

GOVERNMENT OF YUKON

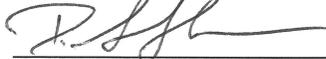
Consolidated Statement of Financial Position  
as at March 31, 2022

	2022	2021
	(thousands of dollars)	
<b>Financial assets</b>		
Cash and cash equivalents (Note 3)	\$ 93,513	\$ 91,012
Temporary investments (Note 4)	4,122	1,619
Due from Government of Canada (Note 5)	181,199	139,919
Accounts receivable (Note 6)	34,322	21,221
Portfolio investments (Note 7)	36,748	39,404
Advances to government business enterprises (Note 11(b)(c))	36,200	36,200
Loans receivable (Note 9)	77,167	90,217
Inventories for resale (Note 10)	67,793	63,721
Retirement benefit assets (Note 16)	80,416	71,868
Investment in government business enterprises (Note 11(a))	217,434	194,517
	<u>828,914</u>	<u>749,698</u>
<b>Liabilities</b>		
Due to Government of Canada (Note 5)	40,159	41,970
Accounts payable and accrued liabilities (Note 12)	209,287	173,811
Environmental liabilities (Note 13)	94,552	43,103
Unearned revenues (Note 14)	29,226	27,176
Post-employment benefits and compensated absences (Note 15)	145,803	140,147
Retirement benefit liabilities (Note 16)	120,737	110,298
Borrowings (Note 17)	23,691	27,352
Liabilities for leased tangible capital assets (Note 18)	1,982	3,096
	<u>665,437</u>	<u>566,953</u>
<b>Net financial assets</b>	<u><b>163,477</b></u>	<u><b>182,745</b></u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 20)	1,773,959	1,693,017
Inventories of supplies	10,619	9,960
Prepaid expenses	7,735	7,488
	<u>1,792,313</u>	<u>1,710,465</u>
<b>Accumulated surplus</b>	<u><b>\$ 1,955,790</b></u>	<u><b>\$ 1,893,210</b></u>

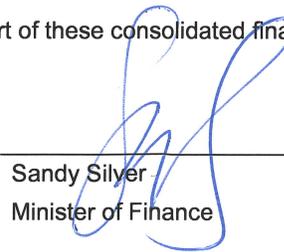
Contingencies, contractual rights and obligations, commitments and guarantees  
(Notes 11(d)(e), 13, 16(d)(e), 23, 24, 26, 27, and 28)

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

Approved on October 21, 2022:



D. Scott Thompson  
Deputy Minister of Finance



Sandy Silver  
Minister of Finance

GOVERNMENT OF YUKON

**Consolidated Statement of Operations and Accumulated Surplus  
for the year ended March 31, 2022**

	2022		2021
	Budget (Note 1(b))	Actual	Actual
	(thousands of dollars)		
Revenues (Schedule A)			
From Government of Canada	\$ 1,442,280	\$ 1,480,702	\$ 1,396,610
Taxes and general revenues	200,480	231,461	206,109
Funding and service agreements with other parties	45,534	31,409	32,947
Income from investment in government business enterprises (Note 11(a))	19,200	24,255	18,183
	<u>1,707,494</u>	<u>1,767,827</u>	<u>1,653,849</u>
Expenses (Schedule B)			
Health and social services	518,611	539,870	510,359
Community and transportation	442,228	385,217	409,696
Education	238,091	223,469	217,129
General government	204,564	247,462	221,910
Natural resources	120,852	165,036	103,494
Justice	84,623	90,189	81,107
Business, tourism and culture	84,793	63,724	67,264
Interest on loans	1,308	1,425	1,578
Adjustments	(8,820)	-	-
	<u>1,686,250</u>	<u>1,716,392</u>	<u>1,612,537</u>
Recovery of prior years' expenses	-	3,662	1,096
Surplus (deficit) for the year	<u>\$ 21,244</u>	<u>55,097</u>	<u>42,408</u>
Accumulated surplus at beginning of year		1,893,210	1,852,971
Other comprehensive gain (loss) of government business enterprises (Note 11(a))		7,483	(2,169)
Accumulated surplus at end of year		<u>\$ 1,955,790</u>	<u>\$ 1,893,210</u>

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

GOVERNMENT OF YUKON

**Consolidated Statement of Change in Net Financial Assets  
for the year ended March 31, 2022**

	2022		2021
	Budget (Note 1(b))	Actual	Actual
	(thousands of dollars)		
Surplus (deficit) for the year	\$ 21,244	\$ 55,097	\$ 42,408
Effect of change in tangible capital assets			
Acquisitions	(182,009)	(160,429)	(107,341)
Amortization of tangible capital assets	77,662	79,191	80,061
Loss (gain) on disposal of tangible capital assets	-	277	479
Proceeds on disposal of tangible capital assets	-	-	-
Write-down of tangible capital assets	-	19	2,163
Adjustments	8,552	-	-
	<u>(95,795)</u>	<u>(80,942)</u>	<u>(24,638)</u>
Effect of change in other non-financial assets			
Acquisition of inventories of supplies	-	(15,584)	(18,328)
Consumption of inventories of supplies	-	14,925	17,841
(Increase) decrease in prepaid expenses	-	(247)	(4,257)
	<u>-</u>	<u>(906)</u>	<u>(4,744)</u>
Increase (decrease) in net financial assets	<u>\$ (74,551)</u>	<u>(26,751)</u>	<u>13,026</u>
Net financial assets at beginning of year		182,745	171,888
Other comprehensive gain (loss) of government business enterprises (Note 11(a))		<u>7,483</u>	<u>(2,169)</u>
Net financial assets at end of year		<u>\$ 163,477</u>	<u>\$ 182,745</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, 2022**

	2022	2021
	(thousands of dollars)	
<b>Operating transactions</b>		
Surplus (deficit) for the year	\$ 55,097	\$ 42,408
Non-cash items included in surplus (deficit) for the year:		
Amortization of tangible capital assets	79,191	80,061
Loans receivable valuation adjustment	(335)	196
Bad debt expense	157	110
Write-down of tangible capital assets	19	2,163
Loss (gain) on sale of land inventory	68	(2,017)
Loss (gain) on disposal of tangible capital assets	277	479
Contributed tangible capital assets	(669)	-
Surplus of government business enterprises (Note 11(a))	(24,255)	(18,183)
Change in non-cash assets and liabilities	37,473	26,505
Amounts remitted from government business enterprises	8,343	8,193
Cash provided by (used for) operating transactions	<u>155,366</u>	<u>139,915</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	<u>(155,661)</u>	<u>(107,341)</u>
Cash provided by (used for) capital transactions	<u>(155,661)</u>	<u>(107,341)</u>
<b>Investing transactions</b>		
Net proceeds from (acquisitions of) temporary investments	(2,503)	461
Proceeds from portfolio investments	19,050	33,021
Acquisition of portfolio investments	(16,394)	(38,492)
Repayment of advances to government business enterprises	-	2,000
Repayments of loans receivable	29,441	20,872
Issuance of loans receivable	(9,830)	(7,017)
Investment in land inventory	(12,193)	(15,665)
Cash provided by (used for) investing transactions	<u>7,571</u>	<u>(4,820)</u>
<b>Financing transactions</b>		
Repayment of borrowings	(3,661)	(4,272)
Repayment of liabilities for leased tangible capital assets	(1,114)	(1,047)
Cash provided by (used for) financing transactions	<u>(4,775)</u>	<u>(5,319)</u>
<b>Cash and cash equivalents increase (decrease)</b>	<b>2,501</b>	<b>22,435</b>
Cash and cash equivalents at beginning of year	<u>91,012</u>	<u>68,577</u>
<b>Cash and cash equivalents at end of year (Note 3)</b>	<b>\$ 93,513</b>	<b>\$ 91,012</b>
Interest received in the year	\$ 5,451	\$ 7,266
Interest paid in the year	\$ 1,564	\$ 1,754

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

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements  
March 31, 2022**

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 2021-22 as approved in the Legislative Assembly in May 2021. Due to the election in April 2021, special warrants provided interim spending authority until the budget was approved. Adjustments include estimated lapses and unallocated budget estimates.

(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 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 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 Consolidated Financial Statements  
March 31, 2022**

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, categorized by the consolidation method, and their specific operating authority are as follows:

Full consolidation:

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

Authority for operations:

*Financial Administration Act*  
*Hospital Act*  
*Housing Corporation Act*  
*Yukon University Act*

Modified equity:

Yukon Development Corporation  
Yukon Liquor Corporation

*Yukon Development Corporation Act*  
*Liquor Act*  
*Cannabis Control and Regulation Act*

(b) Specific accounting policies

Revenues

Revenues are recorded on an accrual basis.

Grants from the Government of Canada are recognized as revenues when entitlement for the transfer occurs. The Government receives a Formula Financing grant and the Canada health and the Canada social transfers from the Government of Canada in accordance with the *Federal-Provincial Fiscal Arrangements Act* (Canada) which expires on March 31, 2024. 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 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 OF YUKON

### Notes to Consolidated Financial Statements March 31, 2022

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. The remittances are based on the Government of Canada's Department of Finance's best estimates for the taxation year, which are periodically adjusted until the income tax assessments for the year are final. The Government recognizes income tax revenues based on the estimates made by the Government of Canada, adjusted 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.

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

#### 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.

Temporary investments include treasury bills, 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. When the fair value of temporary investments has declined below the carrying value, they are carried at fair value.

Portfolio investments are accounted for by the cost method and include funds that include bonds and equities. These investments are expected to be realized or have terms to maturity greater than one year from the date of acquisition. When there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss.

## GOVERNMENT OF YUKON

### Notes to Consolidated Financial Statements March 31, 2022

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 amount, 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 recoverable value to recognize the loss. Supplies held for sale are recorded at the lower of cost and net realizable value.

#### Non-financial assets

The costs of acquiring land, buildings, equipment and other capital property are capitalized as tangible capital assets and are amortized to expense over the estimated useful lives of the 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. Inventories are valued at the lower of cost and replacement value. These assets are not held for sale and are intended to be used in providing government services. Other materials and supplies are expensed at the time of acquisition.

#### Liabilities

Liabilities include financial claims payable by the Government and unearned revenues.

Unearned revenues are cash received for which goods and services have not been provided by year-end and are primarily comprised of motor vehicle licence fees for the following fiscal years, 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 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.

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements  
March 31, 2022**

Tangible capital assets

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. 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, all 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.

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	N/A
Buildings	
Buildings	40 - 50 years
Leasehold improvements	Shorter of the lease term or useful economic life
Equipment and vehicles	
Heavy equipment	7 - 30 years
Operating equipment	5 - 25 years
Vehicles	6 - 20 years
Computer hardware and software	
Computer hardware	5 years
Computer software	Expected usage of the system before overhaul
Transportation infrastructure	
Forestry access roads	10 years
Highways	up to 75 years
Pavement/surfaces	up to 75 years
Bridges	up to 75 years
Airport runways	up to 75 years
Other	
Portable classrooms/housing trailers	25 years
Land improvements and fixtures	up to 50 years
Sewage and water systems	up to 50 years
Mobile radio system infrastructure	15 years

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

## GOVERNMENT OF YUKON

### Notes to Consolidated Financial Statements March 31, 2022

#### 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, accumulated sick and vacation leave benefits that are paid in cash when employment is terminated. Compensated absences are benefits such as sick leave and vacation 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 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 value.

#### Environmental liabilities

Contaminated sites and other environmental liabilities, which include Type II sites, are accrued, net of recoveries, and an expense recorded based on management's best estimates when the contamination occurs, when the Government becomes aware of the contamination and when the Government is obligated to incur such costs. If the likelihood of the Government's obligation to incur these costs is not determinable, the contingency is disclosed in the notes to the financial statements.

Landfill liabilities are recognized on a net present value basis for the total estimated expenditures for closure and post-closure care as the landfill site's capacity is used.

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements  
March 31, 2022**

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 post-employment and retirement benefits, environmental liabilities, amortization of tangible capital assets, corporate and personal income tax revenue and contingencies.

The provision for environmental liabilities is subject to a high degree of measurement uncertainty because the existence and extent of contamination, the responsibility for, and the timing and cost of remediation cannot be reliably estimated in all circumstances. The degree of measurement uncertainty resulting from the estimation of the provision cannot be reasonably determined.

3. **Cash and cash equivalents**

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Bank balances	\$ 89,593	\$ 82,893
Short-term investments	3,847	8,049
Cash on hand	<u>73</u>	<u>70</u>
	<u>\$ 93,513</u>	<u>\$ 91,012</u>

4. **Temporary investments**

	<u>2022</u>		<u>2021</u>	
	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>
	(thousands of dollars)			
Term Deposits and GICs	\$ -	\$ -	\$ 819	\$ 819
Other	<u>4,122</u>	<u>4,122</u>	<u>800</u>	<u>800</u>
	<u>\$ 4,122</u>	<u>\$ 4,122</u>	<u>\$ 1,619</u>	<u>\$ 1,619</u>

The temporary investments had a weighted average effective yield of 0.19% (2021 – 1.54%) per annum.

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Notes to Consolidated Financial Statements  
March 31, 2022

5. **Due from/to Government of Canada**

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Due from Government of Canada		
Cost-sharing agreements and projects delivered on behalf of the Government of Canada	\$ 176,593	\$ 135,070
Income tax	4,258	4,492
Other	<u>348</u>	<u>357</u>
	<u>\$ 181,199</u>	<u>\$ 139,919</u>
Due to Government of Canada		
Payroll taxes	\$ 12,352	\$ 11,599
Public Service Pension Plan contribution	7,873	8,232
Program funding liable for claw back	3,798	7,901
RCMP	10,957	7,599
Type II mine sites	809	1,848
CMHC mortgages and loans	1,255	1,713
Other	<u>3,115</u>	<u>3,078</u>
	<u>\$40,159</u>	<u>\$ 41,970</u>

Amounts due from and due to the Government of Canada are payable on demand and are non-interest bearing with the exception of mortgages and loans due to CMHC (Note 17). The carrying amounts, with the exception of mortgages and loans due to CMHC, approximate fair values because of their short term to maturity.

6. **Accounts receivable**

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Taxes, interest, other revenue and recovery receivables	\$ 34,917	\$ 20,656
Less valuation allowances	<u>(3,465)</u>	<u>(3,275)</u>
	31,452	17,381
Due from government business enterprises that are not fully consolidated	<u>2,870</u>	<u>3,840</u>
	<u>\$ 34,322</u>	<u>\$ 21,221</u>

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**Notes to Consolidated Financial Statements  
March 31, 2022**

7. **Portfolio investments**

	2022		2021	
	Fair Value	Carrying Value	Fair Value	Carrying Value
	(thousands of dollars)			
Marketable securities	\$ 37,646	\$ 36,748	\$ 39,360	\$ 39,404

Marketable securities include investments held by Yukon University as well as designated investments (Note 8) set aside within the Consolidated Revenue Fund for use in meeting certain post-employment and retirement benefit obligations for Members of the Legislative Assembly. The investments are managed by a third party. During the year 2020-21, following a review of the third-party management, the securities transitioned to a new third party manager.

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 are included in cash and cash equivalents, temporary investments and portfolio investments as follows:

	2022	2021
	(thousands of dollars)	
Cash and cash equivalents	\$ -	\$ 4
Temporary investments (fair value \$4,122,000; 2021 – \$800,000)	4,122	800
Portfolio investments – marketable securities (fair value \$31,495,000; 2021 – \$34,545,000)	30,597	34,589
	\$ 34,719	\$ 35,393

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**Notes to Consolidated Financial Statements  
March 31, 2022**

9. **Loans receivable**

	2022	2021
	(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 2029 (2021 – 2029) bearing interest rates ranging from 0% to 4.95% (2021 – 0% to 4.95%), net of allowance for subsidies and valuation of \$210,000 (2021 – \$452,000) and discount in the amount of \$491,000 (2021 – \$619,000) for loans with concessionary terms.	\$ 31,778	\$ 37,556
Agreements for sale of land, due in varying annual amounts over a three, or five, year term to the year 2026 (2021 – 2026) bearing interest at 5% (2021 – 5.00%).	25,249	36,035
Regional Relief and Recovery Fund loans providing assistance to businesses to recover from COVID-19 pandemic, due with forgivable terms, bearing interest rate ranging from 0.00% to 5.00%	3,160	-
Local improvement loans, due in varying annual amounts to the year 2040 (2021 – 2040), bearing interest rates ranging from 0.50% to 5.25% (2021 – 0.50% to 5.25%).	9,073	8,443
Debenture loans to municipalities, due in varying annual amounts to the year 2034 (2021 – 2034), bearing interest rates ranging from 2.72% to 6.38% (2021 – 2.72% to 6.38%).	2,344	2,627
Other, net of allowance for doubtful accounts of \$322,000 (2021 – \$322,000).	5,563	5,556
	\$77,167	\$ 90,217

The Government received non-cash consideration for sale of land of \$7,959,000 (2021 - \$35,648,000) in the form of loans receivable.

10. **Inventories for resale**

	2022	2021
	(thousands of dollars)	
Land		
Undeveloped land	\$ 603	\$ 603
Land under development	41,750	40,447
Developed land	25,358	22,495
	67,711	63,545
Other	82	176
	\$ 67,793	\$ 63,721

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11. **Investment in government business enterprises**

(a) Summary 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 has a fiscal year-end of December 31, but the Government uses their unaudited interim financial statements for the consolidation. The summary financial statements are prepared in accordance with International Financial Reporting Standards.

	Yukon Development Corporation	Yukon Liquor Corporation	2022 Total	2021 Total
	(thousands of dollars)			
<b>Assets</b>				
Current	\$ 35,698	\$ 6,690	\$ 42,388	\$ 39,914
Capital assets	485,915	1,626	487,541	480,651
Regulatory deferral (Note 11(f))	25,465	-	25,465	32,862
Right of use of assets	-	657	657	1,004
Other	20,681	83	20,764	17,761
	<u>\$ 567,759</u>	<u>\$ 9,056</u>	<u>\$ 576,815</u>	<u>\$ 572,192</u>
<b>Liabilities</b>				
Current	\$ 22,505	\$ 4,699	\$ 27,204	\$ 46,218
Long-term debt	206,330	-	206,330	203,438
Regulatory deferral (Note 11(f))	9,025	-	9,025	9,112
Contributions in aid of construction	95,865	-	95,865	87,979
Lease liabilities	-	360	360	675
Other	18,796	1,801	20,597	30,253
Equity	<u>215,238</u>	<u>2,196</u>	<u>217,434</u>	<u>194,517</u>
	<u>\$ 567,759</u>	<u>\$ 9,056</u>	<u>\$ 576,815</u>	<u>\$ 572,192</u>
<b>Revenues</b>	\$ 101,320	\$ 19,678 <sup>1</sup>	\$ 120,998	108,820
<b>Expenses</b>	<u>75,658</u>	<u>11,413</u>	<u>87,071</u>	<u>87,312</u>
Surplus (deficit) before the following:	25,662	8,265	33,927	21,508
Net movement in regulatory deferral (Note 11(f))	<u>(9,672)</u>	<u>-</u>	<u>(9,672)</u>	<u>(3,325)</u>
Surplus (deficit)	<u>\$ 15,990</u>	<u>\$ 8,265</u>	<u>\$ 24,255</u>	<u>\$ 18,183</u>

<sup>1</sup> Yukon Liquor Corporation revenue is shown as net of cost of goods sold of \$29.497 million (2021 - \$28.183 million).

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	Yukon Development Corporation	Yukon Liquor Corporation (thousands of dollars)	2022 Total	2021 Total
Equity, beginning of year	\$ 191,882	\$ 2,635	\$ 194,517	\$ 186,696
Surplus (deficit)	15,990	8,265	24,255	18,183
Other comprehensive gain (loss)	7,367	116	7,483	(2,169)
Profit to be remitted to the Government	<u>-</u>	<u>(8,821)</u>	<u>(8,821)</u>	<u>(8,193)</u>
Equity, end of year	<u>\$ 215,239</u>	<u>\$ 2,195</u>	<u>\$ 217,434</u>	<u>\$ 194,517</u>

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

(b) Inter-entity balances and transactions

	Yukon Development Corporation	Yukon Liquor Corporation (thousands of dollars)	2022 Total	2021 Total
Government of Yukon:				
Accounts receivable from	\$ 535	\$ 2,335	\$ 2,870	\$ 2,629
Advance receivable from	36,200	-	36,200	36,200
Accounts payable to	12,112	498	12,610	17,668
Long-term obligations to	85	-	85	85
Revenues from	-	8,821	8,821	8,193
Expenses to	36,855 <sup>1</sup>	-	36,855	40,565

<sup>1</sup> Includes cost of electricity of \$15.343 million (2021 – \$17.238 million) 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

The Government advanced \$39,200,000 to the Yukon Development Corporation ("YDC") in order to assist in the development of the Whitehorse diesel – natural gas conversion project, which was completed by the Yukon Energy Corporation, YDC's wholly owned subsidiary. The term of the loan is to March 31, 2023 and pursuant to the agreement, the loan may be extended for two additional five year terms upon mutual consent of the parties. The per annum interest rate was based off the one-year

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indicative swap rate plus a 0.4% premium increase. In prior years, the per annum interest rate was set based on one-year CDOR plus 40 basis points in effect on April 1 each year. The change was due to the CDOR ceasing to exist. The rate of interest effective on March 31, 2022 is 2.82% (2021 - 0.81%). The loan agreement requires principal repayments of \$1 million 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, 2022 from YDC was received in April 2022.

(d) Commitments

Yukon Development Corporation

In June 2010, the Yukon Development Corporation ("YDC") issued 30-year bonds in the amount of \$100 million at a fixed coupon rate of 5.0% per annum in part to finance the grant from the Yukon Development Corporation Fund and ratepayers' future contributions towards the construction of the Mayo B hydro enhancement and the Carmacks-Stewart transmission phase II projects. 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 2021/2022, the Government paid \$2,625,000 (2021 – \$2,625,000) to YDC based on the MOU.

The Government authorized the continuation of the Interim Electrical Rebate program to March 31, 2022. This rebate program provides subsidies to non-government residential customers. It was initially implemented in 2009 as an interim replacement of the Rate Stabilization Fund. During the fiscal year 2021/2022, the Government provided \$3,354,000 (2021 – \$3,429,000) to YDC for this purpose. The Government is committed to fund up to \$3,500,000 in the fiscal year 2022/2023.

As at March 31, 2022, the Yukon Energy Corporation ("YEC"), the wholly-owned subsidiary of YDC, had contractual obligations for future purchases of products or services in the amount of \$24,564,000 (2021 – \$31,850,000).

The Yukon Water Board had issued a water use license for the Aishihik Lake facility that was valid until December 31, 2019. In addition to maintaining a minimum and maximum water level, the license commits YEC to meet a number of future requirements including annual fish monitoring programs.

Due to outstanding issues with affected stakeholders, YEC was unable to secure a long-term renewal of the license prior to expiry. During 2019, a two-month extension was granted, and then, in order to ensure continued generation of electricity from the Aishihik Lake facility, YEC applied for and received a three-year renewal of the existing license. The renewal is effective from March 1, 2020 to December 31, 2022. There are additional monitoring and potential operational adjustments, which will be charged to the fiscal year in which they occur. YEC continues to work with affected parties with the objective of securing a longer term license agreement prior to the expiry of the renewal.

Fish monitoring programs are also required under an authorization provided by the Federal Government, Department of Fisheries and Oceans. The costs of meeting these requirements will be accounted for as water license costs in the year they are paid.

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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, 2022 for future years are \$1,677,000 (2021 – \$2,569,000).

(e) Contingencies

Yukon Development Corporation

At March 31, 2016, the Yukon Energy Corporation (“YEC”), Yukon Development Corporation’s wholly owned subsidiary, had a claim from a contractor in the amount of \$4,000,000 plus interest and legal costs. During 2017, the Yukon Supreme Court issued an award in favour of the contractor. YEC successfully appealed the award in 2018. A re-trial was held in April 2020 with the decision of the judge being received in February 2021. The trial resulted in a net award in favour of YEC in the amount of \$487,000. Legal costs and interest are still to be adjudicated. The outcome of the adjudication is not determinable at this time and no estimate of a settlement has been recognized in the financial statements.

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.

(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 in regulatory deferral account balances as it collects or refunds amounts through future customer rates. Any adjustments to these regulatory deferral accounts are recognized in the net movement in 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 included in income from investment in government business enterprises in the Government’s consolidated statement of operations and accumulated surplus.

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12. **Accounts payable and accrued liabilities**

	2022	2021
	(thousands of dollars)	
Accounts payable	\$ 78,745	\$ 76,407
Accrued liabilities	99,523	69,601
Contractors' holdbacks and security deposits	17,711	9,630
Due to government business enterprises (Note 11(b))	12,610	17,668
Other	698	505
	\$ 209,287	\$ 173,811

13. **Environmental liabilities**

(a) Contaminated sites and other environmental liabilities

The Government has recorded environmental liabilities for contaminated sites of \$77,512,000 (2021 – \$26,447,000). 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, 2022, the Government was aware of 100 sites (2021 – 99 sites) where the Government is obligated or is likely obligated to incur such costs. During the year remediation work was undertaken at 11 sites.

One of the 100 sites, Marwell Tar Pit, has been formally designated as contaminated under the *Environment Act* (Yukon) and the *Contaminated Sites Regulation*. The Government is not a "responsible party" as defined by the *Environment Act* (Yukon) and determined by the *Contaminated Sites Regulation*. The Government of Canada was the landowner when the contamination occurred. In September 2010, the Government and the Government of Canada entered into an agreement to remediate the site over 11 years with a total estimated cost of \$6,800,000, of which the Government is to fund 30% or \$2,040,000 and the Government of Canada \$4,760,000. As at March 31, 2022, \$106,000 (2021 – \$106,000) was recorded as the remaining liability for this site, and is part of the \$77,512,000 noted above.

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 \$15,501,000, which reflects the Government's potential exposure before any potential recoveries from the other parties, and has been included in Environmental Liabilities for Contaminated Sites (2021 - \$4,803,000).

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### Notes to Consolidated Financial Statements March 31, 2022

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 of \$35,548,000 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. Government staff have estimated that the development of an actionable closure and remediation plan will cost \$3,500,000. Hence the government has included \$39,048,000 as an initial estimated liability as disclosed in the chart below.

#### (b) Landfill sites

There are 28 active, decommissioned or abandoned landfill sites that are outside incorporated communities and, therefore, are the responsibility of the Government. The Government is the sole operator of the active landfills. 23 of these sites are subject to the *Environment Act* (Yukon) – *Solid Waste Regulations* which includes requirements for closure and abandonment of a dump. The remaining 5 sites are old abandoned dumps which are not subject to the *Solid Waste Regulations*.

A liability is recognized as the landfill site's capacity is used with usage measured on a volumetric basis. As at March 31, 2022, the net present value of total expenditures for closure and post-closure care is estimated to be \$14,462,000 (2021 – \$14,057,000) and a liability in the amount of \$12,283,000 (2021 – \$11,854,000) has been recorded for these sites. The amount remaining to be recognized in the future is \$2,179,000 (2021 – \$2,203,000). No assets are designated for settling these liabilities.

In calculation of the above liability, the remaining landfill life was estimated to be from 0 to 50 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 2.58% (2021 – 2.58%) was used for the net present value calculation for active and closed landfill sites.

#### (c) 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 Ketzra 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 Ketzra 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 \$4,757,000 (2021 - \$4,802,000) and remediation costs, if any, which are the Government's responsibility, are currently undeterminable. No assets are designated for settling these liabilities.

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The following table presents the total estimated amounts of these liabilities as at March 31, 2022.

	2022		2021	
	Number of sites	Estimated Liability	Number of sites	Estimated Liability
	(thousands of dollars)			
Liabilities for contaminated sites <sup>1</sup>				
Highway maintenance camps and airports	35	\$ 11,329	36	\$ 10,835
Other storage tanks and buildings	52	9,078	52	8,653
Marwell Tar Pit	1	106	1	106
Wellgreen	1	15,501	1	4,803
Wolverine	1	39,048	-	-
Other	10	2,450	9	2,050
	100	77,512	99	26,447
Landfill sites	28	12,283	28	11,854
Type II sites	1	4,757	1	4,802
	129	\$ 94,552	128	\$ 43,103

<sup>1</sup> Contamination primarily includes petroleum hydrocarbons, salts and/or occasionally metals.

14. **Unearned revenues**

	2022	2021
	(thousands of dollars)	
Liability portion of government transfers	\$ 13,001	\$ 17,735
Motor vehicle fees for future years	3,008	2,554
Prepaid lease payments	4,000	-
Other	9,217	6,887
	\$ 29,226	\$ 27,176

The liability portion of government transfers represents transfer payments from the Government of Canada, which have funding stipulations that gave rise to a liability as of year-end.

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15. **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 January 31, 2020. March 31, 2022 amounts are based on an extrapolation of the January 31, 2020 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 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.

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, 2022 is based on an extrapolation of an actuarial valuation that was performed as at March 31, 2021. The Government has designated a portion of its assets for the purpose of meeting this obligation (Note 8).

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(b) Yukon University

Yukon University's 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, 2022.

Yukon 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.

The accrued liabilities for the above benefits as of March 31, 2022 were as follows:

	2022	2021
	(thousands of dollars)	
Post-employment benefits and compensated absences liability		
Government of Yukon employees	\$ 128,875	\$ 124,108
Members of Yukon Legislative Assembly	917	891
Yukon Hospital Corporation	2,868	2,945
Yukon Housing Corporation	2,509	2,173
Yukon University	10,634	10,030
(Schedule D)	\$ 145,803	\$ 140,147

16. **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.

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In the calendar year 2021, 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 \$181,600 the Government contributed \$3.59 for every dollar contributed by both groups of plan members.

In the calendar year 2022, the Government contributes \$1.02 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 \$191,300 the Government contributes \$5.91 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 \$42,118,000 (2021 – \$41,002,000).

(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, 2021. The accrued benefit obligation as at March 31, 2022 is based on an actuarial valuation performed for accounting purposes using the membership data as of March 31, 2021.

(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).

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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.

Actuarial valuations for the Territorial Court Judiciary Pension Plan for accounting and funding purposes were conducted using the membership data as at March 31, 2020.

(d) Yukon University Employees' Pension Plan

The Yukon University ("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 accounting purposes was performed as at March 31, 2022 following Canadian public sector accounting standards. An actuarial valuation for funding purposes was performed as at June 30, 2021, which established Yukon University's required contributions as 101.7% (June 30, 2020 – 100.4 %) of employee contributions.

The actuarial valuation for funding purposes as at June 30, 2021 indicates the University had an actuarial surplus of \$20,340,800 (June 30, 2020 – \$16,006,000) at the measurement date on a going-concern basis and a surplus of \$2,207,300 (June 30, 2020 – \$21,014,000 deficit) if valued on the basis that the pension plan was to be terminated/wound up as at June 30, 2021. The solvency ratio of the plan was 100% at June 30, 2021 (86.3% at June 30, 2020).

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 Yukon 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. This guarantee remains in effect until December 31, 2022. The maximum amount of letters of credit to which this guarantee applies will be \$23,007,220 (2021 – \$21,357,000).

(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.

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An actuarial valuation for funding purposes was performed at December 31, 2021, which established the Corporation's required contribution as 112% (2020 – 113%) of employee contributions. This valuation reported that, as at December 31, 2021, the pension plan had a surplus of \$50,432,000 (2020 – \$45,866,000) on a going concern basis, and a deficit of \$16,294,000 (2020 – \$43,308,000) if valued on the basis that the pension plan was to be terminated/wound up. The solvency ratio of the plan at December 31, 2021 is 93% (82% at December 31, 2020).

In accordance with the *Pension Benefits Standards Act, 1985* (Canada), the Corporation is required to make special payments to eliminate the solvency shortfall. The payments have been actuarially determined as \$3,767,000 over the 2022 calendar year (2021 - \$6,904,000). The Corporation is permitted to cover up to a specified maximum of 15% of the solvency liability with a conforming letter of credit. During the fiscal year, the Corporation entered into letters of credit totaling \$33,810,000 (2021 – \$26,907,000) related to solvency deficiency payments. 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 Corporation 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. This guarantee was in effect from June 30, 2021 to June 30, 2022 and the maximum amount of letters of credit to which this guarantee applied was \$35,464,000 (2021 - \$26,508,000). In July 2022, this guarantee was renewed to a maximum of \$35,128,000 for the June 30, 2022 to June 30, 2023 period. There is an overlap between the letters of credit time periods and the fiscal years.

An actuarial valuation for accounting purposes was performed as at March 31, 2022 following Canadian public sector accounting standards.

(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. They are both non-pension defined benefit plans. The extended health care plan is self-insured. The accrued benefit obligation as at March 31, 2022 is based on an extrapolation of an actuarial valuation conducted as at January 31, 2020. Extended health care and life insurance retirement benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

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 Consolidated Financial Statements**  
**March 31, 2022**

The accrued benefit liability (asset) for the above retirement benefits as of March 31, 2022 was as follows:

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Accrued benefit asset		
Yukon Hospital Corporation Employees' Pension Plan	\$ (56,073)	\$ (51,339)
Yukon University Employees' Pension Plan	<u>(24,343)</u>	<u>(20,529)</u>
	<u>(80,416)</u>	<u>(71,868)</u>
Accrued benefit liability		
Extended health care retirement benefit	\$ 75,792	\$ 69,608
Legislative Assembly Retirement Allowances Plan	31,220	28,726
Life insurance retirement benefit	3,809	3,465
Territorial Court Judiciary Pension Plan	<u>9,916</u>	<u>8,499</u>
	<u>\$ 120,737</u>	<u>\$ 110,298</u>
 Total net benefit liability (Schedule E)	 <u>\$ 40,321</u>	 <u>\$ 38,430</u>

GOVERNMENT OF YUKON

Notes to Consolidated Financial Statements  
March 31, 2022

17. **Borrowings**

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Yukon Hospital Corporation – loans with a chartered bank. (see below)	\$ 22,610	\$ 26,271
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 \$2,042,000 (2021 – \$2,259,000), repayable in blended monthly payments with maturities up to the year 2028, bearing fixed interest rates ranging from 1.99% to 2.81%.	733	1,089
Yukon University – non-interest bearing loan repayable on demand within 90 days.	996	996
Yukon Housing Corporation – loans payable to chartered banks and CMHC, repayable in blended periodic instalments with maturities up to the year 2028, bearing fixed interest rates ranging from 7.50% to 9.50%.	522	624
Yukon Hospital Corporation – flexible term note payable to the Yukon Development Corporation, bearing interest rate at 7.50% repayable in annual instalments, based on the annual energy savings realized, secured by a general security agreement on building improvements with a net book value of \$30,000 (2021 – \$60,000).	85	85
	<u>\$ 24,946</u>	<u>\$ 29,065</u>
Less: Amounts included in Due to Canada (Note 5)	<u>(1,255)</u>	<u>(1,713)</u>
	<u>\$ 23,691</u>	<u>\$ 27,352</u>

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

	(thousands of dollars)	
2023	\$	5,338
2024		4,179
2025		4,258
2026		4,423
2027		3,976
Thereafter		<u>2,772</u>
	<u>\$</u>	<u>24,946</u>

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements  
March 31, 2022**

Yukon Hospital Corporation – loans with a chartered bank

	<u>2022</u>	<u>2021</u>
	(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.	\$ 8,062	\$ 9,521
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.	7,300	8,500
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.	7,248	8,250
	<u>\$ 22,610</u>	<u>\$ 26,271</u>

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements**  
**March 31, 2022**

Borrowing Limit

The *Yukon Borrowing Limits Regulations* prescribe what constitutes borrowing, the entities whose borrowing must be taken into account, and the manner in which the value of a borrowing is determined.

An Order in Council (P.C. 2020-0663) came into force on September 20, 2020. These regulations pursuant to subsection 23(2) of the *Yukon Act* (Canada) provided authority to the Government and its entities to borrow in aggregate to a maximum of \$800 million.

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Authorized borrowing limit	\$ 800,000	\$ 800,000
Loans of money by government reporting entity:		
Government business enterprises		
Yukon Development Corporation, bonds	100,000	100,000
Yukon Development Corporation, other long-term debt	<u>73,423</u>	<u>68,577</u>
	<u>173,423</u>	<u>168,577</u>
Fully consolidated entities		
Yukon Hospital Corporation, bank loans	22,610	26,271
Yukon Housing Corporation, mortgages payable	733	1,089
Yukon University, loan payable	996	996
Yukon Housing Corporation, loans payable	<u>522</u>	<u>624</u>
	<u>24,861</u>	<u>28,980</u>
Accrued interest payable	1,886	1,263
Credit facilities used	14,222	33,314
Capital lease obligation	<u>1,982</u>	<u>3,096</u>
Total debt	<u>216,374</u>	<u>235,230</u>
Available borrowing capacity	<u>\$ 583,626</u>	<u>\$ 564,770</u>

GOVERNMENT OF YUKON

Notes to Consolidated Financial Statements  
March 31, 2022

18. **Liabilities for leased tangible capital assets**

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Building lease obligation payable monthly until the year 2023, with imputed interest rate of 3.7%.	\$ 686	\$ 1,348
Building lease obligation payable monthly until the year 2025, with imputed interest rate of 3.7%.	814	1,062
Building lease obligation payable monthly until the year 2025, with imputed interest rate of 3.3%.	482	686
	<u>\$ 1,982</u>	<u>\$ 3,096</u>

Interest expense related to liabilities for leased tangible capital assets for the year was \$135,000 (2021 – \$174,000) at an imputed average interest rate of 3.6% (2021 – 3.6%).

The following is a schedule of future minimum lease payments under the liabilities for leased tangible capital assets:

	(thousands of dollars)
2023	\$ 1,873
2024	725
2025	<u>536</u>
Total minimum lease payments	3,134
Less: amount representing executory costs	(766)
amount representing rental of land	(333)
amount representing interest	<u>(53)</u>
	<u>\$ 1,982</u>

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements**  
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19. **Financial instruments**

The balances in cash and cash equivalents, due to/from Government of Canada with the exception of amounts due to CMHC (Note 17), accounts receivable, advances to government business enterprises, and accounts payable and accrued liabilities have fair values that approximate their carrying amount due to their short term to maturity.

The fair value and the methods of calculation and assumptions used for the Government's other financial instruments are detailed below:

	2022		2021	
	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>
	(thousands of dollars)			
Temporary investments	<u>\$ 4,122</u>	<u>\$ 4,122</u>	<u>\$ 1,619</u>	<u>\$ 1,619</u>
Portfolio investments				
Marketable securities	<u>\$ 37,646</u>	<u>\$ 36,748</u>	<u>\$ 39,360</u>	<u>\$ 39,404</u>
Loans receivable				
Mortgages receivable, net of valuation allowance	\$ 30,744	\$ 31,778	\$ 38,931	\$ 37,556
Other loans receivable, net of valuation allowance	<u>45,389</u>	<u>45,389</u>	<u>52,664</u>	<u>52,661</u>
	<u>\$ 76,133</u>	<u>\$ 77,167</u>	<u>\$ 91,595</u>	<u>\$ 90,217</u>
Borrowings				
Demand term installment loan	\$ 25,366	\$ 22,610	\$ 29,411	\$ 26,271
Mortgages payable	713	733	825	1,089
Loans payable	1,536	1,518	1,651	1,620
Other	<u>108</u>	<u>85</u>	<u>85</u>	<u>85</u>
	<u>\$ 27,723</u>	<u>\$ 24,946</u>	<u>\$ 31,972</u>	<u>\$ 29,065</u>

An active and established market exists for the temporary and portfolio investments. Consequently, the estimated fair value is calculated using observed market data.

Since the above valuation is based on market information available at March 31, 2022, the fair value of the investments may change materially in future periods as a result of fluctuations in the market. However, these changes are not expected to result in a significant impact on the Government's future operations.

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements**  
**March 31, 2022**

The estimated fair values of loans receivable were determined using the present value of future cash flows discounted at the March 31, 2022 average market rate for mortgages and loans with similar maturities. Until settled, the fair value of loans receivable will fluctuate based on changes in interest rates. The Government believes the carrying amount of loans receivable will be fully recovered.

The estimated fair value for borrowings is calculated by discounting the expected future cash flows at year-end market interest rates for equivalent terms to maturity.

20. **Tangible capital assets**

	<u>2022</u> Net Book Value	<u>2021</u> Net Book Value
	(thousands of dollars)	
Land	\$ 19,950	\$ 19,575
Buildings	772,278	755,184
Equipment and vehicles	105,216	102,565
Computer hardware and software	68,501	46,450
Transportation infrastructure	684,714	659,758
Land improvements and fixtures	53,771	46,504
Sewage and water systems	49,853	48,800
Other	<u>19,676</u>	<u>14,181</u>
(Schedule C)	<u>\$ 1,773,959</u>	<u>\$ 1,693,017</u>

Leased tangible capital assets are reported as part of the respective asset category. These leased assets are amortized on a straight-line basis over the lease term or estimated economic life. The amortization expense for the year was \$991,000 (2021 – \$991,000). The cost and accumulated amortization of leased capital assets that are included in the schedule of tangible capital assets are as follows:

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Buildings (cost)	\$ 9,907	\$ 9,907
Operating equipment (cost)	<u>-</u>	<u>141</u>
	9,907	10,048
Less accumulated amortization	<u>(8,265)</u>	<u>(7,415)</u>
	<u>\$ 1,642</u>	<u>\$ 2,633</u>

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements  
March 31, 2022**

21. **Expenses by object**

	2022	2021
	(thousands of dollars)	
Personnel	\$ 716,621	\$ 692,196
Government transfers	360,808	350,247
Contract and special services	297,957	249,657
Materials, supplies and utilities	149,915	144,055
Amortization expenses	79,191	80,061
Communication and transportation	40,803	35,605
Rent	56,965	47,590
Interest on long-term debt and capital lease obligations	1,560	1,752
Other	12,572	11,374
	\$ 1,716,392	\$ 1,612,537

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, 2022, 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, 2022, except for the Compensation Fund (Yukon) which is at December 31, 2021.

	2022	2021
	(thousands of dollars)	
Compensation Fund (Yukon)	\$ 268,362	\$ 250,799
Canada Community Building Fund	125,730	107,999
Lottery Commission	9,359	8,984
Crime Prevention and Victim Services	7,225	7,373
Forest Sector trust	6,084	6,044
Extended health and dental plan trust funds	5,957	5,599
Supreme Court trust	1,251	1,379
Public Guardian trust	1,458	1,516
Other	3,985	3,994
	\$ 429,411	\$ 393,687

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements  
March 31, 2022**

23. **Contractual rights**

The Government has entered into agreements to receive, or has contractual rights for, the following receipts subsequent to March 31, 2022:

	<u>Expiry Date</u>	<u>2023</u>	<u>2024 – 2031</u>	<u>Total</u>
		(thousands of dollars)		
Contribution and Service Agreements				
Infrastructure Canada	2031	\$ 126,851	\$ 558,347	\$ 685,198
Transport Canada	2029	63,992	170,058	234,050
Canada Mortgage and Housing Corporation	2030	8,295	42,307	50,602
Early Learning and Childcare Agreement	2026	9,794	34,119	43,913
Environment and Natural Resources	2024	8,885	11,832	20,717
Innovation, Science and Economic Development	2023	10,314	11,565	21,879
Employment and Social Development	2027	2,766	8,664	11,430
Student Financial Assistance	2026	509	2,036	2,545
RCMP: Mobile Radio Network	2025	1,829	2,402	4,231
Health Canada	2022	12,686	-	12,686
Canadian Heritage	2023	8,334	11,500	19,834
Other	2025	11,168	15,377	26,545
		<u>\$ 265,423</u>	<u>\$ 868,207</u>	<u>\$ 1,133,630</u>

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements  
March 31, 2022**

24. **Contractual obligations**

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2022:

	Expiry Date	2023	2024 – 2045	Total
(thousands of dollars)				
RCMP policing agreement	2032	\$ 30,244	\$ 302,440	\$ 332,684
Capital projects				
- in progress at March 31, 2022	2031	393,770	84,319	478,089
Building/office space leases	2029	14,887	26,418	41,305
NorthwestTel Inc. mobile radio network system	2025	3,047	4,004	7,051
Yukon Hospital Corporation – medical equipment maintenance	2029	7,319	15,851	23,170
Alkan Air Ltd. medical evacuation -contract	2023	7,000	-	7,000
Conair Group Inc. air tanker -services (turbine engines)	2023	2,377	-	2,377
Air Spray (1967) Ltd. Air tanker services	2023	2,067	-	2,067
Information Services Corporation	2040	170	3,558	3,728
Miscellaneous operational commitments	2045	42,695	21,873	64,568
		<u>\$ 503,576</u>	<u>\$ 458,463</u>	<u>\$ 962,039</u>

25. **Overexpenditure**

Overexpenditure 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 (2021 – 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, one (2021 – two) department(s) exceeded the authorized amounts as follows:

	(thousands of dollars)
Health and Social Services	
- Child care subsidies	\$ 5

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements**  
**March 31, 2022**

26. **Guarantees**

At March 31, 2022, the Yukon Development Corporation had long-term debt of \$206,000,000 (2021 – \$203,000,000) (Note 11(a)) and a credit facility of up to \$50,500,000 (2021 - \$43,500,000). While the Government has not issued guarantees for these instruments, as the Yukon Development Corporation 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. **Land claims**

Between February 1995 and March 31, 2022, 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 of 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.

28. **Contingencies**

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, 2022, the amounts claimed, excluding the claims from Northern Cross (Yukon) Ltd., which are described below, is \$22,820,000 (2021 – \$5,793,000). No provision for these claims has been made as it is unlikely or undeterminable that a liability has been incurred 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 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 million 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 a 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

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements**  
**March 31, 2022**

with a \$2,000,000 deductible. In 2021/2022, the Government paid \$317,000 (2021 – \$253,000) for liability claims such as bodily injury, property damage and automobile liability. The Government had unpaid claims against the fund in the amount of \$3,215,000 as at March 31, 2022 (2021 – \$1,660,000). This amount is reported as part of the Government's accrued liabilities. The fund balance at March 31, 2022 was \$3,420,000 (2021 – \$5,000,000).

In addition to the environmental liabilities discussed in Note 13, 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

Schedule A

**Consolidated Schedule of Revenues by Source  
for the year ended March 31, 2022**

	2022		2021
	Budget	Actual	Actual
	(thousands of dollars)		
From Government of Canada			
Formula Financing Grant	\$ 1,117,650	\$ 1,117,650	\$ 1,054,979
Other grants	65,630	145,210	149,429
Contributions and service agreements	259,000	217,842	192,202
	<u>1,442,280</u>	<u>1,480,702</u>	<u>1,396,610</u>
Taxes and general revenues			
Income taxes	94,026	129,788	95,130
Other taxes			
Tobacco tax	13,222	12,894	13,584
Fuel oil tax	8,610	8,729	7,004
Liquor tax	5,029	5,018	4,979
General property tax	5,958	5,670	4,877
Insurance premium tax	6,411	7,438	3,765
Grant in lieu of property tax	239	241	225
Licences, permits and fees	28,640	29,892	26,379
Sale of land	21,841	7,959	35,648
Investment and interest revenue	4,292	5,122	4,381
Hospital revenues	6,514	2,666	2,035
Resource revenue - mineral, oil and gas and forestry	2,155	10,093	903
Aviation operations	1,345	290	17
Income from portfolio investments	1,396	576	1,495
Fines	508	480	392
Other revenues	294	4,605	5,295
	<u>200,480</u>	<u>231,461</u>	<u>206,109</u>
Funding and service agreements with other parties	<u>45,534</u>	<u>31,409</u>	<u>32,947</u>
Income (loss) from investment in government business enterprises			
Yukon Liquor Corporation	9,200	8,265	8,236
Yukon Development Corporation	10,000	15,990	9,947
	<u>19,200</u>	<u>24,255</u>	<u>18,183</u>
	<u><b>\$ 1,707,494</b></u>	<u><b>\$ 1,767,827</b></u>	<u><b>\$ 1,653,849</b></u>

GOVERNMENT OF YUKON

Schedule B

**Consolidated Schedule of Operations by Function  
for the year ended March 31, 2022**

	Health and Social Services		Community and Transportation		Education		General Government <sup>1</sup>		Natural Resources	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
(thousands of dollars)										
<b>Revenues</b>										
From Government of Canada	\$ 62,106	\$ 89,113	\$ 121,637	\$ 117,830	\$ 22,272	\$ 14,657	\$ 1,228,195	\$ 1,147,816	\$ 40,158	\$ 15,800
Taxes and general revenues	14,332	11,965	38,233	62,030	5,970	6,241	167,264	127,896	13,057	2,949
Funding and service agreements	11,553	7,204	7,455	7,055	10,210	7,899	1,670	4,529	263	5,783
Income (loss) from investments in government business enterprises	-	-	15,990	9,947	-	-	8,265	8,236	-	-
	<u>87,991</u>	<u>108,282</u>	<u>183,315</u>	<u>196,862</u>	<u>38,452</u>	<u>28,797</u>	<u>1,405,394</u>	<u>1,288,477</u>	<u>53,478</u>	<u>24,532</u>
<b>Expenses (Note 21)</b>										
Personnel	227,266	227,346	86,366	80,649	155,955	152,474	133,314	124,622	57,315	54,594
Contracts, materials and other	169,001	161,343	127,714	141,218	32,539	30,408	86,084	77,836	92,467	33,631
Government transfers	98,835	105,063	126,791	143,531	51,128	19,427	41,354	29,505	12,017	12,039
Amortization expenses	16,766	16,931	42,654	42,440	8,723	8,757	5,870	6,812	1,177	1,099
Interest on long-term debt and capital lease obligations	1,358	1,496	67	82	-	-	135	174	-	-
	<u>513,226</u>	<u>512,179</u>	<u>383,592</u>	<u>407,920</u>	<u>248,345</u>	<u>211,066</u>	<u>266,757</u>	<u>238,949</u>	<u>162,976</u>	<u>101,363</u>
Recovery of prior years' expenses	3,040	257	19	252	136	(2)	114	164	192	48
Surplus (deficit) for the year	<u><b>\$ (422,195)</b></u>	<u><b>\$ (403,640)</b></u>	<u><b>\$ (200,258)</b></u>	<u><b>\$ (210,806)</b></u>	<u><b>\$ (209,757)</b></u>	<u><b>\$ (182,271)</b></u>	<u><b>\$ 1,138,751</b></u>	<u><b>\$ 1,049,692</b></u>	<u><b>\$ (109,306)</b></u>	<u><b>\$ (76,783)</b></u>

<sup>1</sup> Includes the legislature, tax collection and administration, Formula Financing and other grants 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  
Continued

**Consolidated Schedule of Operations by Function  
for the year ended March 31, 2022**

	Justice		Business, Tourism and Culture		Adjustments <sup>2</sup>		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	(thousands of dollars)							
<b>Revenues</b>								
From Government of Canada	\$ 6,127	\$ 5,999	\$ 207	\$ 5,395	\$ -	\$ -	\$ 1,480,702	\$ 1,396,610
Taxes and general revenues	1,387	997	34	9	(8,816)	(5,978)	231,461	206,109
Funding and service agreements	819	637	452	372	(1,013)	(532)	31,409	32,947
Income (loss) from investments in government business enterprises	-	-	-	-	-	-	24,255	18,183
	<b>8,333</b>	<b>7,633</b>	<b>693</b>	<b>5,776</b>	<b>(9,829)</b>	<b>(6,510)</b>	<b>1,767,827</b>	<b>1,653,849</b>
<b>Expenses (Note 21)</b>								
Personnel	37,938	35,531	18,469	16,980	-	-	716,623	692,196
Contracts, materials and other	41,339	35,383	11,197	10,727	(2,130)	(2,266)	558,211	488,280
Government transfers	6,406	6,300	31,976	38,627	(7,699)	(4,244)	360,808	350,248
Amortization expenses	2,887	2,857	1,113	1,165	-	-	79,190	80,061
Interest on long-term debt and capital lease obligations	-	-	-	-	-	-	1,560	1,752
	<b>88,570</b>	<b>80,071</b>	<b>62,755</b>	<b>67,499</b>	<b>(9,829)</b>	<b>(6,510)</b>	<b>1,716,392</b>	<b>1,612,537</b>
Recovery of prior years' expenses	34	233	127	144	-	-	3,662	1,096
Surplus (deficit) for the year	<b>\$ (80,203)</b>	<b>\$ (72,205)</b>	<b>\$ (61,935)</b>	<b>\$ (61,579)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 55,097</b>	<b>\$ 42,408</b>

<sup>2</sup> To eliminate inter-segment transactions that are measured at the carrying amount.

## Government of Yukon

Schedule C

**Consolidated Schedule of Tangible Capital Assets  
for the year ended March 31, 2022**

	Land	Buildings	Equipment & Vehicles	Computer Hardware & Software	Transportation Infrastructure	Land Improvements & Fixtures	Sewage & Water Systems	Other	2022 Total	2021 Total
	(thousands of dollars)									
Cost of tangible assets, opening	\$ 19,575	\$ 1,227,467	\$ 221,200	\$ 112,092	\$ 1,119,240	\$ 59,019	\$ 65,289	\$ 23,473	\$ 2,847,355	\$ 2,744,464
Acquisitions	375	47,795	15,537	27,812	49,507	8,802	4,023	6,578	160,429	107,341
Write-downs	-	(14)	(5)	-	-	-	-	-	(19)	(2,163)
Disposals	-	(154)	(6,899)	(519)	-	-	-	-	(7,572)	(2,287)
Cost of tangible assets, closing	19,950	1,275,094	229,833	139,385	1,168,747	67,821	69,312	30,051	3,000,193	2,847,355
Accumulated amortization, opening	-	472,283	118,635	65,642	459,482	12,515	16,489	9,292	1,154,338	1,076,085
Amortization expense	-	30,687	12,618	5,747	24,551	1,535	2,970	1,083	79,191	80,061
Disposals	-	(154)	(6,636)	(505)	-	-	-	-	(7,295)	(1,808)
Accumulated amortization, closing	-	502,816	124,617	70,884	484,033	14,050	19,459	10,375	1,226,234	1,154,338
Net book value (Note 20)	<b>\$ 19,950</b>	<b>\$ 772,278</b>	<b>\$ 105,216</b>	<b>\$ 68,501</b>	<b>\$ 684,714</b>	<b>\$ 53,771</b>	<b>\$ 49,853</b>	<b>\$ 19,676</b>	<b>\$ 1,773,959</b>	<b>\$ 1,693,017</b>
Work in progress <sup>1</sup>		\$ 47,370	\$ 3,019	\$ 41,252	\$ 88,758	\$ 10,660	\$ 6,425	\$ 5,367	\$ 202,851	\$ 97,774

<sup>1</sup> 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, 2022**

	Government of Yukon Employees	Members of Yukon Legislative Assembly	Yukon Hospital Corporation	Yukon Housing Corporation	Yukon University	2022 Total	2021 Total
(thousands of dollars)							
Accrued benefit obligation							
Obligation at beginning of year	\$ 127,703	\$ 979	\$ -	\$ 2,129	\$ 7,188	\$ 137,999	\$ 125,439
Current service costs	13,724	153	-	222	982	15,081	13,887
Interest cost on benefit obligation	4,332	36	-	73	201	4,642	4,964
Actuarial loss (gain)	(7,136)	(95)	-	(194)	(242)	(7,667)	4,206
Past service cost	-	-	-	-	-	-	196
Benefits paid	(13,704)	(192)	-	(49)	(586)	(14,531)	(10,693)
Accrued benefit obligation at end of year	124,919	881	-	2,181	7,543	135,524	137,999
Unrecognized net actuarial gain (loss)	3,381	36	-	328	(1,112)	2,633	(4,378)
Accrued benefit liability	128,300	917	-	2,509	6,431	138,157	133,621
Liabilities that are not included in actuarial valuation	575	-	2,868	-	4,203	7,646	6,526
Post-employment benefits and compensated absences (Note 15)	128,875	917	2,868	2,509	10,634	145,803	140,147
Net benefit cost							
Current service cost	13,724	153	-	222	982	15,081	13,887
Interest cost on benefit obligation	4,332	36	-	73	201	4,642	4,964
Past service costs	-	-	-	73	-	73	196
Amortization of net actuarial loss (gain)	365	29	-	17	(28)	383	70
Net cost for the year	\$ 18,421	\$ 218	\$ -	\$ 385	\$ 1,155	\$ 20,179	\$ 19,117

GOVERNMENT OF YUKON

**Consolidated Schedule of Post-employment Benefits and Compensated Absences  
for the year ended March 31, 2022**

Schedule D  
Continued

	Government of Yukon Employees	Members of Yukon Legislative Assembly	Yukon Hospital Corporation	Yukon Housing Corporation	Yukon University
<b>2021-22 Key Assumptions</b>					
Discount rate on benefit costs	3.20%	3.70%	N/A	3.20%	2.75%
Discount rate on accrued benefit obligation at end of year	4.00%	5.30%	N/A	4.00%	3.80%
Rate of compensation increase	see below <sup>1</sup>	2.50%	N/A	see below <sup>1</sup>	3.40%
Amortization period (expected average remaining service life)	12.5 years	3.0 years	N/A	11.6 years	10.0 years
<b>2020-21 Key Assumptions</b>					
Discount rate on benefit costs	3.80%	4.40%	N/A	3.80%	2.75%
Discount rate on accrued benefit obligation at end of year	3.20%	3.70%	N/A	3.20%	2.75%
Rate of compensation increase	see below <sup>2</sup>	2.50%	N/A	see below <sup>2</sup>	See below <sup>1</sup>
Amortization period (expected average remaining service life)	12.5 years	3.0 years	N/A	11.6 years	11.0 years

<sup>1</sup>Based on the annual rates from the Public Service Pension Plan ("PSPP") March 31, 2017 valuation report.

<sup>1</sup> For 10 years 2.75%, thereafter 3.25%

<sup>2</sup>Based on the annual rates from the Public Service Pension Plan ("PSPP") March 31, 2017 valuation report.

GOVERNMENT OF YUKON  
**Consolidated Schedule of Retirement Benefits**  
**for the year ended March 31, 2022**

Schedule E

	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	2022 Total	2021 Total
(thousands of dollars)								
Pension and retirement plan assets are valued at fair value.								
Accrued benefit obligation								
Obligation at beginning of year	\$ 83,197	\$ 42,501	\$ 4,976	\$ 14,976	\$ 110,091	\$ 95,063	\$ 350,804	\$ 319,798
Current service costs	3,628	1,946	87	632	5,661	4,508	16,462	15,727
Transfers in/service buyback	-	-	-	-	-	-	-	267
Interest cost on benefit obligation	2,752	1,576	161	583	6,498	5,046	16,616	16,484
Actuarial loss (gain)	(22,938)	(9,101)	(823)	(2,117)	1,687	(5,248)	(38,540)	11,515
Benefits paid	(1,591)	(1,721)	(136)	(492)	(9,248)	(3,755)	(16,943)	(12,472)
Administration expenses	-	-	-	-	-	(474)	(474)	(516)
Accrued benefit obligation at end of year	65,048	35,201	4,265	13,582	114,689	95,140	327,925	350,803
Plan assets - valued at fair value								
Value at beginning of year	-	9,902	-	4,498	169,366	132,505	316,271	252,370
Actual return on plan assets	-	411	-	291	5,676	8,598	14,976	62,529
Employer contributions	1,591	560	136	375	4,231	2,214	9,107	7,800
Member contributions	-	173	-	61	2,836	2,173	5,243	5,404
Transfers in/service buyback	-	-	-	-	-	-	-	267
Benefits paid	(1,591)	(502)	(136)	(492)	(9,248)	(3,755)	(15,724)	(11,295)
Actual plan expenses	-	-	-	-	(338)	(474)	(812)	(805)
Value at end of year	-	10,544	-	4,733	172,523	141,261	329,061	316,270
Funded status - plan deficit (surplus)	65,048	24,657	4,265	8,849	(57,834)	(46,122)	(1,137)	34,533
Unrecognized net actuarial gain (loss)	10,744	6,563	(456)	1,067	1,761	21,779	41,458	3,897
Accrued benefit liability (asset) (Note 16)	75,792	31,220	3,809	9,916	(56,073)	(24,343)	40,321	38,430
Net benefit cost								
Current service cost	3,628	1,946	87	632	6,035	4,508	16,836	16,084
Less: Member contributions	-	(173)	-	(61)	(2,836)	(2,173)	(5,243)	(5,404)
Interest cost on benefit obligation	2,752	1,576	161	583	6,498	5,046	16,616	16,484
Expected return on plan assets	-	(371)	-	(170)	(10,086)	(7,027)	(17,654)	(12,751)
Amortization of net actuarial loss (gain)	1,396	1,292	233	808	(114)	(1,952)	1,663	5,682
Net cost for the year	\$ 7,776	\$ 4,270	\$ 481	\$ 1,792	\$ (503)	\$ (1,598)	\$ 12,218	\$ 20,095

GOVERNMENT OF YUKON  
**Consolidated Schedule of Retirement Benefits**  
**for the year ended March 31, 2022**

Schedule E  
Continued

	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
<b>2021-22 Key Assumptions</b>						
Expected long term rate of return on assets at beginning of year	N/A	3.70%	N/A	3.80%	6.00% <sup>1</sup>	5.75%
Discount rate on benefit costs	3.20%	3.70%	3.20%	3.80%	6.00%	5.75%
Discount rate on accrued benefit obligation at end of year	4.00%	5.30%	4.00%	5.00%	6.00%	5.75%
Inflation rate at end of year	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Rate of compensation increase	see below <sup>2</sup>	2.50%	see below <sup>2</sup>	3.00%	2.50%	3.40%
Health care cost trend rate	see below <sup>3</sup>	N/A	N/A	N/A	N/A	N/A
Amortization period (expected average remaining service life)	12.5 years	3.0 years	9.3 years	2.7 years	9.0 years	10.0 years

<sup>1</sup> Includes \$357,000 for provision of administrative expenses.

<sup>2</sup> Based on the annual rates from the Public Service Pension Plan ("PSPP") March 31, 2017 valuation report.

<sup>3</sup> 5.9% per annum for 2020-2024, decreasing linearly to 4.9% in 2029, and following the McMaster Model to an ultimate trend rate of 4.0% in 2040.

<b>2020-21 Key Assumptions</b>						
Expected long term rate of return on assets at beginning of year	N/A	4.40%	N/A	4.60%	6.00% <sup>1</sup>	5.30%
Discount rate on benefit costs	3.80%	4.40%	3.80%	4.60%	6.00%	5.30%
Discount rate on accrued benefit obligation at end of year	3.20%	3.70%	3.20%	3.80%	6.00%	5.30%
Inflation rate at end of year	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Rate of compensation increase	see below <sup>2</sup>	2.50%	see below <sup>2</sup>	3.00%	2.50%	3.40%
Health care cost trend rate	see below <sup>3</sup>	N/A	N/A	N/A	N/A	N/A
Amortization period (expected average remaining service life)	12.5 years	4.0 years	9.3 years	2.7 years	8.9 years	10.0 years

<sup>1</sup> Includes \$357,000 for provision of administrative expenses.

<sup>2</sup> Based on the annual rates from the Public Service Pension Plan ("PSPP") March 31, 2017 valuation report.

<sup>3</sup> 5.9% per annum for 2020-2024, decreasing linearly to 4.9% in 2029, and following the McMaster Model to an ultimate trend rate of 4.0% in 2040.