance Expenditures	601,301	595,302	1%	569,266
Capital Expenditures	191,702	223,062	-14%	128,448
Loan Interest	357	360	-1%	360
	793,360	818,724	-3%	698,074
Effect of change in tangible capital assets ⁽³⁾				
Plus: Acquisitions	79,045	110,879	-29%	46,390
Less: Amortization expense	(31,952)	(30,465)	5%	(27,615)
Less: Deferred capital contributions	(32,262)	(42,395)	-24%	(25,911)
Plus: Amortization of deferred capital contributions	14,701	14,238	3%	12,988
Less: Write-downs and disposals	(1,076)	(290)	271%	(78)
	28,456	51,967	-45%	5,774
Adjustments				
Plus: Estimated year end lapses	21,981	26,916		0
Less: Estimated revotes of prior year lapses	(20,187)	0		0
Less: Estimated supplementary requirements ⁽⁶⁾	(14,462)	0		0
Plus: Recoveries of prior years' expenditures	0	0		587
Plus: Items transferred to the balance sheet	0	0		887
Plus: Net profit restricted funds	0	0		831
	8,982	37,999		5,226
Surplus (Deficit) for the Year (A)	8,982	37,999		5,226
Accumulated Surplus, beginning of the year ⁽⁵⁾	451,430	413,431		408,205
Accumulated Surplus, end of the year (A + B)	460,412	451,430	2%	413,431

FINANCIAL SUMMARY ⁽¹⁾
NET FINANCIAL AND NON-FINANCIAL RESOURCES
(\$000s)

	2006-07 ESTIMATE	2005-06 FORECAST	% CHANGE	2004-05 ACTUAL
Net Financial Resources				
Surplus (Deficit) for the Year	8,982	37,999		5,226
Effect of change in tangible capital assets ^(3,4)				
Plus: Acquisitions	(79,045)	(110,879)		(47,707)
Less: Amortization expense	31,952	30,465		30,787
Less: Deferred capital contributions	32,262	42,395		25,912
Plus: Amortization of deferred capital contributions	(14,701)	(14,238)		(13,102)
Less: Write-downs and disposals	1,076	290		78
Plus: Gains and/or proceeds on sale	0	0		38
	(28,456)	(51,967)		(3,994)
Effect of change in other non-financial resources				
Less: Increase in inventories of supplies	0	0		(500)
Less: Increase in prepaid expenses	0	0		(802)
	0	0		(1,302)
Increase (decrease) in net financial resources	(19,474)	(13,968)		(70)
Net financial resources, beginning of the year ^(2,5)	34,271	48,239		48,309
Net financial resources, end of the year (A)	14,797	34,271	-57%	48,239
Net Non-Financial Resources ^(3,4)				
Net opening balance, beginning of the year	417,159	365,192		359,896
Plus: Tangible capital assets (net)	28,456	51,967		3,994
Plus: Other non-financial assets	0	0		1,302
Net non-financial resources, end of the year (B)	445,615	417,159		365,192
Accumulated Surplus, end of the year (A + B)	460,412	451,430	2%	413,431

FINANCIAL SUMMARY ⁽¹⁾
NET EXPENDITURES
(\$000s)

	2006-07 ESTIMATE	2005-06 FORECAST	% CHANGE	2004-05 ACTUAL
OPERATION AND MAINTENANCE:				
Gross Expenditures	601,301	595,302	1%	569,266
Less: Third- Party Recoveries	17,693	17,675	0%	17,123
Less: Recoveries from Canada	42,119	43,222	-3%	48,672
NET O & M EXPENDITURES	541,489	534,405	1%	503,471
CAPITAL:				
Gross Expenditures	191,702	223,062	-14%	128,448
Less: Third-Party Recoveries	66,228	54,103	22%	31,731
Less: Recoveries from Canada	15,036	25,056	-40%	10,209
NET CAPITAL EXPENDITURES	110,438	143,903	-23%	86,508
LOAN INTEREST:				
Gross Expenditures	357	360	-1%	360
Less: Third-Party Recoveries	493	553	-11%	618
NET LOAN INTEREST	(136)	(193)	-30%	(258)
LOAN PRINCIPAL:				
Gross Expenditures	572	0	100%	0
Less: Third-Party Recoveries	744	795	-6%	845
NET LOAN PRINCIPAL	(172)	(795)	-78%	(845)
LOAN CAPITAL:				
Gross Expenditures	5,000	5,000	0%	730
Less: Third-Party Recoveries	5,000	5,000	0%	730
NET LOAN CAPITAL	0	0	0%	0

NOTES TO FINANCIAL SUMMARY (\$000s)

- (1) Restated 2005-06 Forecast and 2004-05 Actual to be consistent with the 2006-07 Estimate presentation.
- (2) With the adoption of full accrual accounting effective April 1, 2004, the Government now reports Net Financial Resources (financial assets less liabilities) requiring restatement from the 2003-04 Public Accounts as follows:

Accumulated Surplus, March 31, 2004	85,644
Less: Prepaid expenses	(959)
Less: Inventories	(3,640)
Less: Capitalized leased buildings	(11,111)
Plus: Restricted funds	5,772
Plus: Employee Future Benefits	(27,397)
Net Financial Resources, April 1, 2004 (restated)	<u>48,309</u>

- (3) In accordance with the Public Sector Accounting Board (PSAB) recommendations, tangible capital assets are being recognized in the financial statements of the Government commencing with the 2004-05 fiscal year. Under this revised accounting policy, the costs of tangible capital assets are capitalized and amortized as expenses of operations over their estimated useful service lives.
- (4) Includes non-financial assets for restricted funds.
- (5) During the 2004-05 year, the Government adopted the recommendations issued by the Canadian Institute of Chartered Accountants with respect to accounting for extended health care and life insurance benefits for retired employees. Prior to 2004-05, expenses related to these benefits were recorded on a cash basis. As the actuarial valuation is not available for the period prior to April 1, 2004, this correction of accounting method was applied with an adjustment to the 2004-05 opening accumulated surplus.
- (6) The line "Estimated supplementary requirements" reflects estimated supplementary requirements not included in the 2006-07 Main Estimates for funds received from Canada under i) the Northern Strategy Trust, and ii) the Territorial Health Access Fund. Although categorized as unconditional grants, in accordance with PSAB guidelines, Government of Yukon is required to book these revenues when received regardless of when matching expenditures will occur.

The estimated annual revenues and expenditures under these respective trusts is:

<u>Northern Strategy Trust</u>			<u>Territorial Health Access Fund</u>		
	Revenue	Expenditure		Revenue	Expenditure
2005-06	13,333	--	2005-06	6,333	--
2006-07	13,333	10,000	2006-07	6,333	4,462
2007-08	13,333	15,000	2007-08	6,333	7,007
2008-09	--	15,000	2008-09	6,333	8,090
			2009-10	6,333	12,106
Total All Years	<u>40,000</u>	<u>40,000</u>	Total All Years	<u>31,665</u>	<u>31,665</u>

Between the two trusts, it is anticipated that \$14.462 million will be included in a future 2006-07 Supplementary Estimates.

The revenue and expenditure recognition identified above is reflected in the Government of Yukon's long-term fiscal framework.