



Yukon Public Accounts

2024–25



YUKON PUBLIC ACCOUNTS
for the year ended March 31, 2025



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October 31, 2025

The Honourable Adeline Webber,
Commissioner of Yukon
422 Main Street
Whitehorse
Yukon Y1A 2B7

I have the honour to submit herewith the Yukon Public Accounts for the fiscal year ended March 31, 2025.

Sandy Silver
Minister of Finance

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YUKON PUBLIC ACCOUNTS

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PART ONE

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

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GOVERNMENT OF YUKON
Consolidated Financial Statement Discussion and Analysis
for the year ended March 31, 2025

Introduction

The Yukon Public Accounts, produced annually, provides clarity and transparency for Yukoners by comparing the financial results for the 2025 fiscal year against the 2025 Main Estimates (Budget) and against the previous year's financial results. The Government is responsible for the accuracy, objectivity and integrity of this information.

The Financial Statement Discussion and Analysis expands upon and further explains information contained in the Consolidated Financial Statements, which are presented in Part Two of the Yukon Public Accounts. This is intended to assist readers in their analysis of the Yukon's fiscal health and Government's financial performance with the resources it has been entrusted. To do this effectively, this report presents a highlights summary, assessment of fiscal health, indicators of financial and economic conditions, details section and a summary of risks and mitigation.

2025 Highlights Summary

Financial Results					
(thousands of dollars)	2025		2024	Change from	
	Budget	Actual	Actual	Budget	2024 Actual
Revenues	2,140,473	2,228,394	2,003,410	87,921	224,984
Expenses ¹	1,986,820	2,053,387	2,006,641	66,567	46,746
Surplus / (Deficit)	153,653	175,007	(3,231)	21,354	178,238
Accumulated Surplus		2,204,770	2,027,812		176,958
Net Debt		(227,160)	(196,055)		(31,105)

¹ Expenses shown net of Recovery of Prior Years' Expenses

The Government is reporting an annual surplus of \$175.0 million on a revenue base of \$2.2 billion.

The \$21.3 million difference between the \$175.0 million surplus and the expected \$153.7 million surplus presented in the 2025 budget is due to higher revenues (\$87.9 million, or 4.1%), offset by higher than anticipated expenses (\$66.6 million, or 3.4%).

Change from budget:

Revenues were higher than budgeted largely due to higher than expected transfers from the Government of Canada. There was increase in tax and general revenue, specifically from income taxes, sale of land and a one-time revenue related to the tobacco settlement. It also includes additional revenues from funding and service-level agreements with other parties, particularly recoveries related to the wildfire management.

Expenses were higher than budgeted, and the functions with the largest increases compared to the 2025 budget were health and social services, community and transportation, justice and general government.

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Introduction (continued)

2025 Highlights Summary (continued)

Change from prior year:

2025 surplus of \$175.0 million is \$178.2 million greater than the \$3.2 million deficit in 2024. Total revenues compared to the previous year increased by \$225.0 million (11.2%), while total expenses (net of recovery of prior years' expenses) increased by \$46.7 million (2.3%).

The increases in revenue were driven by a \$140.0 million increase in funding from the Government of Canada, \$99.5 million from taxes and general revenues and \$2.6 million from funding and service agreements. While the increase in expenses of \$46.7 million was mostly from health and social services, community and transportation, general government, education and justice.

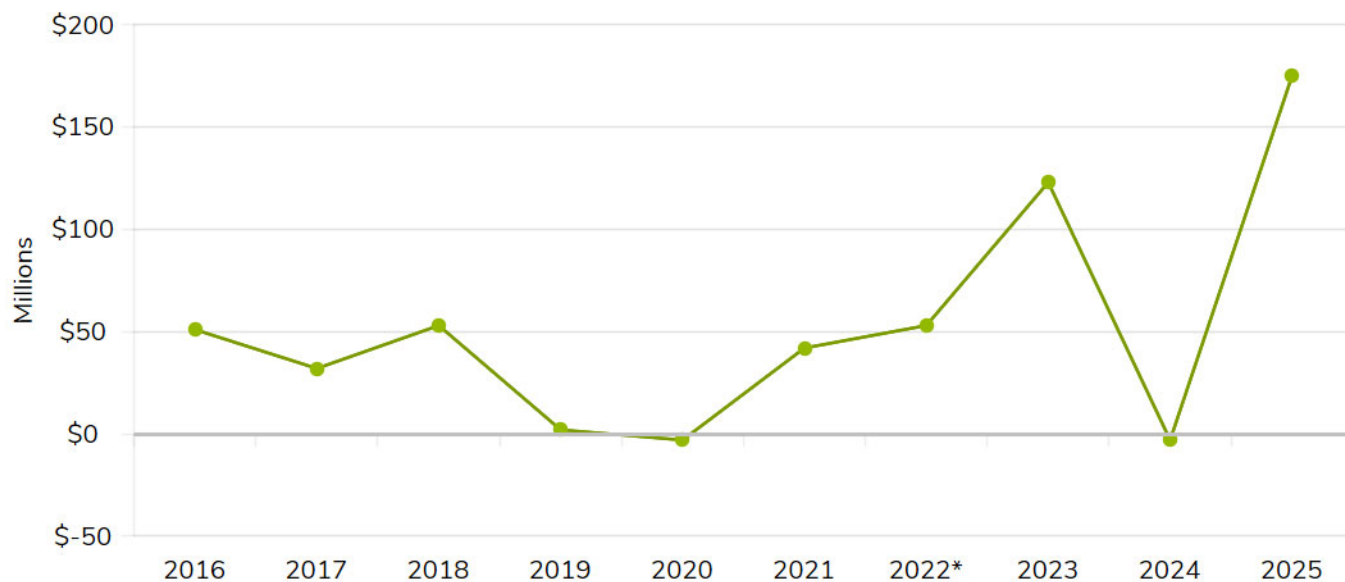
In 2025, the Government's net debt increased by \$31.1 million, from \$196.1 million in 2024 to \$227.2 million in 2025.

Highlights

Surplus (Deficit)

The surplus (deficit) represents the amount by which revenue exceeds expense (expense exceeds revenue) for the fiscal period.

Surplus (Deficit)



(in millions)	2016	2017	2018	2019	2020	2021	2022*	2023	2024	2025
Surplus (deficit)	\$ 51	\$ 32	\$ 53	\$ 2	\$ (3)	\$ 42	\$ 53	\$ 123	\$ (3)	\$ 175

* 2022 restated due to adoption of PS 3280

The 2025 surplus of \$175.0 million represents an improvement of \$178.2 million compared to the prior year's

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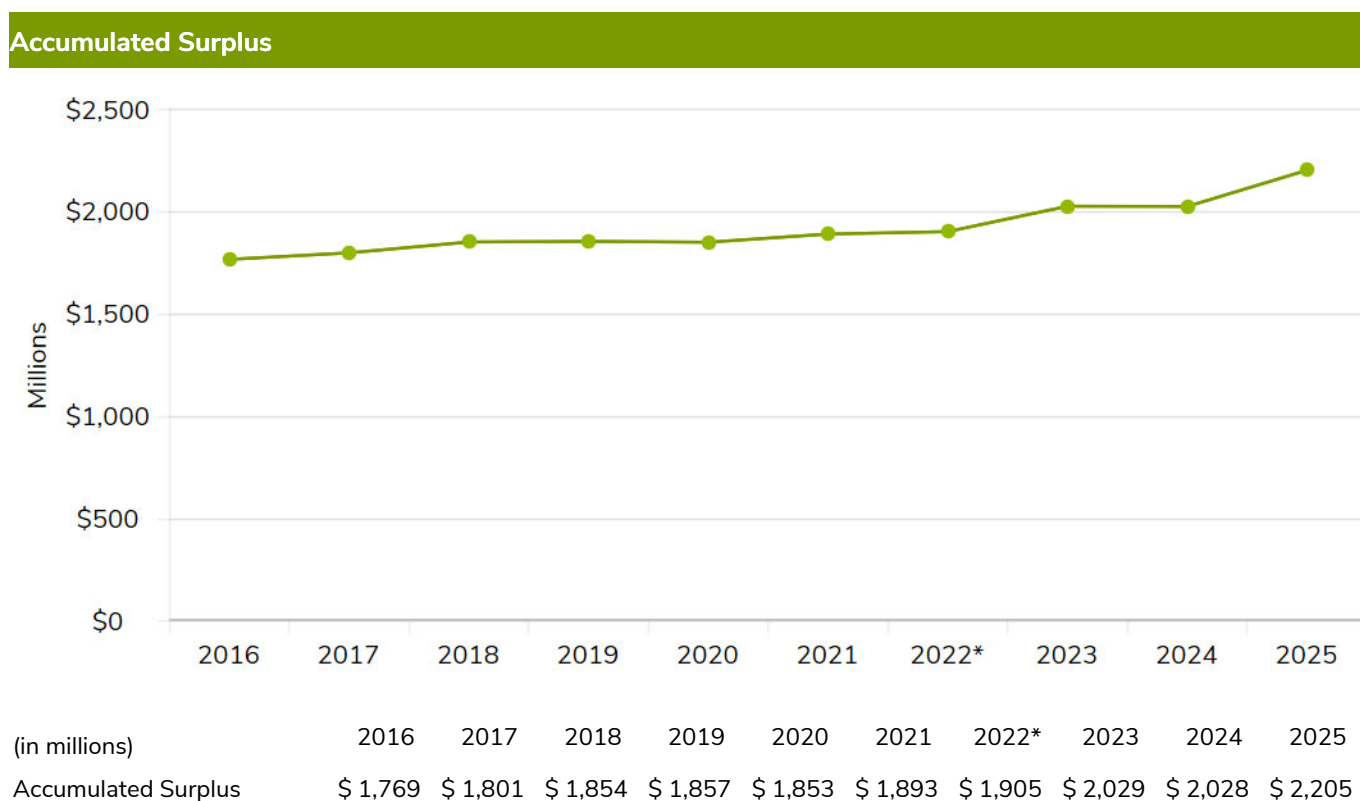
Highlights (continued)

Surplus (Deficit) (continued)

deficit of \$3.2 million, and is \$21.3 million higher than the budgeted surplus of \$153.6 million. The Government's deficit/surplus is driven by two factors - revenues and expenses. The Government's revenue is largely made up of the formula financing grant from the Government of Canada, which tends to remain stable over time. Expenses result from direct government spending and transfers to meet territorial needs. Compared to 2024, the current year surplus is primarily attributable to increased revenues from federal transfers, taxation and general revenue including tobacco settlement, and funding and service-level agreements.

Accumulated Surplus

An accumulated surplus represents the government's reported net economic resources. An accumulated surplus is the net of all past surpluses and deficits and is a measure of economic resources to provide future services.



* 2022 restated due to adoption of PS 3280

As of March 31, 2025, the Government is reporting an accumulated surplus of \$2.205 billion which is an increase of \$177.0 million from the previous year's accumulated surplus of \$2.028 billion. The increase in accumulated surplus during 2025 is due to the current year's annual operating surplus of \$175.0 million, plus the net remeasurement gain of \$2.0 million.

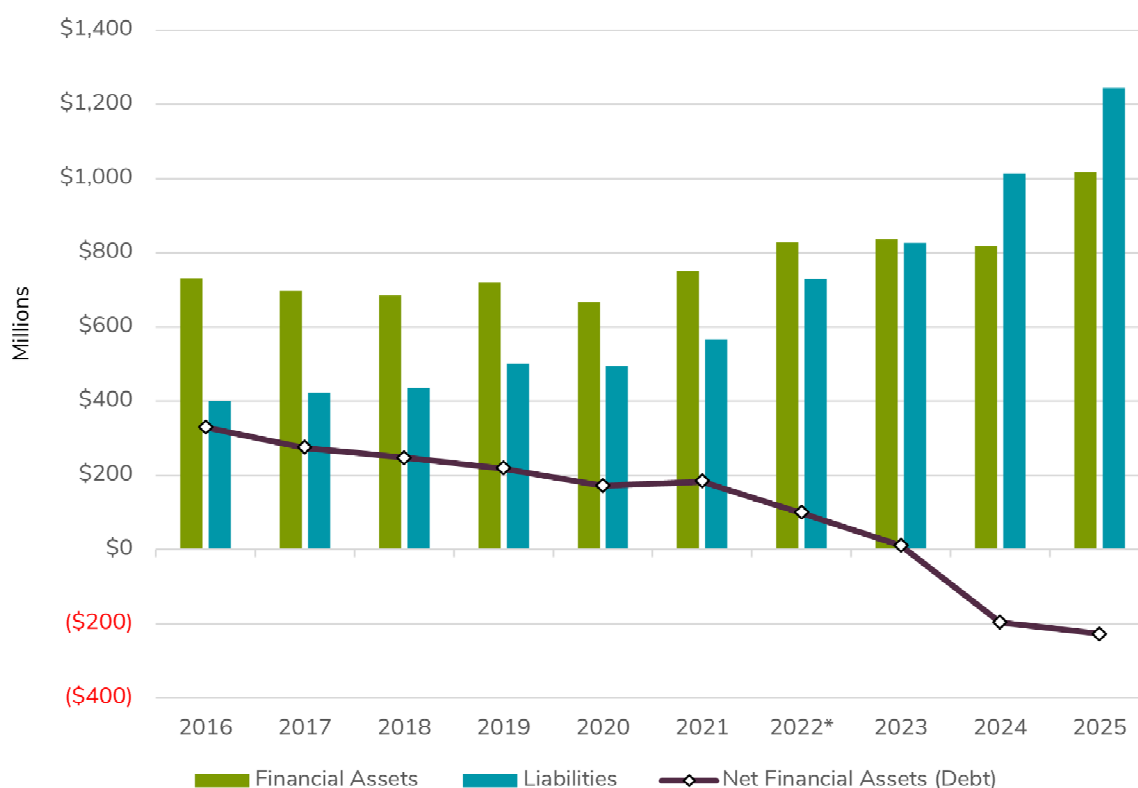
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Highlights (continued)

Net Financial Assets (Debt)

Net financial assets (debt) represent the amount of financial resources that the Government has to finance future transactions.

Net Financial Assets (Debt)



(in millions)	2016	2017	2018	2019	2020	2021	2022*	2023	2024	2025
Financial assets	\$ 731	\$ 698	\$ 685	\$ 720	\$ 667	\$ 750	\$ 829	\$ 837	\$ 819	\$ 1,018
Liabilities	401	424	437	502	496	567	730	826	1,015	1,245
Net Financial Assets (Debt)	<u>\$ 330</u>	<u>\$ 274</u>	<u>\$ 248</u>	<u>\$ 218</u>	<u>\$ 171</u>	<u>\$ 183</u>	<u>\$ 99</u>	<u>\$ 11</u>	<u>\$ (196)</u>	<u>\$ (227)</u>

* 2022 restated due to adoption of PS 3280

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Highlights (continued)

Net Financial Assets (Debt) (continued)

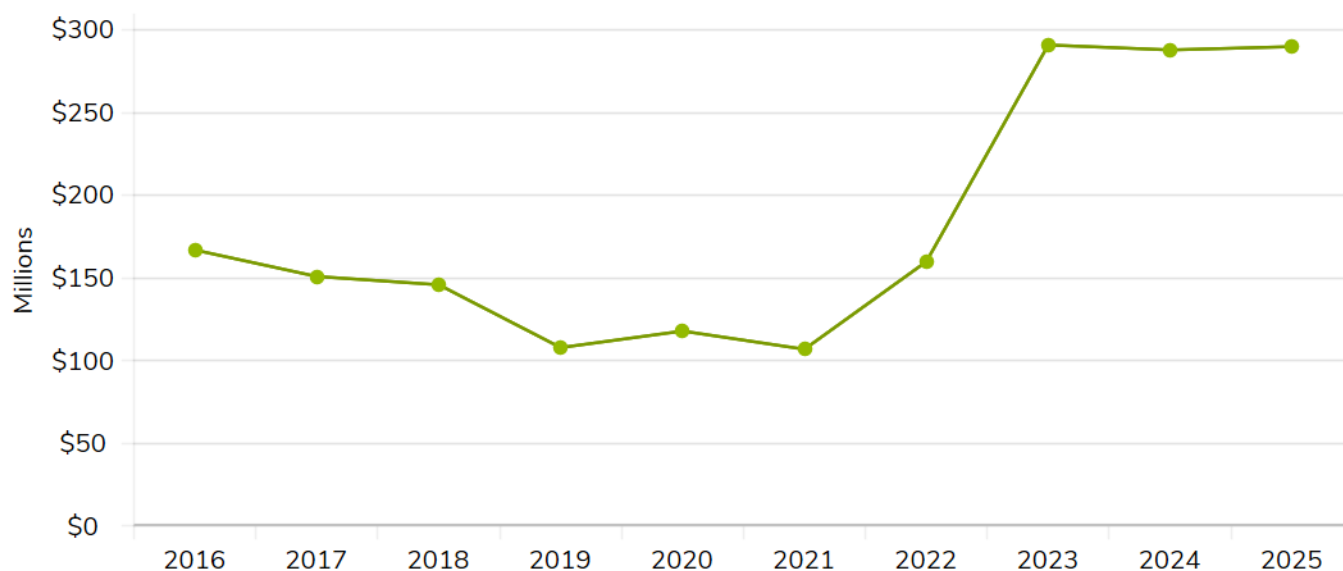
The net financial assets (debt) of the Government is calculated as:

- The financial assets consisting of cash and cash equivalents, portfolio investments, due from Government of Canada, accounts receivable, advances to government business enterprises (GBE), loans receivable, inventories for resale, retirement benefit assets and investment in government business enterprises; offset by
- The liabilities consisting of bank advances and short-term borrowings, due to Government of Canada, accounts payable and accrued liabilities, unearned revenues, surety bond, environmental liabilities, asset retirement obligation liabilities, post-employment benefits and compensated absences, retirement benefit liabilities, borrowings and liabilities for leased tangible capital assets.

Investment in Tangible Capital Assets (TCA)

The Government invests in acquiring, building and maintaining infrastructure and other tangible capital assets to provide services to residents. Total annual capital spending consists of investment in tangible capital assets and the amounts transferred to third parties (e.g., municipalities, First Nations) for capital purposes.

Investment in Tangible Capital Assets



(in millions)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Investment in TCA	\$ 167	\$ 151	\$ 146	\$ 108	\$ 118	\$ 107	\$ 160	\$ 291	\$ 288	\$ 290

GOVERNMENT OF YUKON
**Consolidated Financial Statement Discussion and Analysis
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Highlights (continued)

Investment in Tangible Capital Assets (TCA) (continued)

In 2025, the Government recorded tangible asset additions of \$289.5 million for the acquisition and development of assets such as buildings and transportation infrastructure, IT assets, equipment and vehicles, compared to \$288.0 million in 2024. This represents a steady capital investment over the last three fiscal years.

Expenditures in 2025 on multi-year capital projects included: \$77.5 million on the Whitehorse Airport Runway and taxiway projects, \$3.3 million on the Whistle Bend School project, \$4.6 million on Burwash School, \$9.4 million on the Dempster Fibre project, \$6.3 million on the Yukon University roof upgrade, \$1.3 million on the Experiential Learning Spaces project, \$2.5 million on the Old Crow Health Centre, \$15.2 million on the gymnastics and climbing facility and \$1.5 million on Selkirk Parking lot upgrade.

Also in 2025, the Government's construction work on various roads and highways cost over \$18.4 million, while bridge work on the Alaska, Klondike, and Robert Campbell highways cost in excess of \$62.8 million, including \$54.3 million for the Nisutlin Bay Bridge.

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Assessment of Fiscal Health

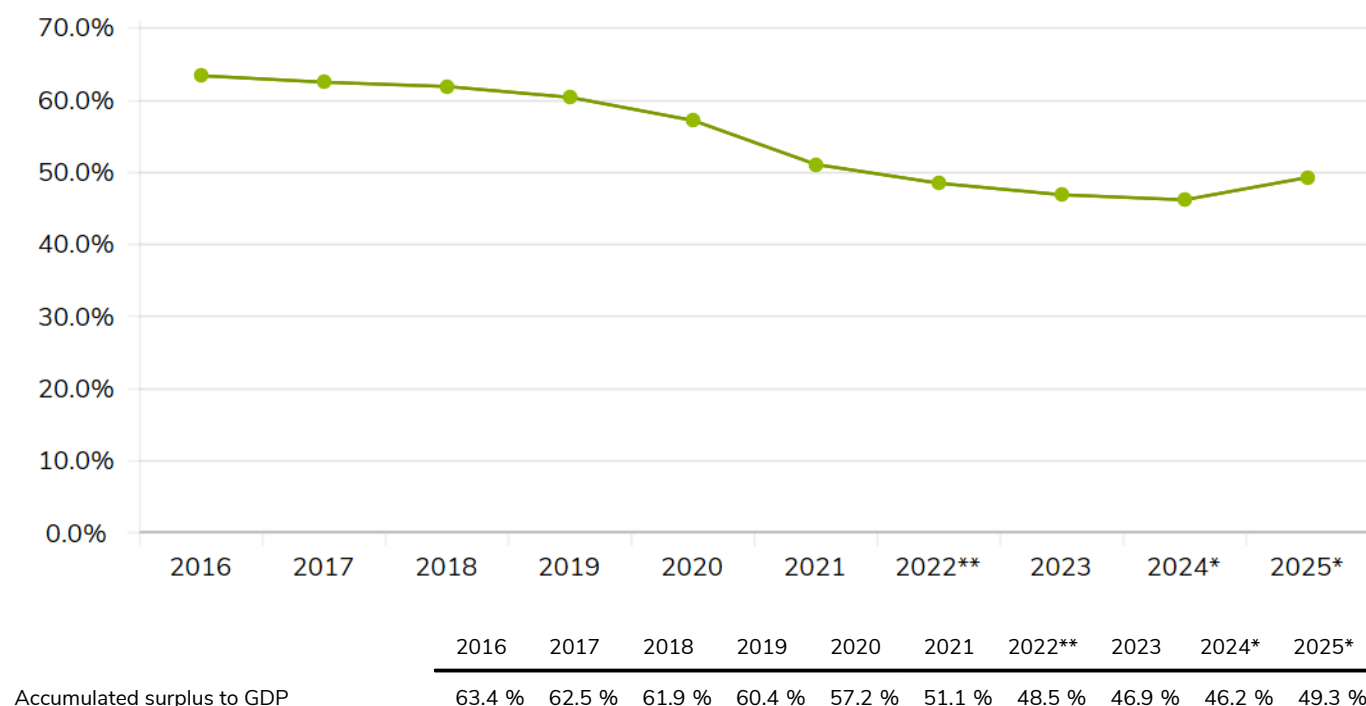
The Government's fiscal performance can be assessed by examining its overall economic and financial environment. This assessment takes into consideration, the Government's ability to meet its existing financial obligations to provide services to the public and its financial commitments to its creditors, employees and others by focusing on key sustainability, flexibility and vulnerability indicators.

Sustainability

Sustainability is a measure indicating the degree to which the Government can maintain its existing level of spending and meet its existing debt obligations.

Accumulated Surplus to the Territory's Nominal Gross Domestic Product (GDP)

This graph compares the Government's accumulated surplus to the Yukon's GDP as a percentage.



* Estimate Nominal GDP: 2024 - \$4.390 billion; Forecast Nominal GDP 2025 - \$4.473 billion based on 2025-2026 Fiscal and Economic Outlook (March 2025)

** 2022 restated due to adoption of PS 3280

GOVERNMENT OF YUKON
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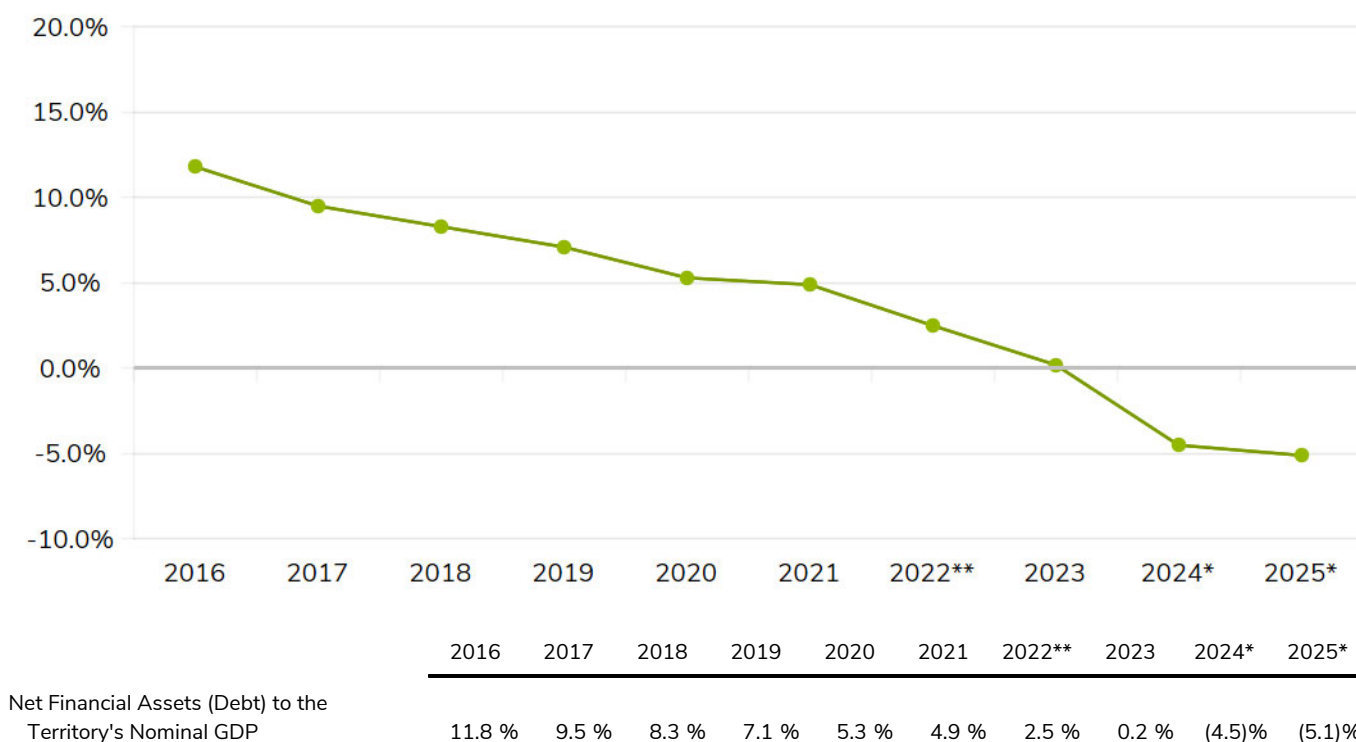
Assessment of Fiscal Health (continued)

The accumulated surplus measures the sum of all current and prior years' operating results and remeasurement gains and (losses). GDP is a measure of the value of the goods and services produced during a year and is a commonly used measure of the size of the Yukon's economy. The trend of this ratio provides an indication of whether the accumulated surplus is growing faster or slower than the economy.

This trend highlights that the accumulated surplus has remained steady for 2023 and 2024 with a slight increase in 2025 in relation to the Territory's GDP.

Net Financial Assets (Debt) to the Territory's Nominal GDP

This graph compares the Government's net financial assets (debt) to the Yukon's GDP as a percentage.



* Estimate Nominal GDP: 2024 - \$4.390 billion; Forecast Nominal GDP 2025 - \$4.473 billion based on 2025-2026 Fiscal and Economic Outlook (March 2025)

** 2022 restated due to adoption of PS 3280

The net financial assets (debt) to GDP ratio indicates the financial demands placed on the economy by the Government's policies such as taxation. For all years presented, the territory's nominal GDP posted growth, which also weighed on the annual ratios.

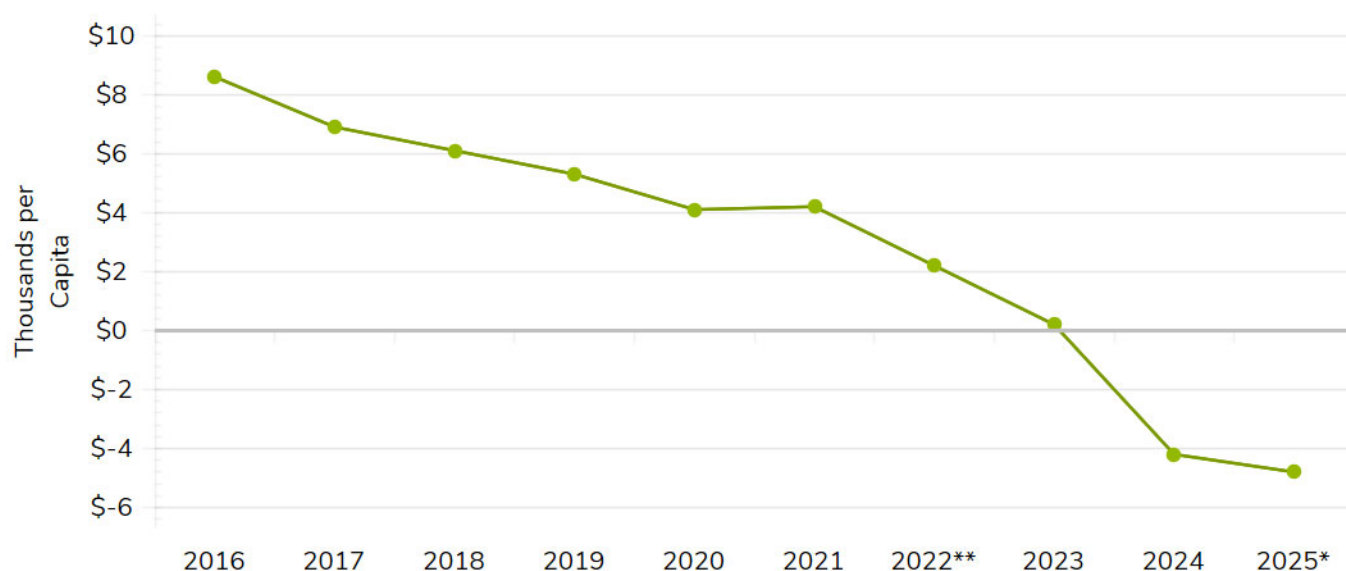
The downward trend partly stems from the Government's continued consumption of its resources and increased investment in tangible capital assets (non-financial assets) in response to the growing need for government services by its residents. Most jurisdictions in Canada have traditionally had a negative ratio. Starting in 2024, the Yukon's ratio also became negative. A negative ratio indicates that a portion of future accumulation of financial assets will be required to fund past expenditures such as infrastructure development.

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Assessment of Fiscal Health (continued)

Net Financial Assets (Debt) per Capita

Net financial assets (debt) per capita represents the net financial assets (debt) applicable to each Yukon resident.



(in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023**	2024	2025*
Net Financial Assets (Debt) per Capita	\$ 8.6	\$ 6.9	\$ 6.1	\$ 5.3	\$ 4.1	\$ 4.2	\$ 2.2	\$ 0.2	\$ (4.2)	\$ (4.8)

* Forecast 2025 population

** 2022 restated due to adoption of PS 3280

The downward trend of the ratio indicates that the Government's net financial assets (debt) per capita is decreasing as the population continues to grow (refer to "Population and Unemployment Rate" chart).

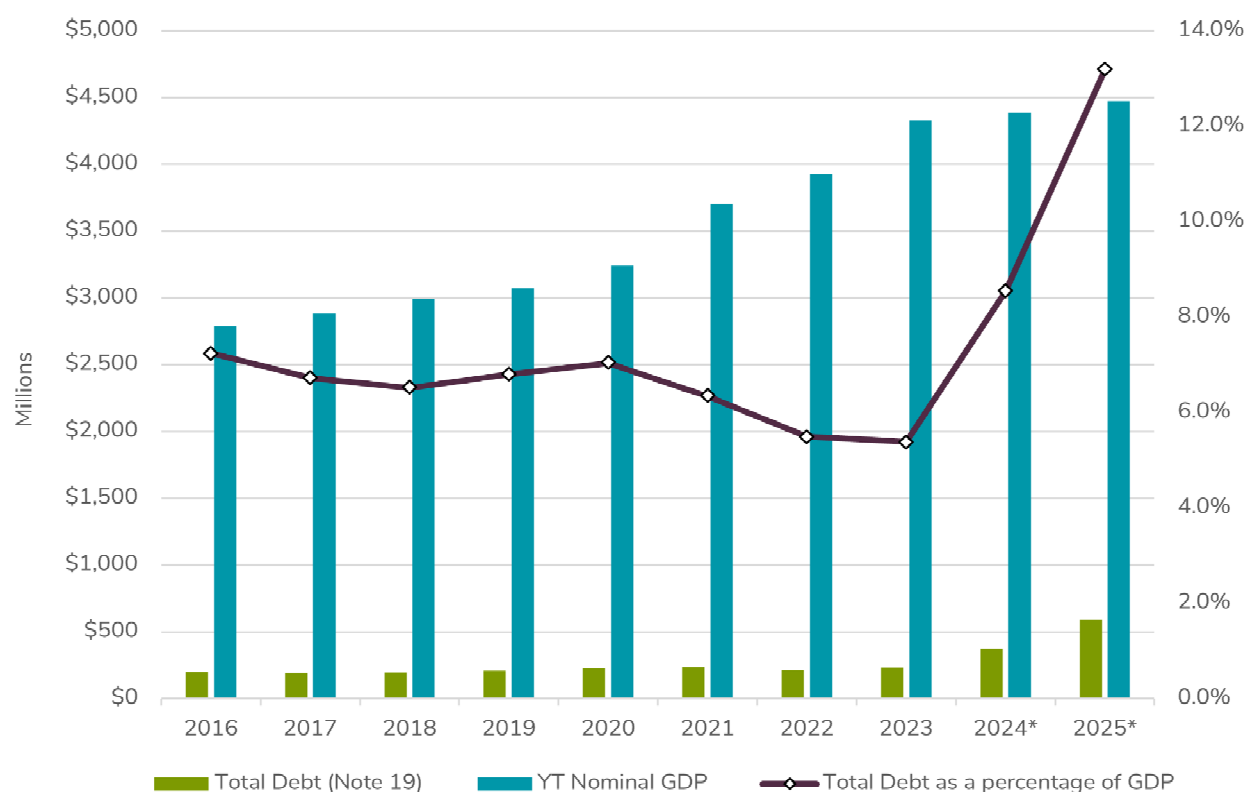
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Assessment of Fiscal Health (continued)

Total Debt as a percentage of Nominal GDP

The Government's Total Debt¹ to GDP ratio shows the relationship between the amount of money the Government has borrowed and the performance of the economy. The borrowing limit, as outlined in Note 19 to the Consolidated Financial Statements, and as defined under the Yukon Borrowing Limits Regulations, includes debt of all entities of the Government. If the ratio is declining, growth in the economy is exceeding increase in Total Debt, resulting in improved sustainability. Equally, an increasing Total Debt to GDP ratio indicates that Total Debt is rising faster than growth in the economy which could impact the Yukon's financial sustainability.

¹Total Debt is defined as value of borrowings under the Yukon Borrowing Limits Regulations



(in millions)	2016	2017	2018	2019	2020	2021	2022	2023	2024*	2025*
Total Debt (Note 19)	\$ 202	\$ 194	\$ 195	\$ 209	\$ 228	\$ 235	\$ 216	\$ 233	\$ 375	\$ 590
YT Nominal GDP	\$ 2,789	\$ 2,883	\$ 2,993	\$ 3,076	\$ 3,241	\$ 3,704	\$ 3,930	\$ 4,330	\$ 4,390	\$ 4,473
Total Debt as a percentage of GDP	7.2 %	6.7 %	6.5 %	6.8 %	7.0 %	6.3 %	5.5 %	5.4 %	8.5 %	13.2 %

* Estimate Nominal GDP: 2024 - 4.390 billion; Forecast Nominal GDP 2025 - 4.473 billion based on 2025-2026 Fiscal and Economic Outlook (March 2025)

On March 31, 2025, as per Note 19 to the Consolidated Financial Statements, the Government has total debt of \$589.7 million (2024 - \$375.0 million) which is 49.1% (2024 - 46.9%) of the \$1.2 billion (2024 - \$800.0 million) borrowing limit allowed.

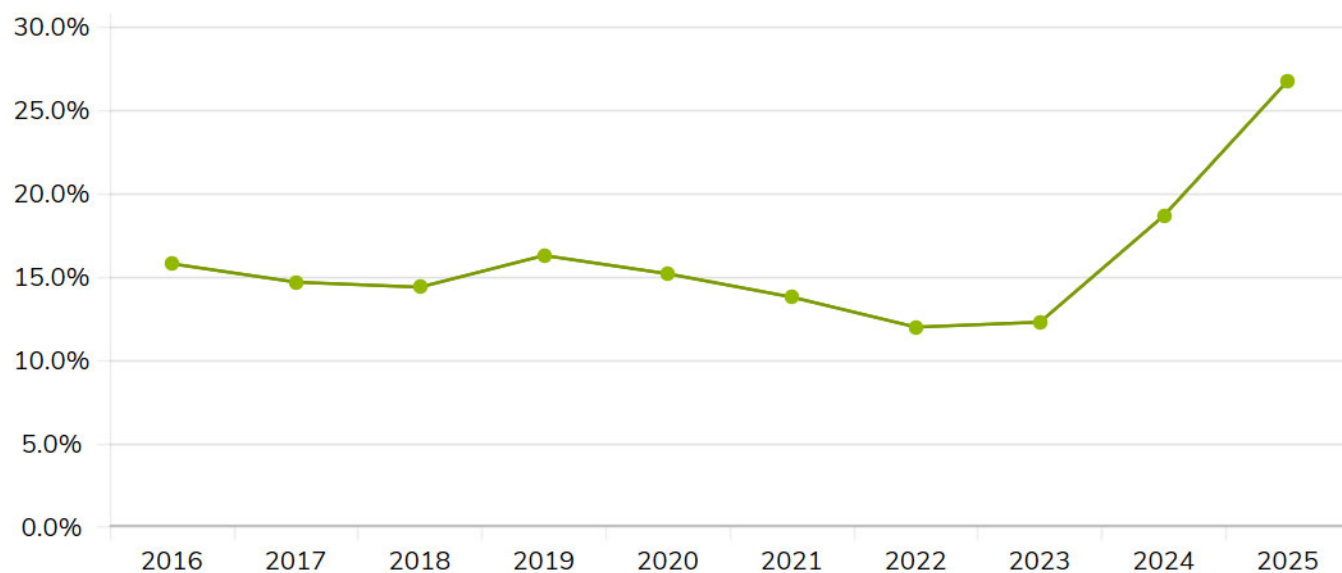
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Assessment of Fiscal Health (continued)

Between 2016 and 2021, the Government maintained a Total Debt to GDP ratio of 6.3% to 7.2% which then averaged 5.4% in 2022 and 2023 and increased to 8.5% in 2024. In 2025, nominal GDP is forecasted to increase only marginally compared to 2024 primarily due to the suspension of operations at the Eagle Gold Mine. The Government has invested in essential infrastructure which required borrowing. Consequently, the Total Debt to Nominal GDP ratio rose to 13.2%.

Tax-supported Debt as a percentage of Consolidated Operating Revenue

Tax-supported debt ratio measures the Government's debt and interest burden relative to its available resources. This metric includes short-term and long-term borrowings of the Government, its fully consolidated entities as well as the Yukon Development Corporation.



Tax-supported

Debt

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
15.8 %	14.7 %	14.4 %	16.3 %	15.2 %	13.8 %	12.0 %	12.3 %	18.7 %	26.8 %

From 2016 to 2023, the Government maintained a relatively stable tax-supported debt ratio, ranging between 12.0% and 16.3%. This reflected prudent fiscal management, moderate borrowing levels and steady economic growth. In 2024 and 2025, the ratio increased to 18.7% and 26.8% respectively. This is primarily due to higher borrowing to fund major infrastructure projects and investments in public facilities.

Despite this increase, the territory's debt burden remains manageable and low compared with most Canadian jurisdictions. The Government continues to maintain a strong liquidity position, substantial borrowing capacity and access to federal fiscal support mechanisms, which together help ensure long-term fiscal sustainability.

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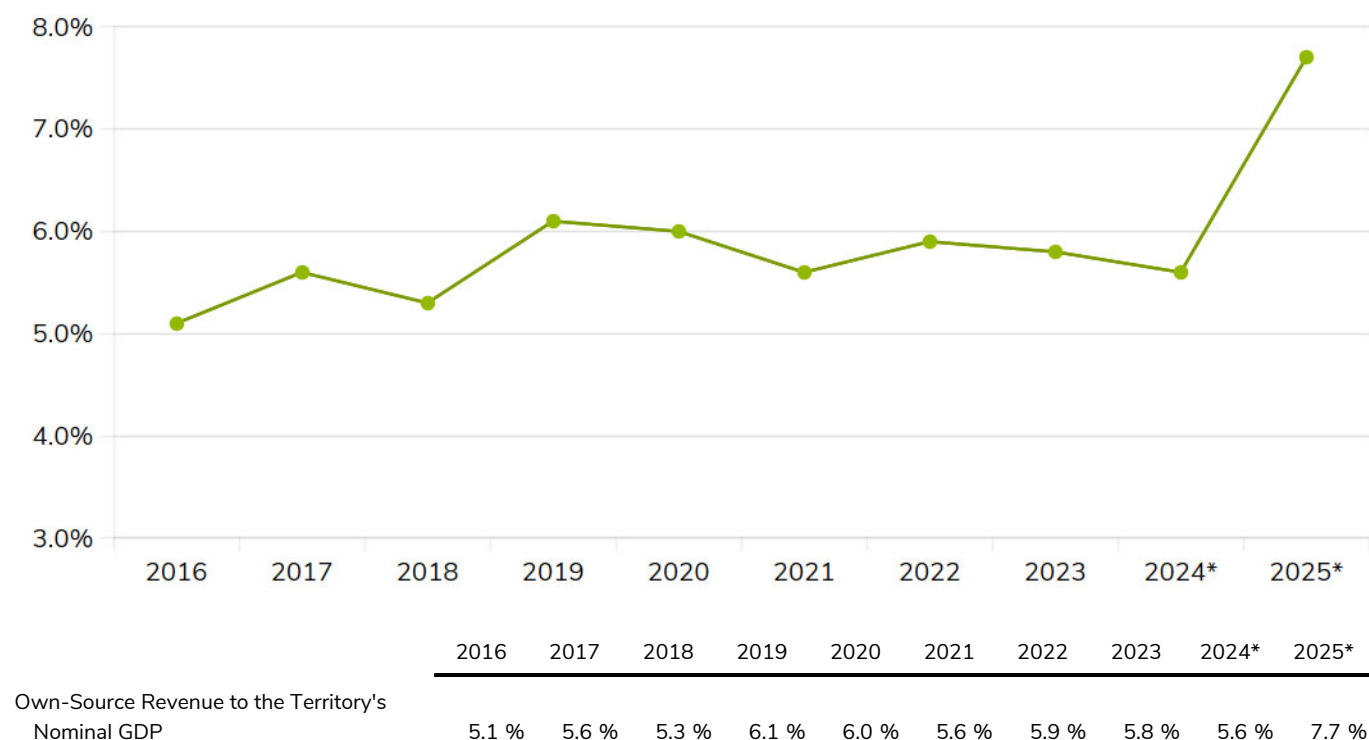
Assessment of Fiscal Health (continued)

Flexibility

Flexibility is a measure indicating the room that the Government has to maintain its services by increasing its demands on the economy through changes to fees or taxes.

Own-Source Revenue to the Territory's Nominal GDP

In this graph, own-source revenue refers to the Government's taxes and general revenue and is presented as a percentage of Yukon's GDP.



* Estimate Nominal GDP: 2024 - \$4.390 billion; Forecast Nominal GDP 2025 - \$4.473 billion based on 2025-2026 Fiscal and Economic Outlook (March 2025)

This ratio indicates to what extent the Government is taking economic resources out of the territory's economy through user fees or taxation. The ratio remained relatively stable between 2021 to 2024 ranging from 5.6% to 5.9%, before increasing to 7.7% in 2025 (2024 - 5.6%). This suggests that the Government's reliance on the territory's economy has remained consistent, with a modest increase in 2025. The ratio also remains low compared with other Canadian jurisdictions, indicating that the Government retains flexibility to increase taxes and other fees if needed, without placing significant strain on the territorial economy.

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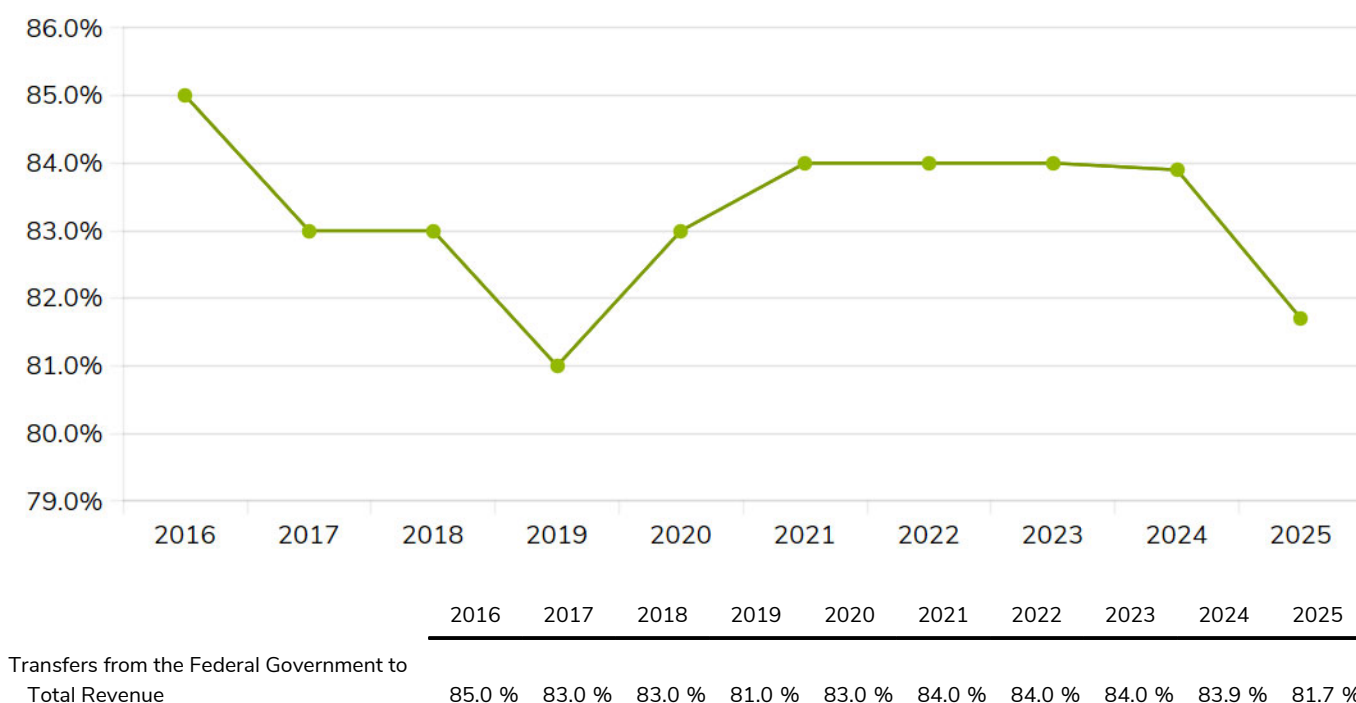
Assessment of Fiscal Health (continued)

Vulnerability

Vulnerability is the extent to which the Government is exposed to a risk associated with revenue sources that are outside of its control.

Transfers from the Federal Government to Total Revenue

In this graph, transfers from the Government of Canada include the formula financing grant, other grants such as Canada health, Canada social and cannabis transfers and contributions and service agreements with the Government of Canada.



In 2025, the Government received 81.7% of its revenue from the Government of Canada within the range of 81.0% to 85.0% seen over the past decade. The slight reduction in the percentage of revenue from the Government of Canada received in 2025 is mainly due to increase in taxes and general revenues. This ratio is consistently high, indicating a reliance on the federal government to finance the Government's activities. While the Government has little control over these transfers, history has shown these transfers to be a relatively stable source of revenue from the Government of Canada.

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Indicators of Financial and Economic Conditions

Since 2017, the Department of Finance has produced a publication that discusses the Yukon's recent fiscal and economic performance, as well as expectations for the territory's finances and economy for the medium-term. The Fiscal and Economic Outlook is introduced in the spring during the legislative sitting. For the most recent discussion of the Yukon's economy and government finances refer to the 2025-26 Fiscal and Economic Update (<https://yukon.ca/sites/default/files/2025-03/fin-2025-26-fiscal-and-economic-outlook.pdf>).

Credit Ratings - September 2025

Jurisdiction	Ratings Agency ¹ Standard & Poor's (S&P)				
	2021	2022	2023	2024	2025*
Yukon	AA	AA	AA	AA	AA
British Columbia	AAA(neg)	AA+	AA(neg)	AA(neg)	A+(neg)
Alberta	A+(neg)	A+	A+	AA-	AA-
Saskatchewan	AA	AA	AA	AA	AA
Manitoba	A+	A+	A+	A+	A+
Ontario	A+(pos)	A+	A+(pos)	A+(pos)	AA-
Quebec	AA-	AA-	AA-	AA-	A+
New Brunswick	A+	A+	A+	A+	A+
Nova Scotia	AA-	AA-	AA-	AA-	AA-(neg)
Prince Edward Island	A	A	A	A	A
Newfoundland & Labrador	A(neg)	A(neg)	A	A	A
Canada	AAA	AAA	AAA	AAA	AAA

* Ratings reflect the latest credit ratings as per Government of Nova Scotia Public Accounts 2024-25.

¹ The rating agencies assign letter ratings to borrowers. The major A bracket categories, in descending order of credit quality, are: AAA, AA, A. The "-" and "+" modifiers show relative standing within the major categories with (pos)/(neg) representing a positive/negative outlook or trend. For example AAA exceeds AA and AA exceeds AA-. (Source: Saskatchewan Public Accounts 2024-25)

On July 09, 2025, S&P Global Ratings affirmed its 'AA' long-term issuer credit rating for the Yukon. The rating agency noted that although the territory's nominal debt will rise substantially in the coming years to address infrastructure needs, the debt burden will remain very manageable relative to operating revenues and low compared with provincial peers. S&P highlighted that Yukon continues to benefit from an extremely predictable and supportive institutional framework and strong federal support, which help offset risks from the territory's economic concentration on the mining sector.

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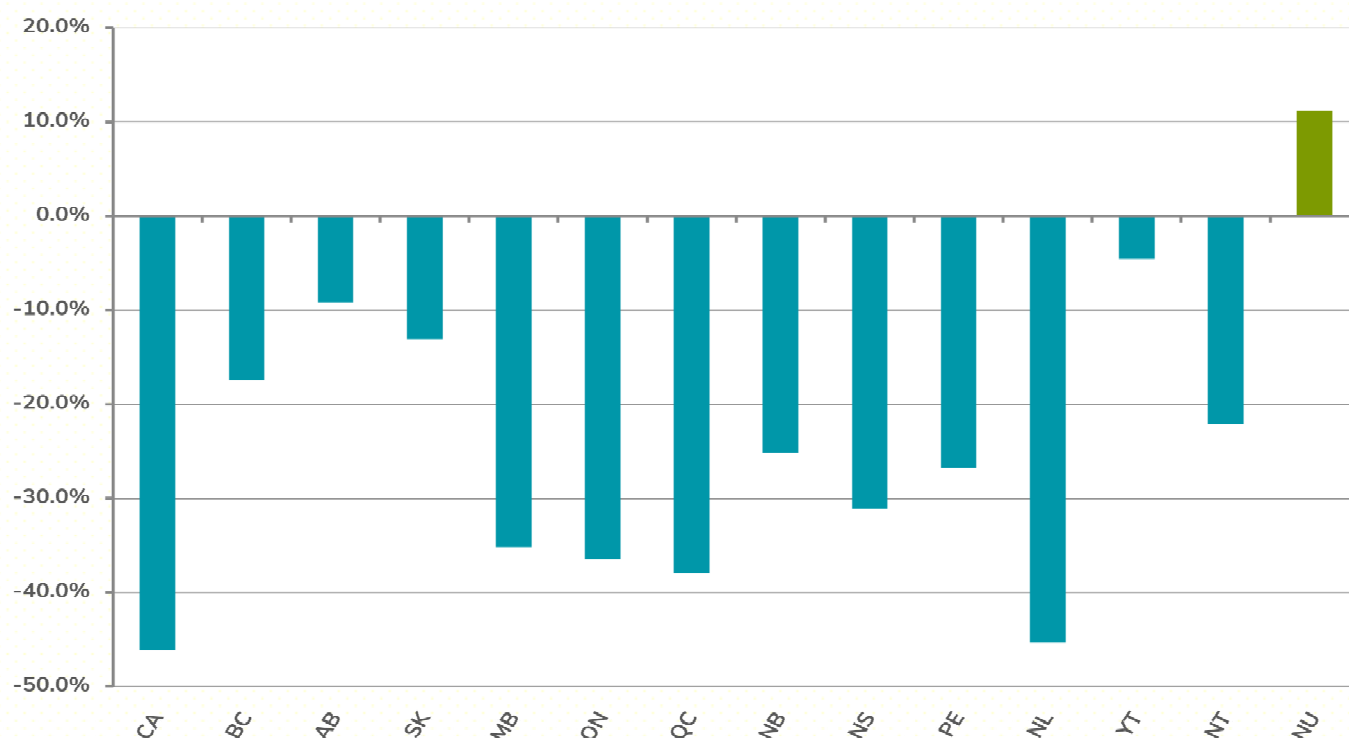
Indicators of Financial and Economic Conditions

Canadian Jurisdictional Comparison of Net Financial Assets (Debt) to Gross Domestic Product (GDP)

The bar graph below shows a Canadian jurisdictional comparison of net financial assets (debt) to GDP ratio. A positive ratio indicates net financial resources available to finance future operations and obligations. A negative ratio indicates that the government must rely on future revenues to discharge existing liabilities.

NOTE: Updated information was not available at time of publication. So, 2023 data for GDP and 2024 data for net financial assets (debt) were used.

Federal / Provincial / Territorial Governments Net Financial Assets (Debt) to GDP Ratio for Calendar Year 2023



Source: Statistics Canada. Table 36-10-0222-01 Gross domestic product, expenditure-based, provincial and territorial, annual (x 1,000,000)
<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610022201>

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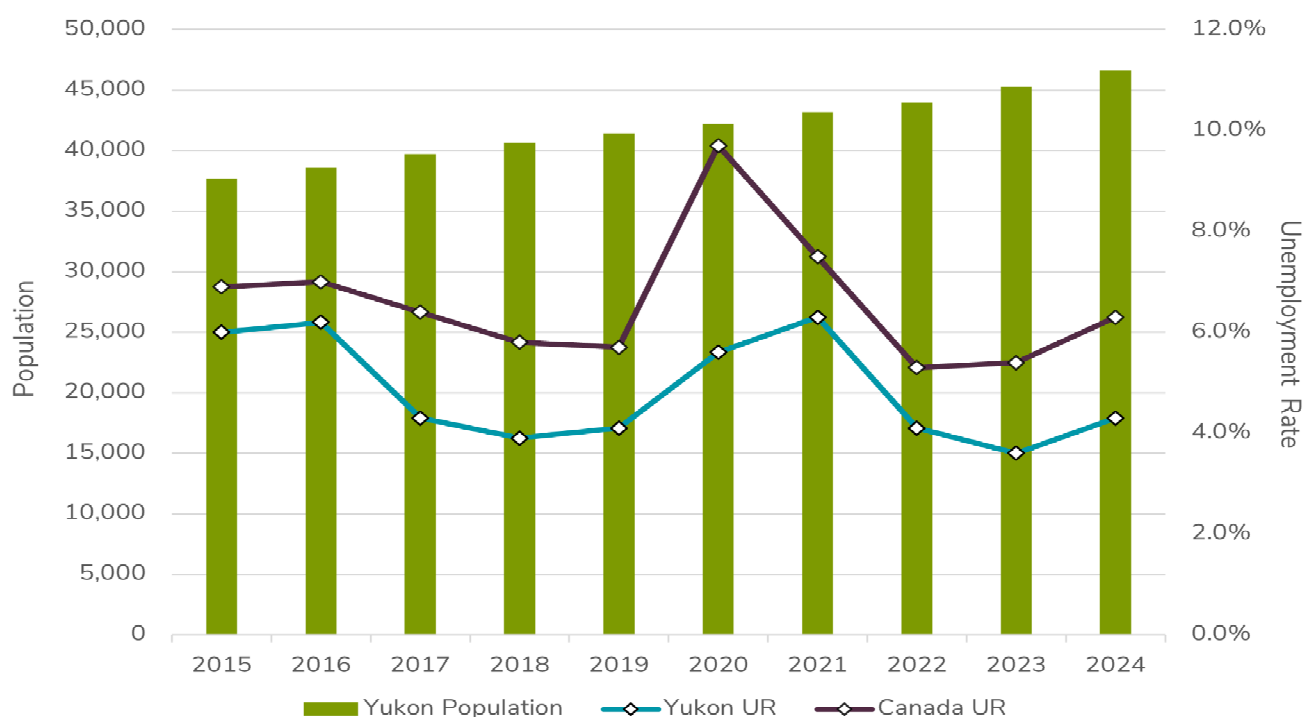
Indicators of Financial and Economic Conditions

Population and Unemployment Rate (Calendar Year)

In 2024, the Yukon's total population reached 46,640 and is forecast to reach 51,300 by 2029.

Yukon's unemployment rate (UR) averaged 4.3% in 2024 which was below the national average of 6.3%. As noted in the chart below, since 2015, Yukon's unemployment rate has consistently been below the Canadian average.

Population and Unemployment Rate



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Yukon Population	37,868	38,900	39,968	40,717	41,675	42,508	43,479	44,522	45,169	46,640
Yukon UR	6.0 %	6.2 %	4.3 %	3.9 %	4.1 %	5.6 %	6.3 %	4.5 %	3.6 %	4.3 %
Canada UR	7.0 %	7.1 %	7.4 %	5.8 %	5.7 %	9.7 %	7.5 %	5.3 %	5.4 %	6.3 %

Source: Statistics Canada, 2025-26 Fiscal and Economic Outlook (March 2025)

GOVERNMENT OF YUKON
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Details

Surplus / (deficit) for the year

The Government's annual surplus or deficit resulting from its operations is dependent on various factors. Two of the most significant factors are:

- total revenues, of which the formula financing grant from the Government of Canada makes up the largest share; and
- direct Government spending and operating transfers to individuals and other public organizations, such as municipalities.

The surplus of \$175.0 million for the year was an increase of \$178.2 million from the previous year's deficit of \$3.2 million and \$21.3 million higher than the budgeted surplus of \$153.7 million. Revenues increased by \$225.0 million from the previous year's actual and were \$87.9 million higher than budgeted. Expenses (net of recovery of prior years' expenses) of \$2.053 billion for the year were higher than the initially budgeted amount of \$1.987 billion.

Major revenue variances between the current and prior year include a \$98.0 million (7.8%) increase in the formula financing grants, a \$99.5 million (40.7%) increase in the taxes and general revenues, primarily due to \$54.0 million for tobacco settlement. It also includes a \$33.1 million (11.3%) increase in the contribution and service agreements from Government of Canada, \$8.9 million (6.5%) increase in other grants from Government of Canada and a \$2.6 million (4.0%) increase in funding and service agreements with other parties. These were offset by less income from investment in GBEs which decreased by \$17.2 million (142.7%) from the previous year.

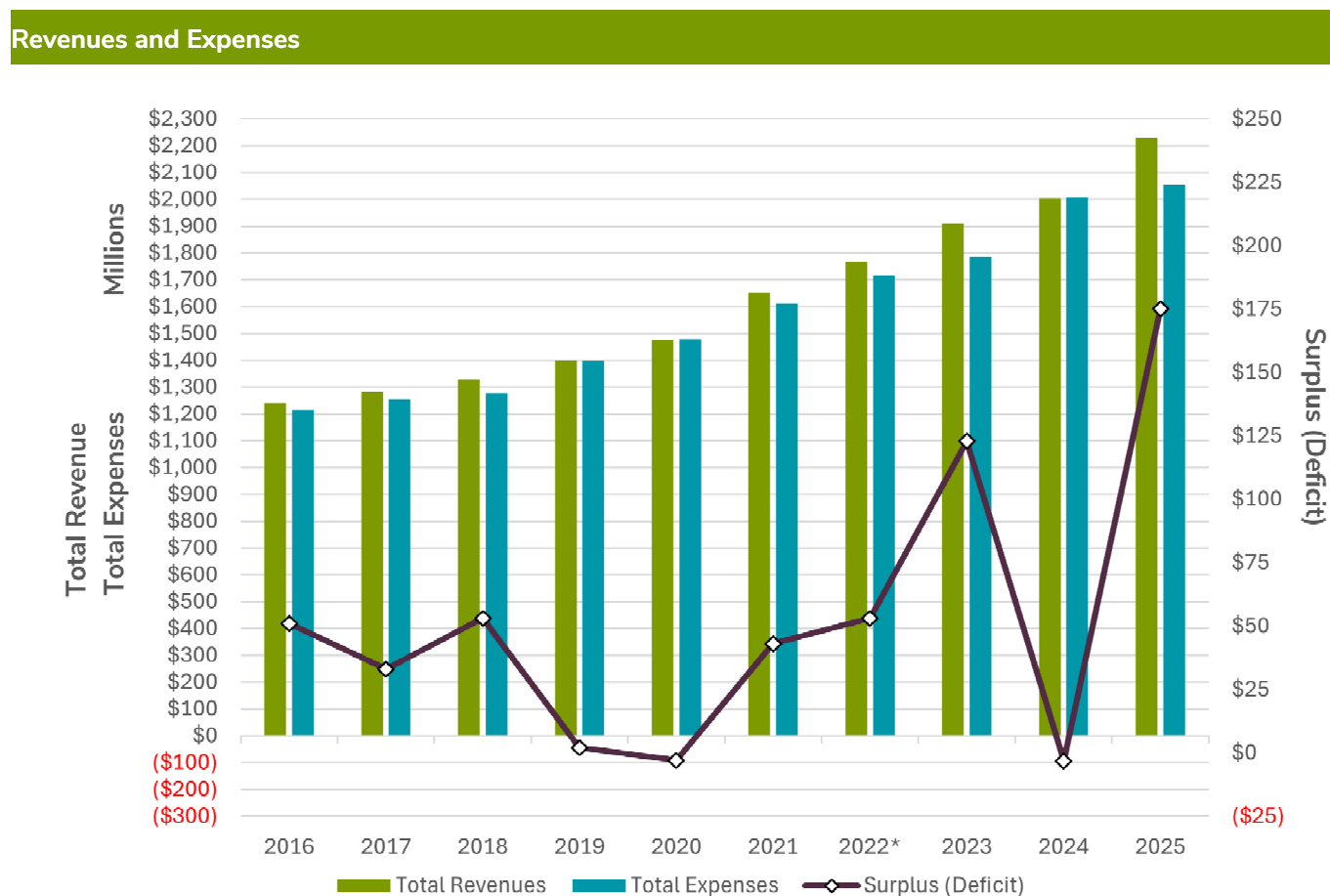
Expenses (net of recovery of prior years' expenses) increased year-over-year by \$46.7 million (2.3%) with expenditures for health and social services contributing \$64.6 million (9.8%) increase, community and transport \$31.8 million (7.6%) increase, general government \$28.5 million (11.2%) increase, education \$22.4 million (9.0%) increase and justice \$20.9 million (19.5%) increase. These were offset somewhat by decrease in the expenditures in the following areas: natural resources \$116.9 million (44.7%) decrease and business, tourism and culture contributing \$4.5 million (7.2%) decrease compared to prior year.

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Details (continued)

Surplus / (deficit) for the year (continued)

The chart below illustrates the trend between revenues and expenses over the last decade.



* 2022 restated due to adoption of PS 3280

(in millions)	2016	2017	2018	2019	2020	2021	2022*	2023	2024	2025
Revenues	\$ 1,240	\$ 1,284	\$ 1,328	\$ 1,400	\$ 1,476	\$ 1,654	\$ 1,768	\$ 1,910	\$ 2,003	\$ 2,228
Expenses	1,215	1,256	1,276	1,399	1,479	1,611	1,715	1,787	2,007	2,053
Surplus (deficit)	\$ 51	\$ 33	\$ 53	\$ 2	\$ (3)	\$ 42	\$ 53	\$ 123	\$ (3)	\$ 175

GOVERNMENT OF YUKON
Consolidated Financial Statement Discussion and Analysis
For the Year Ended March 31, 2025

Details (continued)

Carbon Price Rebate Program

The Parliament of Canada passed the *Greenhouse Gas Pollution Pricing Act (Canada)* in 2018 which provided the Minister of National Revenue with the discretion to transfer collected fuel charge proceeds to the jurisdiction of origin by way of transfers to either the province/territory and/or prescribed persons directly. The Yukon Legislature passed the *Yukon Government Carbon Price Rebate Implementation Act (Yukon)*, to ensure all amounts received from the Government of Canada would be rebated on a revenue-neutral basis with no funds being retained by the Government of Yukon.

The *Yukon Government Carbon Price Rebate Act (Yukon)* created a restricted fund called the Carbon Price Rebate Revolving Fund. The purposes of the restricted fund are the payment or crediting, on a revenue neutral basis and in accordance with this Act and the *Income Tax Act*, of amounts, on account of certain amounts that the Government receives from the Government of Canada under the federal Act. During 2020, the first amounts were received from the Government of Canada and rebates began to be distributed. There are five main eligible groups: businesses; individuals; municipal governments; Yukon First Nation governments; and, as of January 2023, mining businesses.

On April 1, 2025, the federal government discontinued the consumer carbon pricing system, which ended the flow of consumer carbon pricing revenues in the Yukon. As a result, the Yukon's carbon rebate program is being phased out. For 2025, final rebate payments were made to Yukon First Nations governments on March 31, 2025. Final rebate payments to municipalities and individuals were made on April 1 and April 4, respectively, and will be reflected in the 2026 Public Accounts. Remaining Yukon businesses and mining businesses rebate payments will be processed through tax filings for tax years ending on or before March 31, 2025. The remaining payments will be reflected in the next several Public Accounts.

The \$17.6 million of unallocated revenue represents the amount of proceeds collected by Canada for the period ending March 31, 2025, and received by the Government in June 2025.

GOVERNMENT OF YUKON
Consolidated Financial Statement Discussion and Analysis
For the Year Ended March 31, 2025

Details (continued)

Carbon Price Rebate Program (continued)

The following is a summary of each year's activity and the status of the revolving fund as of March 31, 2025.

Revolving Fund Balance							
(thousands of dollars)	Cumulative to March 31, 2025	2025	2024	2023	2022	2021	2020
Opening Liability	\$ -	\$ 16,142	\$ 24,945	\$ 18,885	\$ 6,919	\$ 2,783	\$ -
Due from Canada							
Unallocated revenue from Canada	17,636	17,636	-	-	-	-	-
Carbon amounts received from the Government of Canada							
Business Allocation	58,428	15,806	11,035	11,687	11,470	6,210	2,220
Mining Business Allocation	9,070	4,645	3,678	747	-	-	-
Individuals Allocation	58,291	15,549	13,794	11,389	10,121	5,479	1,959
Municipal Governments Allocation	4,389	1,355	1,073	790	675	365	131
First Nations Governments Allocation	3,513	1,355	1,073	695	224	122	44
	133,691	38,710	30,653	25,308	22,490	12,176	4,354
Total revenues	151,327	56,346	30,653	25,308	22,490	12,176	4,354
Rebate distributed to eligible groups							
Business	55,814	21,451	23,294	6,968	3,003	980	118
Mining Business Allocation	6,133	6,133	-	-	-	-	-
Individuals	53,266	13,581	14,042	10,742	6,791	6,628	1,482
Remote Supplement	1,159	421	249	207	152	130	-
Accrued due to timing cutoff	(81)	(15)	8	(39)	(11)	49	(73)
	54,344	13,987	14,299	10,910	6,932	6,807	1,409
Municipal Governments	3,034	1,073	790	675	365	131	-
First Nation Governments	3,513	1,355	1,073	695	224	122	44
Total rebate distributed	122,838	43,999	39,456	19,248	10,524	8,040	1,571
Closing Liability	28,489	28,489	16,142	24,945	18,885	6,919	2,783
Liability by eligible group							
Business Allocation	2,614 *	(5,645)	(12,259)	4,719	8,467	5,230	2,102
Mining Business Allocation	2,937 **	(1,488)	3,678	747	-	-	-
Individuals Allocation	3,947	1,562	(505)	479	3,189	(1,328)	550
Municipal Governments Allocation	1,355	282	283	115	310	234	131
First Nations Governments Allocation	-	-	-	-	-	-	-
Unallocated liability	17,636	17,636	-	-	-	-	-
Annual Net Activity		\$ 12,347	\$ (8,803)	\$ 6,060	\$ 11,966	\$ 4,136	\$ 2,783
Total Liability	\$ 28,489						

* Government estimates \$19.0 million of this amount has been claimed but has not been confirmed by the Canada Revenue Agency (CRA).

** Government estimates \$5.3 million of this amount has been claimed but has not been confirmed by CRA.

GOVERNMENT OF YUKON
Consolidated Financial Statement Discussion and Analysis
For the Year Ended March 31, 2025

Details (continued)

Revenues

Change from prior year:

In 2025, the Government's total revenues increased compared to the previous year by \$225.0 million (11.2%) to \$2.228 billion (details provided in Schedule A to the Consolidated Financial Statements).

The Government receives the majority of its revenues from the Government of Canada through the formula financing grant, the Canada Health Transfer and the Canada Social Transfer. In 2025, the Government received \$1.350 billion from the formula financing grant, an increase of \$98.0 million (7.8%) from the previous year. The Canada Health Transfer was \$59.5 million, and the Canada Social Transfer was \$19.3 million. These transfers increased from the previous year by a total of \$2.8 million (3.7%). The Government recorded \$56.3 million of carbon levies, \$8.4 million from Public Safety Canada and \$1.7 million for cannabis transfer.

In addition, the Government receives funding from the Government of Canada for purposes such as health and social programs and education, as well as funding for infrastructure development. Contributions and service agreements from Canada increased from the previous year by \$33.1 million (11.3%).

Taxes and general revenues include taxes on corporate income, personal income, tobacco, liquor, fuel, insurance premiums and property as well as licenses and fees such as motor vehicle licenses and business/professional fees. Taxes and general revenues increased from the previous year by \$99.5 million (40.7%) to \$344.3 million. This was largely due to a \$54.0 million revenue from tobacco settlement, \$33.0 million increase in income taxes, \$8.4 million increase in sale of land and \$4.7 million increase in other revenues. The increase in corporate income tax revenue is due to estimated corporate taxable income being higher than forecasted. Corporate taxable income is generally volatile and difficult to predict as it depends on economic trends, industry performance, corporate profits and when corporations file their taxes.

Funding and service agreements with other parties increased from the previous year by \$2.6 million (4.0%) to \$67.9 million.

The income from investment in government business enterprises reported as revenue in the Consolidated Financial Statements represents the surpluses/deficits of government corporations that are categorized as government business enterprises (GBE). GBEs include the Yukon Liquor Corporation (YLC) and the Yukon Development Corporation (YDC), which includes the Yukon Energy Corporation in its results. Income from YLC was \$7.4 million while YDC incurred a loss of \$12.6 million.

Change from budget:

Revenues were higher than budgeted by \$87.9 million. This was primarily due to higher revenues received from the Government of Canada, income taxes and revenue from tobacco settlement and from funding and service agreements with other parties offset by lower revenues from sale of land, hospital revenues, resource revenues and loss from investments in GBEs.

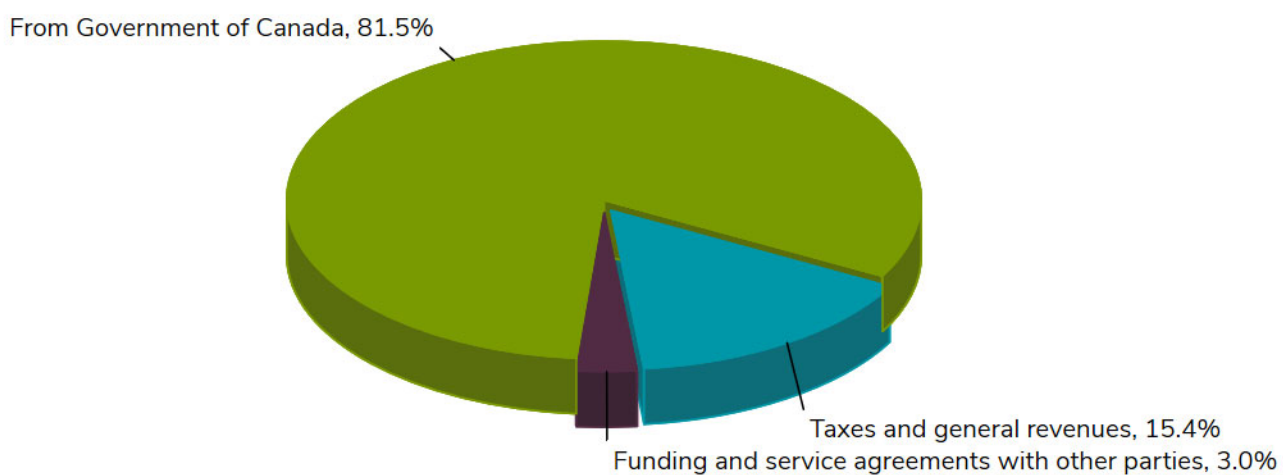
GOVERNMENT OF YUKON
Consolidated Financial Statement Discussion and Analysis
For the Year Ended March 31, 2025

Details (continued)

Revenues (continued)

In 2025, the composition between different types of revenue remained consistent with previous years.

Revenue by source percentages

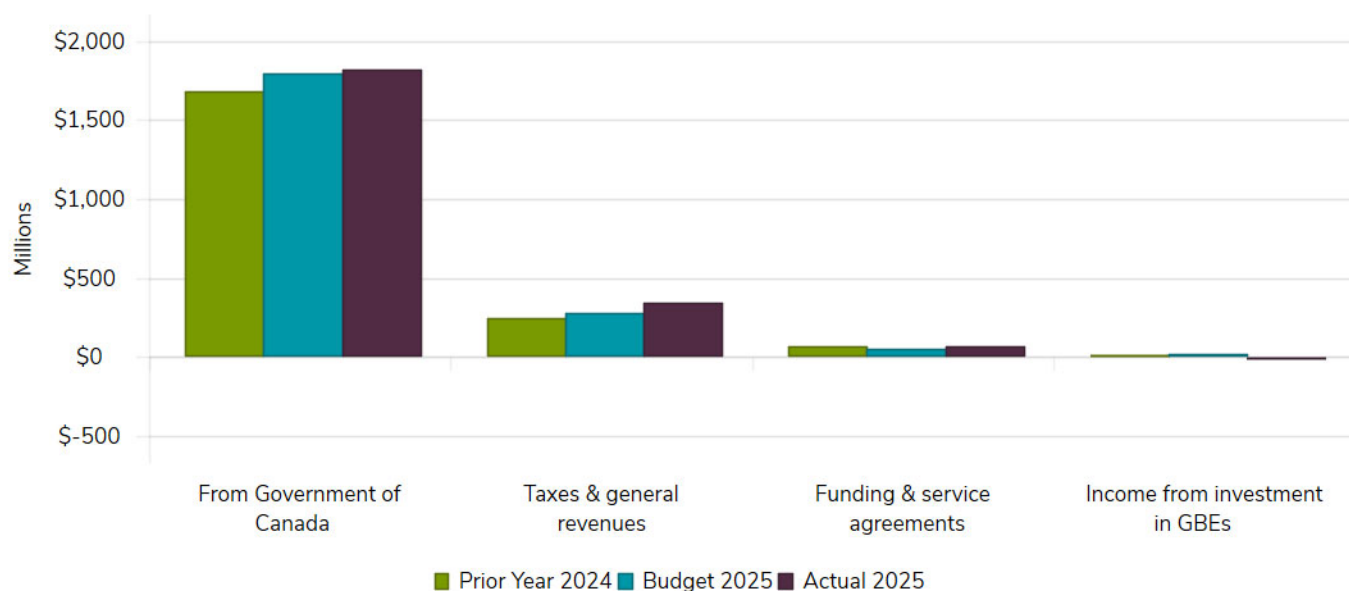


GOVERNMENT OF YUKON
Consolidated Financial Statement Discussion and Analysis
For the Year Ended March 31, 2025

Details (continued)

Revenues (continued)

Revenue by source - comparison to budget and prior year



(in millions)

From Government of Canada

Taxes and general revenues

Funding and service agreements with other parties

Income from investment in GBEs

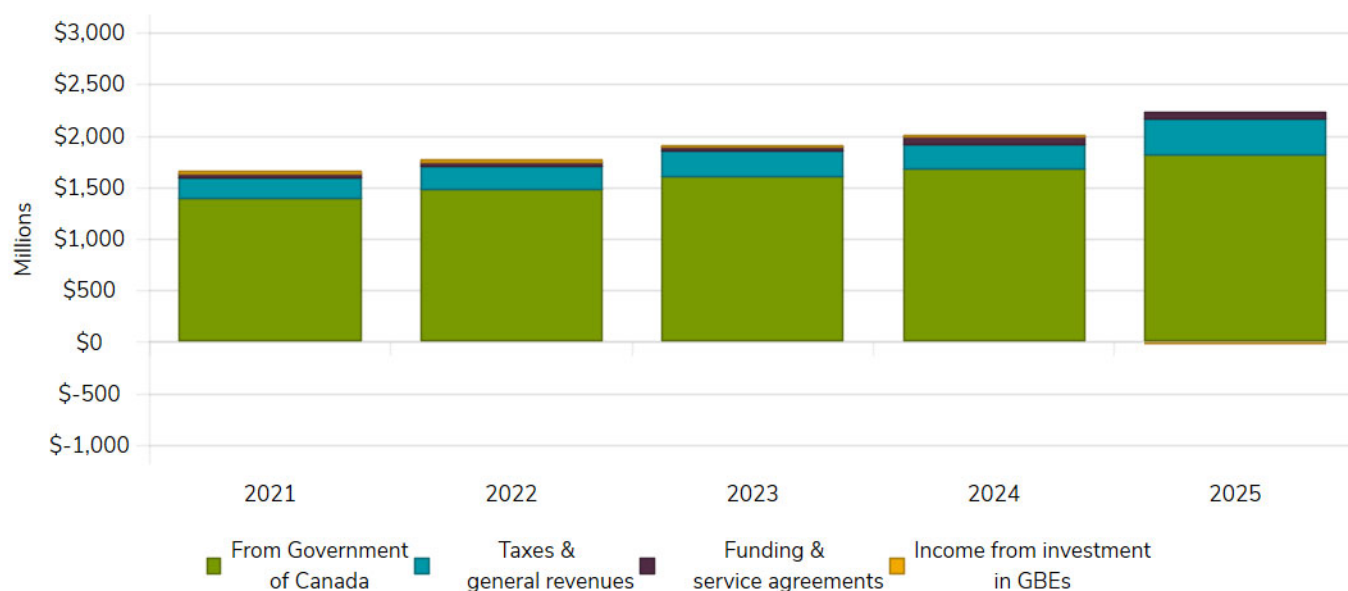
Prior Year 2024	Budget 2025	Actual 2025
\$ 1,681	\$ 1,794	\$ 1,821
245	281	344
65	48	68
12	17	(5)
\$ 2,003	\$ 2,140	\$ 2,228

GOVERNMENT OF YUKON
Consolidated Financial Statement Discussion and Analysis
For the Year Ended March 31, 2025

Details (continued)

Revenues (continued)

Revenue by source five-year trend comparison



(in millions)

	2021	2022	2023	2024	2025
From Government of Canada	\$ 1,397	\$ 1,481	\$ 1,611	\$ 1,681	\$ 1,821
Taxes and general revenues	206	231	249	245	344
Funding and service agreements with other parties	33	31	34	65	68
(Loss) income from investment in government business enterprises	18	24	16	12	(5)
	<u>\$ 1,654</u>	<u>\$ 1,767</u>	<u>\$ 1,910</u>	<u>\$ 2,003</u>	<u>\$ 2,228</u>

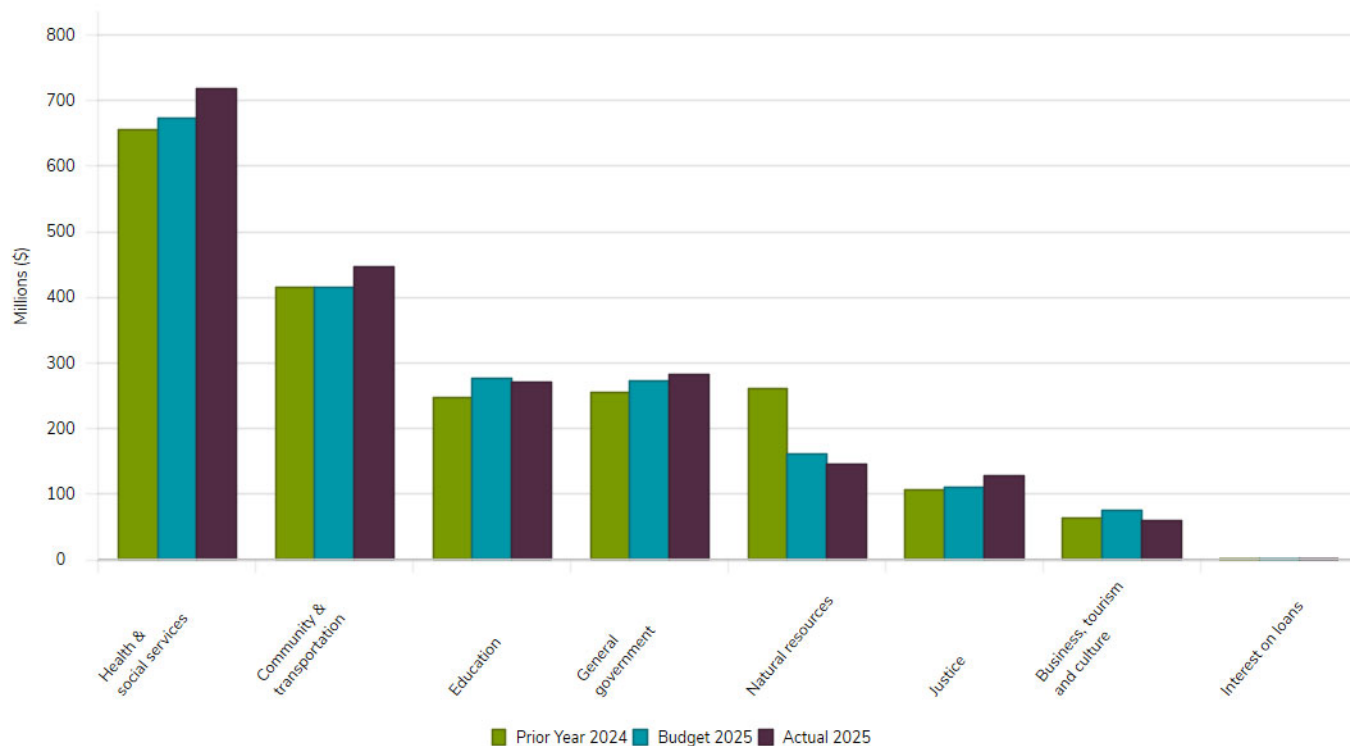
GOVERNMENT OF YUKON
Consolidated Financial Statement Discussion and Analysis
For the Year Ended March 31, 2025

Details (continued)

Expenses

In 2025, the Government's expenses (net of recovery of prior years' expenses) increased compared to previous year by \$46.7 million (2.3%) to \$2.053 billion.

Expenses by function comparison



(in millions)

Health and social services
 Community and transportation
 Education
 General government
 Natural resources
 Justice
 Business, tourism and culture
 Interest on loans

Prior Year 2024	Budget 2025	Actual 2025
\$ 656	\$ 674	\$ 719
415	415	447
248	277	271
255	273	283
262	162	145
107	110	128
63	75	59
1	1	1
\$ 2,007	\$ 1,987	\$ 2,053

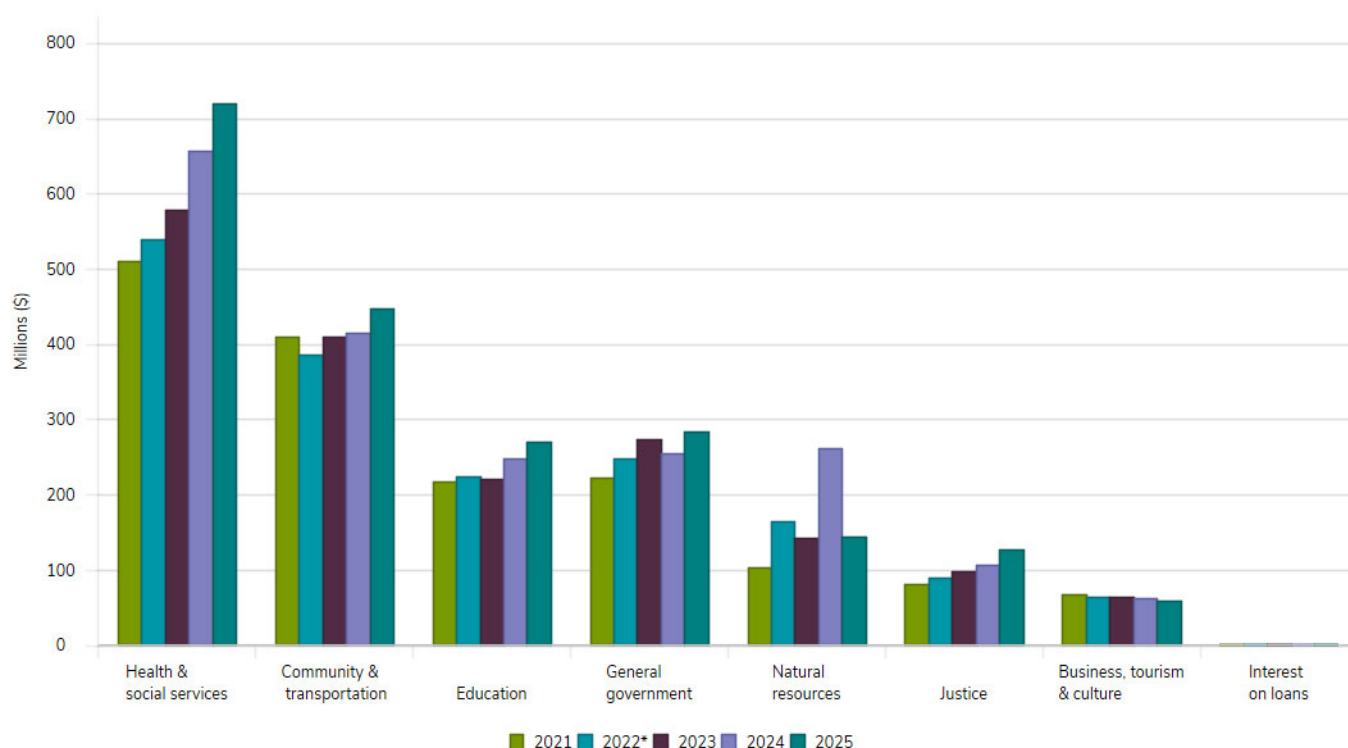
GOVERNMENT OF YUKON
Consolidated Financial Statement Discussion and Analysis
For the Year Ended March 31, 2025

Details (continued)

Expenses (continued)

Five functions had 2025 expenses (net of recovery of prior years' expenses) that exceeded the previous year's expenses while three functions had reduction in their expenses. The largest increase was in the health and social services function, with an increase of \$64.6 million (9.8%), followed by a \$31.8 million (7.6%) increase in community and transportation, a \$28.5 million (11.2%) increase in general government, a \$22.4 million (9.0%) increase in education and a \$20.9 million (19.5%) increase in justice. Natural resources decreased by \$116.9 million (44.7%) while business, tourism and culture decreased by \$4.5 million (7.2%) and interest on loans decreased marginally by \$0.2 million (15.7%). The interest costs for the corporate line of credit (\$5.9 million) is not reflected in the interest on loans but is included in the general government expenses.

Expenses by function five-year trend comparison



* 2022 restated due to adoption of PS 3280

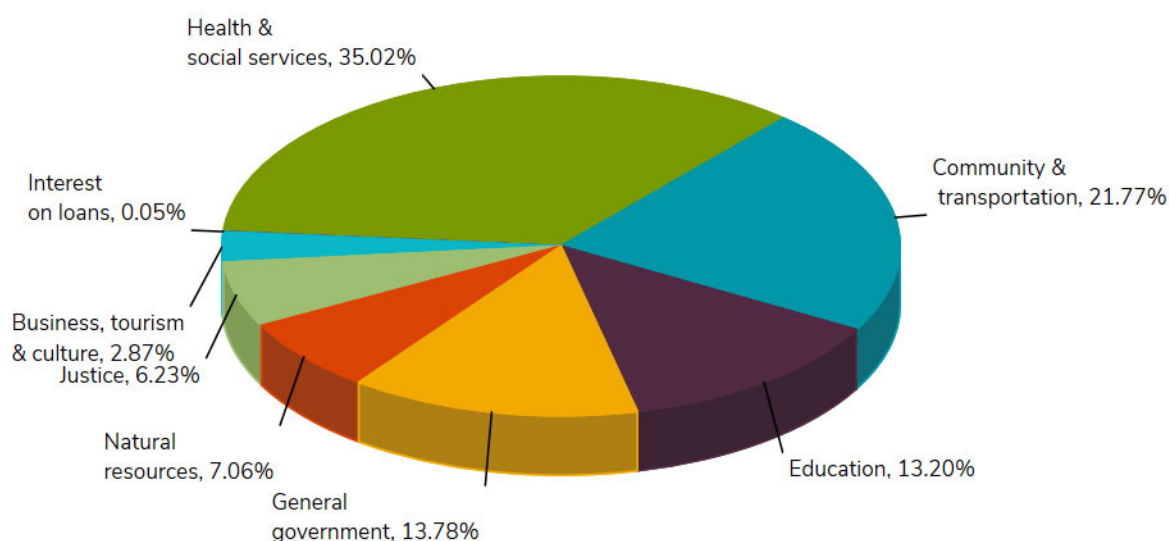
GOVERNMENT OF YUKON
Consolidated Financial Statement Discussion and Analysis
For the Year Ended March 31, 2025

Details (continued)

Expenses (continued)

(in millions)	2021	2022*	2023	2024	2025
Health and social services	\$ 510	\$ 540	\$ 579	\$ 656	\$ 719
Community and transportation	410	386	409	415	447
Education	217	224	221	248	271
General government	222	248	273	255	283
Natural resources	104	165	142	262	145
Justice	81	90	98	107	128
Business, tourism and culture	67	64	64	63	59
Interest on loans	1	1	1	1	1
	<u>\$ 1,612</u>	<u>\$ 1,718</u>	<u>\$ 1,787</u>	<u>\$ 2,007</u>	<u>\$ 2,053</u>

Expenses by function percentages



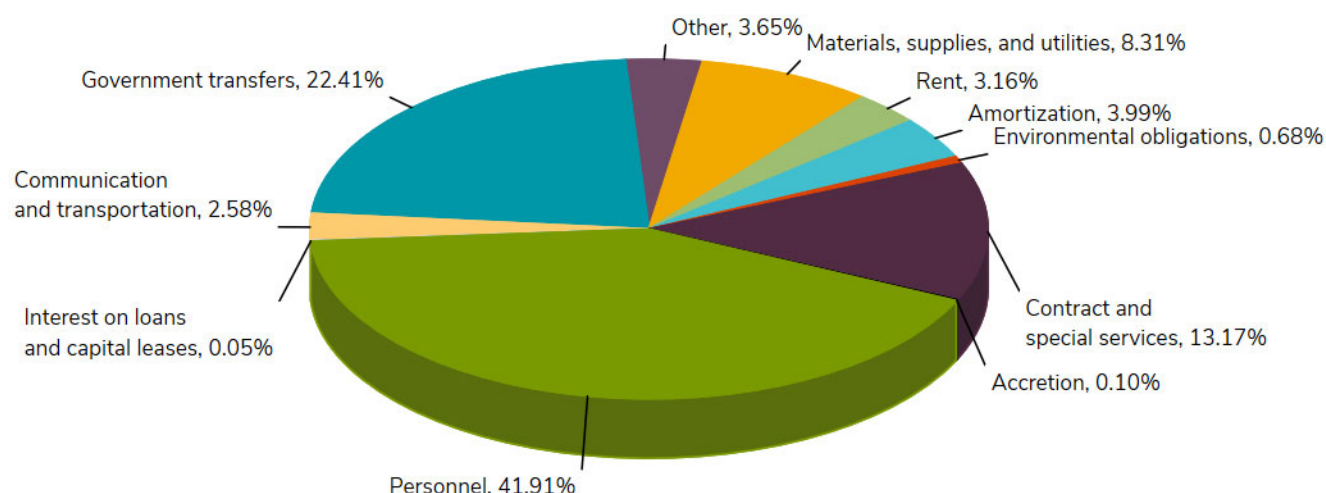
In 2025, the composition of expenses by function remained similar with the previous year, with health and social services and community and transportation representing the largest areas of spending followed by general government and education representing the next highest level of spending while natural resources, justice and business, tourism and culture are in the lower areas of expenses. Interest on loans remains at a nominal value.

GOVERNMENT OF YUKON
Consolidated Financial Statement Discussion and Analysis
For the Year Ended March 31, 2025

Details (continued)

Expenses (continued)

Expenses¹ by object percentages



As for the type of expenses (as detailed in Note 22 to the Consolidated Financial Statements), the highest increases from the 2024 expenses were \$75.5 million (9.6%) for personnel costs, followed by \$48.2 million (11.7%) for Government transfers, \$28.0 million (59.8%) for other expenses, \$4.6 million (7.7%) for rent, \$2.4 million (3.0%) for amortization expense and \$1.1 million (2.0%) for communication and transportation. Environmental liability expense had a significant reduction of \$106.8 million (88.7%) due to no other major environmental occurrences such as Minto recorded last year, followed by \$8.3 million (3.0%) decrease for contracts and special services and \$7.1 million (4.0%) decrease in spending for materials, supplies and utilities.

¹ Includes recoveries of prior years' expenses

Net Debt and Accumulated Surplus

At March 31, 2025, the Government's liabilities exceeded its financial assets, resulting in net debt of \$227.2 million (\$196.1 million net debt as at March 31, 2024).

The Government's net debt increased by \$31.1 million in 2025 primarily due to a \$230.3 million increase in liabilities which outpaced the \$199.1 million increase in financial assets.

The largest changes in financial assets were the loan receivable related to Victoria Gold Corp. of \$105.0 million, increases in accounts receivable of \$52.6 million, increases in due from Government of Canada of \$28.6 million and increases in cash and cash equivalents of \$10.9 million. These were offset by \$12.4 million decrease in investment in government business enterprises (GBEs) and \$2.0 million decrease in advances to GBEs.

GOVERNMENT OF YUKON
Consolidated Financial Statement Discussion and Analysis
For the Year Ended March 31, 2025

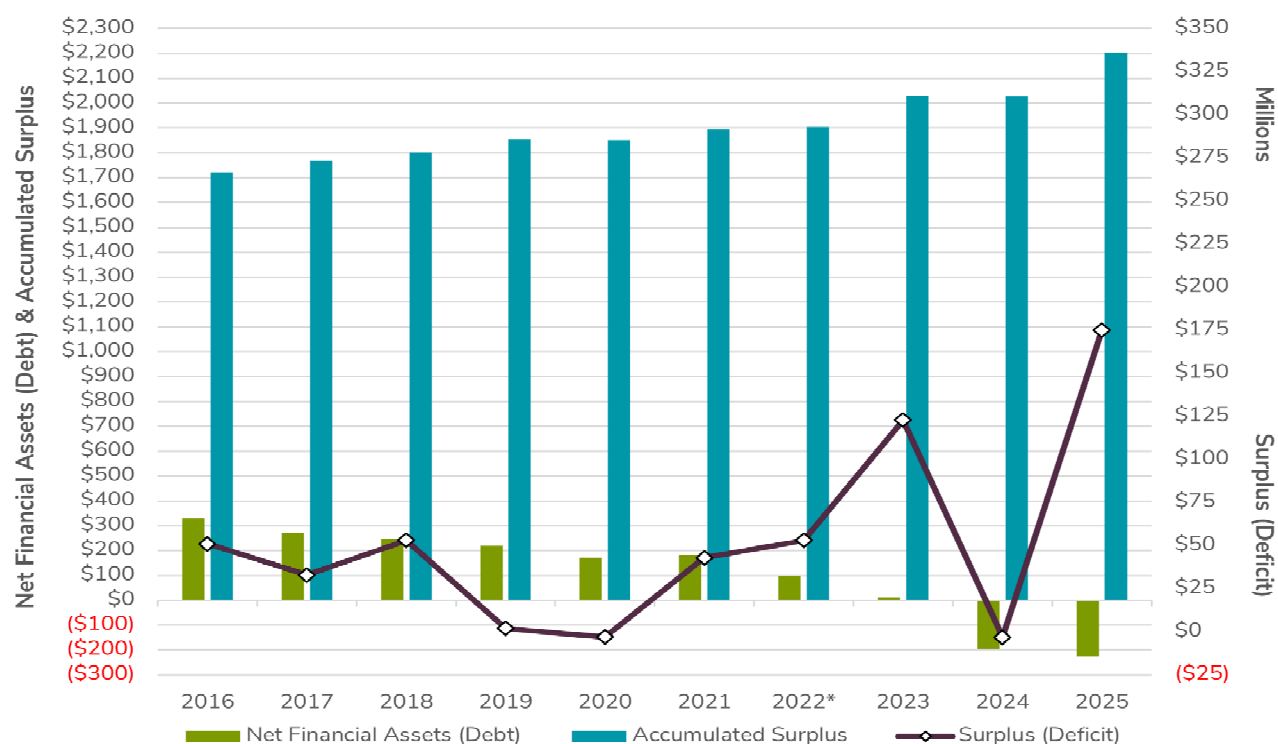
Details (continued)

Net Debt and Accumulated Surplus (continued)

The Government's liabilities increase was largely due to \$162.4 million in bank advances and short-term borrowings, \$55.0 million surety bond for Victoria Gold Corp. and \$17.9 million in accounts payable and accrued liabilities offset by the decreases of \$9.6 million in environmental liabilities, \$6.1 million in borrowings and \$2.5 million in unearned revenues.

Accumulated surplus can be calculated as net debt plus non-financial assets such as tangible capital assets. The accumulated surplus of the Government at March 31, 2025 was \$2.205 billion (\$2.028 billion at March 31, 2024). The \$31.1 million increase in net debt and the \$208.1 million increase in non-financial assets resulted in the \$177.0 million increase in accumulated surplus.

Net Financial Assets (Debt), Accumulated Surplus and Surplus (Deficit)



(in millions)	2016	2017	2018	2019	2020	2021	2022*	2023	2024	2025
Net financial assets (debt)	\$ 330	\$ 274	\$ 248	\$ 218	\$ 172	\$ 183	\$ 99	\$ 11	\$ (196)	\$ (227)
Accumulated surplus	\$ 1,769	\$ 1,801	\$ 1,854	\$ 1,857	\$ 1,853	\$ 1,893	\$ 1,905	\$ 2,029	\$ 2,028	\$ 2,205
Surplus (deficit)	\$ 51	\$ 33	\$ 53	\$ 2	\$ (3)	\$ 42	\$ 53	\$ 123	\$ (3)	\$ 175

* 2022 restated due to adoption of PS 3280

GOVERNMENT OF YUKON
Consolidated Financial Statement Discussion and Analysis
For the Year Ended March 31, 2025

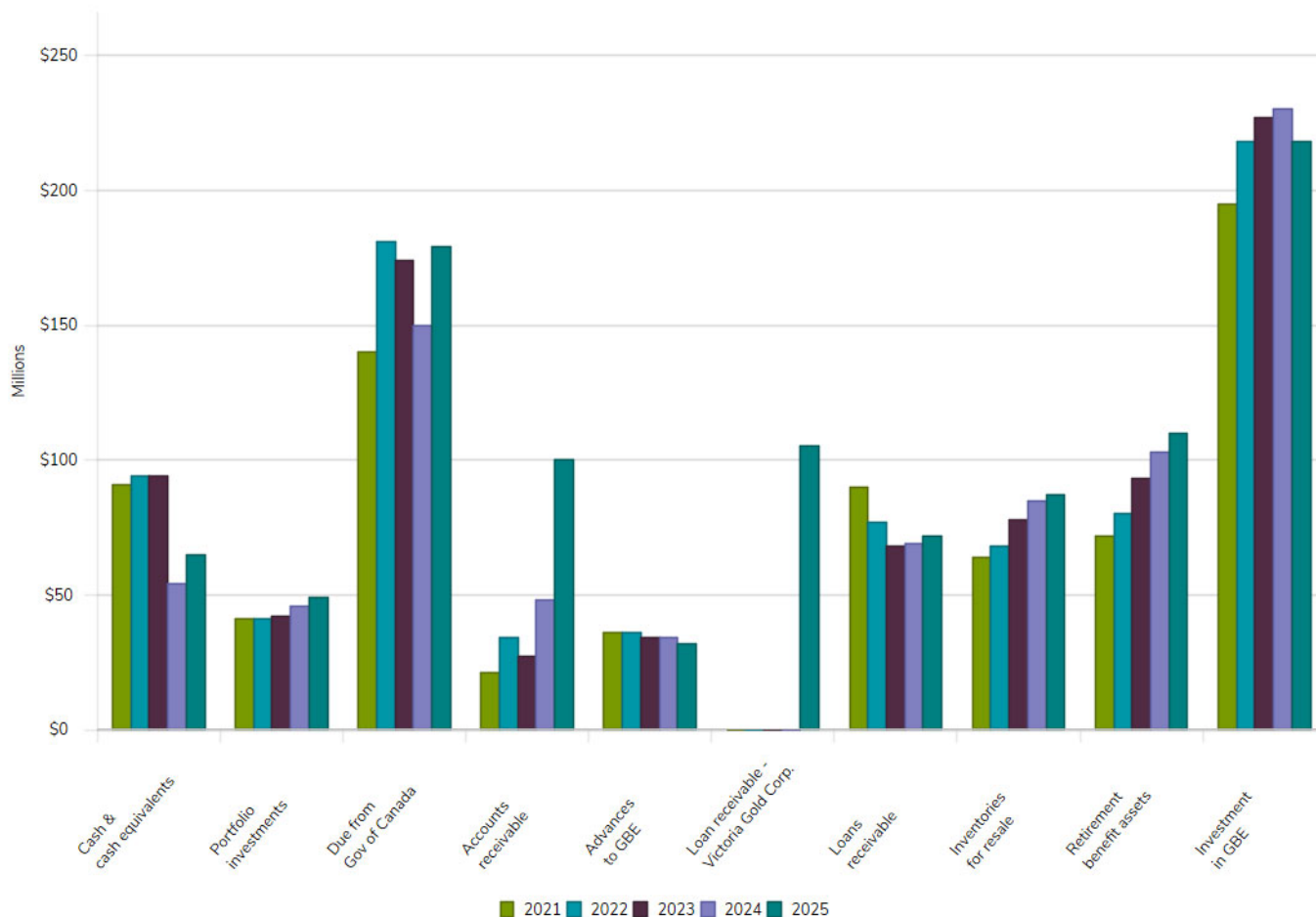
Details (continued)

Financial Assets

Financial assets consist of assets available to discharge existing liabilities or to fund future activities. At March 31, 2025, the value of total financial assets was \$1.018 billion, which is an increase of \$199.1 million from the previous year. Main increases were loan receivable related to Victoria Gold Corp. of \$105.0 million, accounts receivable of \$52.6 million, due from Government of Canada of \$28.6 million and cash and cash equivalents of \$10.9 million; while investment in government business enterprises decreased by \$12.4 million and advances to GBEs by \$2.0 million.

In 2025, cash and cash equivalents accounted for \$65.1 million, or 6.4% of the total financial assets compared with 2024 when they accounted for \$54.1 million or 6.6%.

Financial Assets by type



GOVERNMENT OF YUKON
Consolidated Financial Statement Discussion and Analysis
For the Year Ended March 31, 2025

Details (continued)

Financial Assets (continued)

(in millions)	2021	2022	2023	2024	2025
Cash and cash equivalents	\$ 91	\$ 94	\$ 94	\$ 54	\$ 65
Portfolio investments	41	41	42	46	49
Due from Government of Canada	140	181	174	150	179
Accounts receivable	21	34	27	48	100
Advances to GBEs	36	36	34	34	32
Loan receivable - Victoria Gold Corp.	-	-	-	-	105
Loans receivable	90	77	68	69	72
Inventories for resale	64	68	78	85	87
Retirement benefit assets	72	80	93	103	110
Investments in government business enterprises	195	218	227	230	218
	<u>\$ 750</u>	<u>\$ 829</u>	<u>\$ 837</u>	<u>\$ 819</u>	<u>\$ 1,017</u>

Major categories of the Government's financial assets are described below.

Cash and cash equivalents

Cash and cash equivalents are bank balances, short-term investments that mature less than 90 days from the date of purchase and cash on hand.

At March 31, 2025, the Government held \$65.1 million in cash and cash equivalents, which is an increase of \$10.9 million from the previous year.

Due from Government of Canada

At March 31, 2025, the Government had receivables from the Government of Canada in the amount of \$178.7 million, most of which were outstanding claims on cost-sharing agreements and projects delivered on behalf of the federal government. This was an increase of \$28.6 million from the prior year.

Accounts receivable

Accounts receivable increased to \$100.3 million at March 31, 2025 from \$47.7 million at March 31, 2024, primarily due to \$54.0 million accrued receivable for tobacco settlement.

Portfolio investments

Portfolio investments are reported at fair value as per PS 3041. Portfolio investments may include GICs, term deposits, floating rate notes and funds that include bonds and equities.

As at March 31, 2025, the Government held \$49.3 million in portfolio investments compared to \$45.5 million in the previous year.

As of March 31, 2025, \$41.9 million of the portfolio investments were specifically designated (\$38.7 million at March 31, 2024) in order to meet 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).

GOVERNMENT OF YUKON
Consolidated Financial Statement Discussion and Analysis
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Details (continued)

Financial Assets (continued)

Advances to government business enterprises

As of March 31, 2025, the Government has an outstanding balance of \$32.2 million (\$34.2 million at March 31, 2024) on advances made to the government business enterprises.

Loans receivable

The Government has loans receivable of \$72.3 million, of which \$26.5 million (36.7%) were Yukon Housing Corporation mortgages receivable, \$29.9 million (41.4%) in land sale related loans receivable, and other loans receivable of \$15.8 million (21.9%).

At March 31, 2025, the Government had recorded a \$105 million interest bearing repayable loan to the receiver (PricewaterhouseCoopers) appointed to oversee the environmental stabilization and remediation of the Victoria Gold Corp.'s Eagle Gold Mine failure.

Inventories for resale

Inventories for resale totaled \$86.8 million as of March 31, 2025. This was an increase of \$1.9 million (2.3%) from the previous year. The inventories largely consist of lots being developed by the Government for sale to the public. In 2025, \$14.9 million was recorded as a write-down of inventories held for resale.

Retirement benefit assets

Retirement benefit assets totaling \$110.2 million at March 31, 2025 (\$103.4 million at March 31, 2024) are held in relation to the Government's obligations for future pension benefits for employees of Yukon University and Yukon Hospital Corporation and represent the market value of the investments less the liability of the benefits based on an actuarial valuation.

Investment in government business enterprises

Investment in government business enterprises, which are self-sustainable government corporations, represent 100% of the equity of the Yukon Development Corporation (YDC) and the Yukon Liquor Corporation (YLC). YDC had equity of \$215.7 million at March 31, 2025 (2024 - \$228.0 million), and YLC had equity of \$2.1 million at March 31, 2025 (2024 - \$2.2 million). The Yukon Energy Corporation, which supplies and sells power in the Yukon, is the wholly owned subsidiary of YDC.

Non-financial Assets

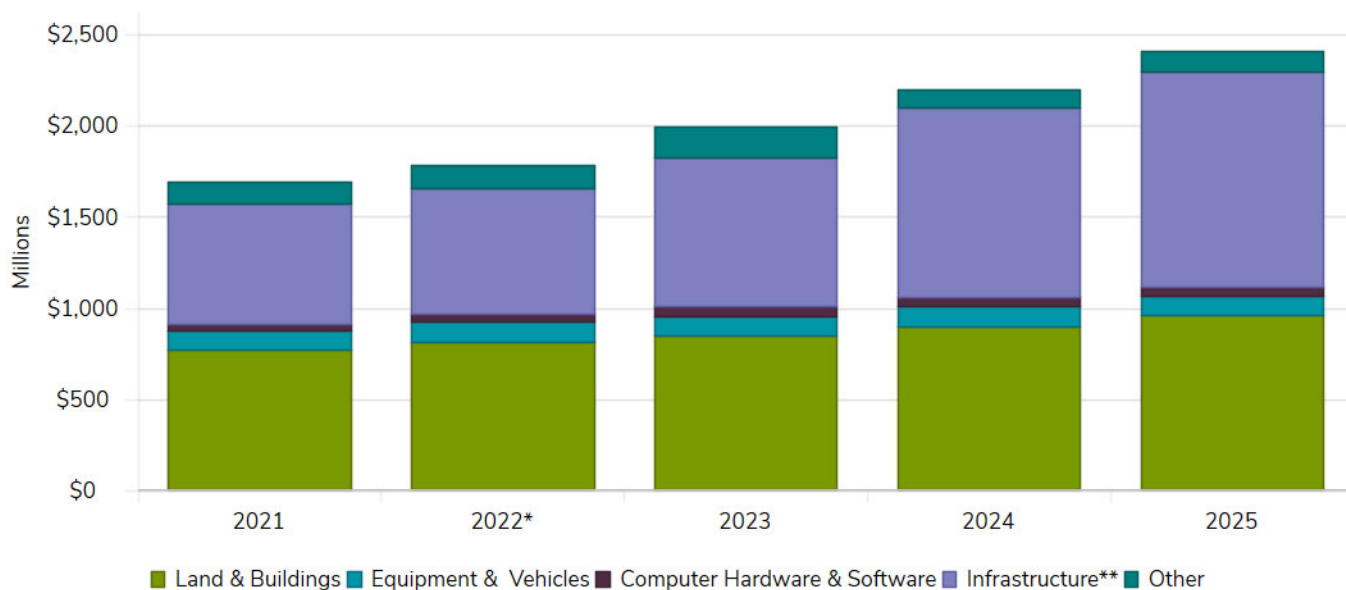
Non-financial assets are assets that do not normally provide resources to discharge existing liabilities, but instead are normally used to deliver future government services or may be consumed in the normal course of operations. Non-financial assets include tangible capital assets, inventories of supplies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

GOVERNMENT OF YUKON
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For the Year Ended March 31, 2025

Details (continued)

Non-financial Assets (continued)

Net Book Value of Tangible Capital Assets



(in millions)

	2021	2022*	2023	2024	2025
Land & Buildings	\$ 774	\$ 817	\$ 847	\$ 900	\$ 959
Equipment & Vehicles	102	106	107	109	107
Computer Hardware & Software	37	48	54	52	52
Infrastructure**	660	685	819	1,036	1,180
Other	120	131	169	103	109
	<u>\$ 1,693</u>	<u>\$ 1,787</u>	<u>\$ 1,996</u>	<u>\$ 2,200</u>	<u>\$ 2,407</u>

* 2022 restated due to adoption of PS 3280

** Includes infrastructure, land improvements & fixtures and waste & water systems

In 2025, the Government made the following investment in tangible capital assets:

Opening balance at April 1, 2024	\$ 2,200	million
Net additions during the year	289	million
Less: Amortization and other adjustments	<u>(82)</u>	million
Ending balance at March 31, 2025	<u>\$ 2,407</u>	million

GOVERNMENT OF YUKON
Consolidated Financial Statement Discussion and Analysis
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Details (continued)

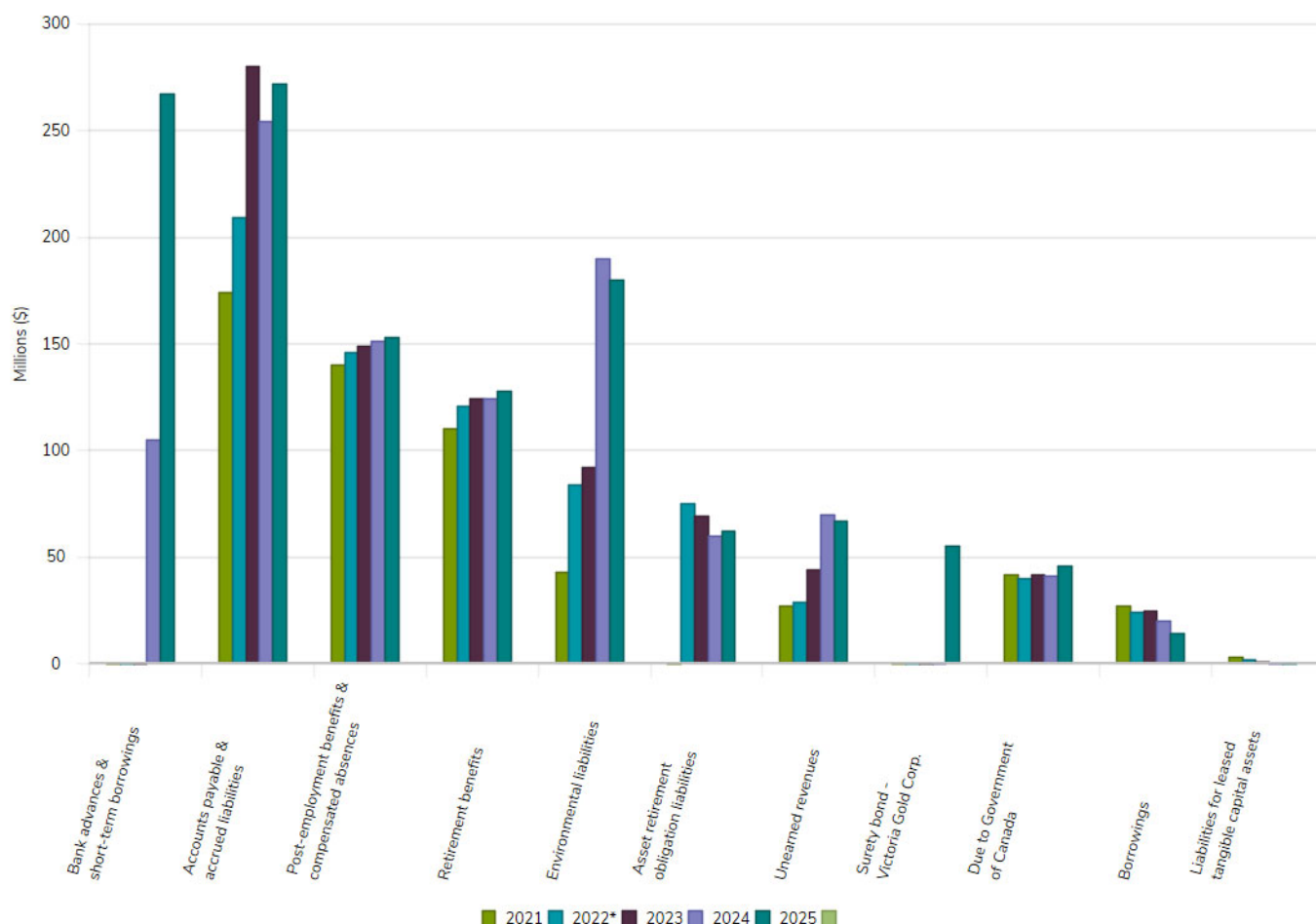
Non-financial Assets (continued)

The Government's capital investment was largely spent on infrastructure, buildings, equipment and vehicles, and land improvements and fixtures. In accordance with the recommendations of the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, the value of transferred Crown land is not reported as a tangible capital asset.

Liabilities

At March 31, 2025, the liabilities of the Government totaled \$1.245 billion (\$1.015 billion at March 31, 2024), which is equivalent to 122.3% of the financial assets of the Government. A five-year comparison of the Government's liabilities by category is illustrated below:

Liabilities



(in millions)

	2021	2022*	2023	2024	2025
Bank advances and short-term borrowings	\$ -	\$ -	\$ -	\$ 105	\$ 267
Accounts payable and accrued liabilities	174	209	280	254	272
Post-employment benefits and compensated absences	140	146	149	151	153

GOVERNMENT OF YUKON
Consolidated Financial Statement Discussion and Analysis
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Details (continued)

Liabilities (continued)

(in millions)	2021	2022*	2023	2024	2025
Retirement benefits	110	121	124	124	128
Environmental liabilities	43	84	92	190	180
Asset retirement obligation liabilities	-	75	69	60	62
Unearned revenues	27	29	44	70	67
Surety bond - Victoria Gold Corp.	-	-	-	-	55
Due to Government of Canada	42	40	42	41	46
Borrowings	27	24	25	20	14
Liabilities for leased tangible capital assets	3	2	1	-	-
	<u>\$ 566</u>	<u>\$ 730</u>	<u>\$ 826</u>	<u>\$ 1,015</u>	<u>\$ 1,244</u>

*2022 restated due to adoption of PS 3280

Major categories of the Government's liabilities are described as follows:

Bank advances and short-term borrowings

At March 31, 2025, the Government's short-term credit arrangements using lines of credit amounted to \$359.0 million (\$194.1 million at March 31, 2024), which was offset against bank balance of \$91.6 million (\$89.0 million at March 31, 2024) for financial reporting purposes. The amount used is repayable immediately on demand and the lines of credit can be terminated in whole or in part at any time.

Due to Government of Canada

Amounts due to the Government of Canada at March 31, 2025 were \$45.6 million (\$41.3 million at March 31, 2024). These amounts consist primarily of funds due under various agreements for Income Taxes and Public Service Pension Plan contributions payable for the month of March 2025.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are amounts that are generally paid within a year. The balance of \$272.1 million at March 31, 2025 is an increase of 7.1% from the previous year's balance of \$254.2 million.

Included in this total is the outstanding balance of the Carbon Price Rebate liability of \$28.5 million (2024 - \$16.1 million).

GOVERNMENT OF YUKON
Consolidated Financial Statement Discussion and Analysis
For the Year Ended March 31, 2025

Details (continued)

Liabilities (continued)

Environmental liabilities

At March 31, 2025, the Government has recorded \$180.4 million (\$189.9 million at March 31, 2024) as a liability for the estimated costs related to the remediation of environmental contamination for which the Government is responsible and can reasonably estimate the value. Of the liabilities, \$47.8 million (26.5%) is related to the Minto mine site, \$45.6 million (25.3%) is for the Wolverine site, \$20.1 million (11.2%) is for Wellgreen site, \$28.2 million (15.6%) is for highway maintenance camps and airports and \$16.0 million (8.9%) is for other storage tanks and buildings.

Asset retirement obligations

At March 31, 2025, the Government has recorded \$62.1 million (\$60.3 million at March 31, 2024) as a liability for the estimated costs related to retirement activities that the Government is legally obligated to perform upon the retirement of certain tangible capital assets. Of the liabilities, \$42.9 million (69.1%) is related to the abatement of asbestos and other hazardous materials, \$16.3 million (26.2%) is related to the closure and post-closure costs for the landfills operated by the Government, \$2.3 million (3.7%) is related to the proper removal of fuel tanks and \$0.6 million (1.0%) relates to the remediation of forestry access roads.

Unearned revenues

Unearned revenues of \$67.0 million reported as of March 31, 2025 (\$69.5 million at March 31, 2024) are mostly comprised of funding received from the Government of Canada that has not yet been expended in accordance with funding agreements.

Post-employment benefits and compensated absences

Post-employment benefits are provided to employees after employment but before retirement. These benefits consist of severance pay and a portion of sick leave and vacation leave that are paid out to employees at termination of employment. Compensated absences are benefits such as sick leave and vacation leave that are paid to employees during their employment. The Government uses actuaries to estimate its post-employment benefits and compensated absences liabilities.

The post-employment benefits and compensated absences liabilities at March 31, 2025 were \$153.3 million (\$150.9 million at March 31, 2024).

Retirement benefits liabilities

Retirement benefits liabilities totaled \$128.1 million at March 31, 2025 (\$123.3 million at March 31, 2024) and represent the Government's various pension plan liabilities and extended health benefit obligations, which are provided to retired employees. Pension plan liabilities are those for the Members of the Yukon Legislative Assembly, and Territorial Court judges.

GOVERNMENT OF YUKON
Consolidated Financial Statement Discussion and Analysis
For the Year Ended March 31, 2025

Details (continued)

Liabilities (continued)

Borrowings

At March 31, 2025, \$13.8 million (\$18.8 million at March 31, 2024) reported as borrowings relates to the Yukon Hospital Corporation's demand term installment loans. The Yukon Hospital Corporation used the loans to finance the costs of the new staff residence/medical service building in Whitehorse, renovations to an extended care facility in Whitehorse, and new hospitals in Watson Lake and Dawson City. During 2025 the Yukon Hospital Corporation paid down the existing loans by \$5.0 million.

Mortgages and loans payable by the Yukon Housing Corporation (Housing) represent a further \$0.4 million (\$0.5 million at March 31, 2024) of the Government's long term debt. These debts are with the Canada Mortgage and Housing Corporation (CMHC) so are included as due to the Government of Canada amounts in the Consolidated Statement of Financial Position.

In Note 19 to the Consolidated Financial Statements, the Government's 'total debt' as defined in the Yukon Act (Canada) includes the Housing debt owed to CMHC along with the borrowings of the consolidated government business enterprises of YDC and YLC, capital lease obligations and credit facilities used. When all relevant items are taken into account the total debt is \$589.7 million at March 31, 2025 (\$375.0 million at March 31, 2024).

The Government of Canada on December 16, 2024 issued OIC P.C. 2024-1341 increasing Yukon's borrowing limit at \$1.2 billion pursuant to subsection 23(4) of the Yukon Act (Canada).

GOVERNMENT OF YUKON
Consolidated Financial Statement Discussion and Analysis
For the Year Ended March 31, 2025

Risks and Mitigation

Government's Operating Environment

Like all jurisdictions, the Government of Yukon's finances are subject to risks and uncertainties that arise from variables over which the government has limited or no direct control. Some of these risks and uncertainties include:

- Shifts in key considerations for economic performance such as, commodity prices, private sector investment, inflation, interest rates, population/demographics, and personal income;
- Changes in revenue, especially taxation revenues, or changes in transfers expected from the federal government, which can contribute to actual revenue deviating from the budget estimates;
- Level of utilization of government services, particularly related to health care and social services;
- Unexpected health events, such as sudden and/or extreme outbreaks of disease;
- Occurrence and impact of natural disasters, like floods, wildfires, extreme weather events, or other events can impede the safe delivery of goods and services. Associated costs for cleanup and repair or replacement of infrastructure can also place financial burden on government finances;
- Geopolitical events causing repercussions on economic or fiscal parameters;
- Malicious behaviour (e.g., cybersecurity attacks) that could interrupt services, lead to loss of information or breach of privacy, and/or damage to equipment or facilities;
- Outcomes of litigation, legal settlements, arbitration and negotiations with third parties;
- Identification and quantification of environmental liabilities and asset retirement obligations;
- Changes in pension liability due to changes in interest rates, actuarial assumptions of future events or asset market values; and
- Changes in existing accounting standards and adoption of new accounting standards.

Transfers from the federal government historically comprise more than 80% of the Government's annual revenue and are generally stable from year-to-year. These transfers provide the Government a solid, stable foundation for its overall revenues, but, the government's fiscal health nevertheless relies on revenue that is tied to economic activity. As this activity can be volatile in an economy that can be impacted greatly by activity in the mining industry, the government takes a cautious and prudent approach to revenue forecasting and fiscal planning. Commodity prices and mining exploration and development plans are monitored on a regular basis in order to estimate the impact on fiscal projections. With respect to federal transfers, the Government works closely with the federal government to ensure timeliness of information and fairness in funding levels, including with respect to infrastructure programs that affect the Government's capital planning.

GOVERNMENT OF YUKON
Consolidated Financial Statement Discussion and Analysis
For the Year Ended March 31, 2025

Risks and Mitigation (continued)

Government's Operating Environment (continued)

The fiscal impact of changes in the underlying economic assumptions are estimated on a regular basis. By understanding the scope of inherent risks in the fiscal projections, the Government is better equipped to make sound financial decisions.

On the expense side, the Government closely monitors the spending of all departments and the resulting effect on the fiscal plan. This allows for any necessary supplementary estimates to be prepared, tabled and debated in the Legislative Assembly in order to address unanticipated spending or savings.

Changes to Canadian public sector accounting standards issued by the Public Sector Accounting Board can have an impact on the Government's budgets, estimates and actual results; and on how they are presented in the Public Accounts. The Office of the Comptroller reviews proposed changes and provides input to assist the development of processes that reflect sound policy decision-making, transparency and accountability.

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PART TWO

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING


The preparation of the consolidated financial statements of the Government of Yukon (the Government) is the responsibility of management of the Department of Finance.

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. Where standards permit alternative accounting methods, management has chosen those that are most appropriate. Where required, management's best estimates and judgement have been applied in the preparation of these statements.

The Government fulfills its accounting and reporting responsibilities, through the Department of Finance, by maintaining systems of financial management and control designed to provide timely and reliable information to users, to properly safeguard assets, and to ensure all financial transactions are in accordance with the Yukon Act (Canada), and the *Financial Administration Act* (Yukon) and regulations.

The Auditor General of Canada performs an annual audit on the consolidated financial statements in order to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, the financial position of the Government, the results of its operations, the change in its net debt and its cash flows for the year, in accordance with Canadian public sector accounting standards. During the course of the audit, she also examines transactions that came to her notice, to ensure they are, in all material respects, in accordance with the statutory powers of the Government and those organizations included in the consolidation.

Annually, the consolidated financial statements are tabled in the Legislative Assembly as part of the Public Accounts, and are referred to the Public Accounts Committee.



Jessica Schultz

Deputy Minister of Finance

October 20, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of Yukon

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Government of Yukon and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of operations and accumulated operating surplus, consolidated statement of remeasurement gains and losses, consolidated statement of change in net debt and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2025, and the consolidated results of its operations, its consolidated remeasurement gains and losses, consolidated changes in its net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in Parts One and Two of the 2024-25 Yukon Public Accounts, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the consolidated financial statements, we have audited transactions of the Government of Yukon and its controlled entities coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Yukon Act*, the *Financial Administration Act* of Yukon and regulations, and the specific operating authorities disclosed in Note 2(a) to the consolidated financial statements.

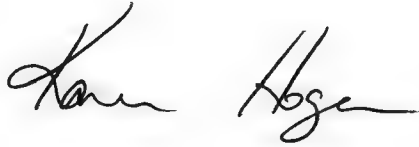
In our opinion, the transactions of the Government of Yukon and its controlled entities that came to our notice during the audit of the consolidated financial statements have complied, in all material respects, with the specified authorities referred to above.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Government of Yukon and its controlled entities' compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Government of Yukon and its controlled entities to comply with the specified authorities.

Auditor's Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the consolidated financial statements are in compliance with the specified authorities referred to above.

A handwritten signature in black ink, appearing to read 'Karen Hogan', with a stylized, cursive script.

Karen Hogan, FCPA
Auditor General of Canada

Ottawa, Canada
20 October 2025

GOVERNMENT OF YUKON
Consolidated Statement of Financial Position
as at March 31, 2025

	2025	2024
	(thousands of dollars)	
Financial assets		
Cash and cash equivalents (Note 4)	\$ 65,068	\$ 54,119
Due from Government of Canada (Note 5)	178,728	150,117
Accounts receivable (Note 6)	100,253	47,685
Portfolio investments (Note 7)	49,342	45,508
Advances to government business enterprises (Note 11(b)(c))	32,200	34,200
Loan receivable - Victoria Gold Corp. (Note 9)	105,000	-
Loans receivable (Note 9)	72,349	68,452
Inventories for resale (Note 10)	86,784	84,848
Retirement benefit assets (Note 18)	110,158	103,402
Investments in government business enterprises (Note 11(a))	217,781	230,183
	<u>1,017,663</u>	<u>818,514</u>
Liabilities		
Bank advances and short-term borrowings (Note 12)	267,438	105,063
Due to Government of Canada (Note 5)	45,599	41,272
Accounts payable and accrued liabilities (Note 13)	272,071	254,154
Unearned revenues (Note 14)	66,999	69,460
Surety bond - Victoria Gold Corp. (Note 9)	55,000	-
Environmental liabilities (Note 15)	180,365	189,942
Asset retirement obligation liabilities (Note 16)	62,129	60,269
Post-employment benefits and compensated absences (Note 17)	153,335	150,896
Retirement benefits (Note 18)	128,084	123,297
Borrowings (Note 19)	13,803	19,854
Liabilities for leased tangible capital assets (Note 20)	-	362
	<u>1,244,823</u>	<u>1,014,569</u>
Net debt	<u>(227,160)</u>	<u>(196,055)</u>
Non-financial assets		
Tangible capital assets (Note 21)	2,407,167	2,200,213
Inventories of supplies	15,182	15,036
Prepaid expenses	9,581	8,618
	<u>2,431,930</u>	<u>2,223,867</u>
Accumulated surplus	<u>\$ 2,204,770</u>	<u>\$ 2,027,812</u>
Accumulated surplus is comprised of:		
Accumulated operating surplus	2,195,949	2,020,942
Accumulated remeasurement gains	8,821	6,870
	<u>\$ 2,204,770</u>	<u>\$ 2,027,812</u>

Commitments, contractual rights and obligations, guarantees, contingencies, and subsequent events
(Notes 11(d)(e), 18(d)(e), 24, 25, 27, 30, and 31)

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

Approved on: October 20, 2025

Jessica Schultz
Deputy Minister of Finance

Sandy Silver
Minister of Finance

GOVERNMENT OF YUKON
Consolidated Statement of Operations and Accumulated Operating Surplus
for the year ended March 31, 2025

	2025		2024
	Budget	Actual	Actual
	(Note 1(b))		
	(thousands of dollars)		
Revenues (Schedule A)			
From Government of Canada	\$ 1,793,554	\$ 1,821,302	\$ 1,681,291
Taxes and general revenues	281,221	344,267	244,738
Funding and service agreements with other parties	48,177	67,962	65,336
(Loss) income from investment in government business enterprises (Note 11(a))	17,521	(5,137)	12,045
	<u>2,140,473</u>	<u>2,228,394</u>	<u>2,003,410</u>
Expenses (Schedule B)			
Health and social services	673,977	719,880	655,656
Community and transportation	415,436	447,281	415,630
Education	276,644	271,132	251,629
General government	273,054	283,693	259,584
Natural resources	161,949	145,517	262,705
Justice	109,614	128,035	107,644
Business, tourism and culture	75,257	58,991	63,768
Interest on loans	889	1,104	1,310
	<u>1,986,820</u>	<u>2,055,633</u>	<u>2,017,926</u>
Recovery of prior years' expenses	-	2,246	11,285
Surplus (deficit) for the year	\$ 153,653	\$ 175,007	\$ (3,231)
Accumulated operating surplus at beginning of year		<u>2,020,942</u>	<u>2,024,173</u>
Accumulated operating surplus at end of year		<u>\$ 2,195,949</u>	<u>\$ 2,020,942</u>

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

GOVERNMENT OF YUKON
Consolidated Statement of Remeasurement Gains and Losses
for the year ended March 31, 2025

	2025	2024
	(thousands of dollars)	
Accumulated remeasurement gains at beginning of year	\$ 6,870	\$ 5,219
Unrealized gains attributable to:		
Portfolio investments	338	4,396
Amounts reclassified to the statement of operations and accumulated operating surplus:		
Portfolio investments	1,157	(2,821)
Other comprehensive gain of government business enterprises (Note 11(a))	456	76
Net remeasurement gains for the year	<u>1,951</u>	<u>1,651</u>
Accumulated remeasurement gains end of year	<u><u>\$ 8,821</u></u>	<u><u>\$ 6,870</u></u>

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

GOVERNMENT OF YUKON
Consolidated Statement of Change in Net Debt
for the year ended March 31, 2025

	2025		2024
	Budget	Actual	Actual
	(Notes 1(b))		
	(thousands of dollars)		
Surplus (deficit) for the year	\$ 153,653	\$ 175,007	\$ (3,231)
Effect of change in tangible capital assets			
Acquisitions	(289,052)	(289,549)	(287,862)
Amortization of tangible capital assets	80,862	81,953	79,582
Loss on disposal of tangible capital assets	70	231	130
Proceeds on disposal of tangible capital assets	210	-	-
Write-down of tangible capital assets	-	-	149
Change in asset retirement obligation estimate	-	411	3,670
	(207,910)	(206,954)	(204,331)
Effect of change in other non-financial assets			
Acquisition of inventories of supplies	-	(23,677)	(23,764)
Consumption of inventories of supplies	-	23,531	22,945
Increase in prepaid expenses	-	(963)	(68)
	-	(1,109)	(887)
Net remeasurement gains	-	1,951	1,651
Increase in net debt	\$ (54,257)	(31,105)	(206,798)
Net (debt) financial assets at beginning of year		(196,055)	10,743
Net debt at end of year		<u>\$ (227,160)</u>	<u>\$ (196,055)</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, 2025

	2025	2024
	(thousands of dollars)	
Operating transactions		
Surplus (deficit) for the year	\$ 175,007	\$ (3,231)
Non-cash items included in surplus (deficit) for the year:		
Amortization of tangible capital assets	81,953	79,582
Loans receivable valuation adjustment	(176)	591
Amortization of unearned revenues	(375)	-
Accretion expense	2,038	1,665
Bad debt expense	816	849
Write-down of tangible capital assets	-	149
Gain on sale of inventories held for resale	(2,370)	(6)
Write-down of inventories held for resale	14,857	-
Loss on disposal of tangible capital assets	231	130
Deficit (surplus) of government business enterprises (Note 11(a))	5,137	(12,045)
Net change in accounts receivable	(53,270)	(19,564)
Net change in accounts payable and accrued liabilities balances	30,415	(43,558)
Increase in surety bond - Victoria Gold Corp.	55,000	-
Net change in environmental liabilities	(9,577)	97,490
Net change in other operating asset and liability balances	(30,362)	36,467
Amounts remitted from government business enterprises	8,033	8,135
Cash provided by (used for) operating transactions	<u>277,357</u>	<u>146,654</u>
Capital transactions		
Acquisition of tangible capital assets	<u>(297,229)</u>	<u>(276,107)</u>
Cash provided by (used for) capital transactions	<u>(297,229)</u>	<u>(276,107)</u>
Investing transactions		
Net acquisition of portfolio investments	(1,389)	(1,296)
Repayment of advances to government business enterprises	2,000	-
Repayments of loans receivable	25,126	19,440
Issuance of loans receivable	(109,402)	(4,649)
Investment in inventories held for resale	<u>(42,428)</u>	<u>(23,174)</u>
Cash provided by (used for) investing transactions	<u>(126,093)</u>	<u>(9,679)</u>
Financing transactions		
Repayment of borrowings	(5,099)	(5,783)
Repayment of liabilities for leased tangible capital assets	<u>(362)</u>	<u>(473)</u>
Cash provided by (used for) financing transactions	<u>(5,461)</u>	<u>(6,256)</u>
Change for the year	<u>(151,426)</u>	<u>(145,388)</u>
(Bank indebtedness) cash and cash equivalents, beginning of year	<u>(50,944)</u>	94,444
Bank indebtedness, end of year	<u>\$ (202,370)</u>	<u>\$ (50,944)</u>
Represented by:		
Cash and cash equivalents (Note 4)	\$ 65,068	\$ 54,119
Bank advances and short-term borrowings (Note 12)	<u>(267,438)</u>	<u>(105,063)</u>
Total	<u>\$ (202,370)</u>	<u>\$ (50,944)</u>
Interest received in the year	\$ 12,753	\$ 11,407
Interest paid in the year	\$ 7,000	\$ 3,631

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

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

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 2024-25 as approved in the Legislative Assembly in March 2024. These figures do not reflect changes arising from Special Warrants issued or any Supplementary Estimates approved later in the year by the Yukon Legislative Assembly.

(c) Investments

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

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

(d) Basis of accounting

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

2. Significant accounting policies

(a) Reporting entity and method of consolidation

The consolidated financial statements include the accounts of all 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.

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.

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

2. Significant accounting policies (continued)

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

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 23) are excluded from the government reporting entity.

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

Full consolidation:

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

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, 2029. The Formula Financing grant is principle-based, and the Canada health

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

Revenues (continued)

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.

Income taxes, levied under the *Income Tax Act* (Yukon), are collected by the Government of Canada on behalf of the Government under a tax collection agreement and are remitted to the Government monthly. Remittances are determined in accordance with the Department of Finance – Canada's best estimates for the taxation year, and income tax revenues are recognized on the basis of these estimates, subject to adjustments for known factors. Any adjustments upon finalization are reflected in the accounts in the year they are identified. Tax concessions are accrued on the same basis as the associated tax revenues and reduce gross taxation revenue.

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

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

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

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

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

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

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

Revenues (continued)

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

Expenses

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

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

Assets

Financial assets

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

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

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

Loans receivable are stated at the lower of principal amounts and net recoverable value. Valuation allowances, which are recorded to reduce loans receivable to their net recoverable 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.

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

Non-financial assets

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

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

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

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

Non-financial assets (continued)

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

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

¹ Includes Highways, Surfaces, Bridges and Airport runways

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

Other non-financial assets

Inventories of supplies consist primarily of fuel and lubricants, repair parts, stationery and office supplies, highway materials that are tracked through revolving funds and medical supplies of the Yukon Hospital Corporation. 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.

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

Liabilities

Bank advances and short-term borrowings have initial maturities of one year or less.

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

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

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is considered likely to occur 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.

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, vacation leave, special leave and education leave that are paid to employees during their employment. The Government recognizes the obligation for these benefits as a liability and uses actuaries to estimate the amount of the obligation based on the projected benefit method prorated on service. Expenses related to post-employment benefits and compensated absences are recognized in the period in which the employee's service is rendered and the benefits are earned. The accrued benefit liability for these benefits is calculated as the accrued benefit obligation adjusted by unamortized actuarial gains or losses.

Retirement benefits

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

Other retirement benefits for Government employees include extended health care for retired employees who choose to participate in the plan and a life insurance plan for retirees who meet certain criteria. They are both non-pension defined benefit plans. Liabilities for these benefits are triennially valued on an actuarial basis using the projected benefit method prorated on service, with an actuarial valuation for accounting purposes updated annually. Non-pension retirement benefit expenses for these plans are recognized as the member renders service. Actuarial gains and losses are amortized on a straight-line basis over the estimated average remaining

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

Retirement benefits (continued)

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 market value.

Environmental liabilities

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

Asset retirement obligation liabilities

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

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

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

If the tangible capital asset is in productive use, the estimated obligation is recorded as a liability and increase to the related tangible capital asset. The capitalized asset retirement cost is amortized on the same basis as the related tangible capital asset and recorded in amortization expense. If the tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

Asset retirement obligation liabilities (continued)

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

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

Borrowings

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

Financial instruments

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

Financial Assets:

Cash and cash equivalents
Due from Government of Canada
Accounts receivable
Portfolio investments
Advances to government business enterprises
Loans receivable

Measurement Basis

Cost
Cost
Cost
Fair value
Amortized cost
Amortized cost

Financial Liabilities:

Bank advances and short-term borrowings
Due to Government of Canada
Accounts payable and accrued liabilities
Borrowings

Measurement Basis

Cost
Cost
Cost
Amortized cost

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

Fair value measurement

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

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

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

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

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

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

Measurement uncertainty

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

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

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

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 activities are complex and subjective. These estimates require a high degree of management judgement. The degree of measurement uncertainty resulting from the estimation of the provision cannot be reasonably determined.

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

3. Future changes in accounting standards

The Government will implement the new Conceptual Framework for Financial Reporting in the Public Sector (Conceptual Framework) and PS 1202 Financial Statement Presentation on April 1, 2026. The impact on the consolidated financial statements is currently being assessed.

The Conceptual Framework prescribes the nature, function and limits of financial accounting and reporting. It is the foundation on which PSAS are developed and professional judgement is applied. It will replace the conceptual aspects of PS 1000 Financial Statement Concepts and PS 1100 Financial Statement Objectives.

PS 1202, also known as the new reporting model, sets out key requirements for the presentation of information in public sector financial statements, based on foundational ideas from the Conceptual Framework.

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

4. Cash and cash equivalents

	2025	2024
	(thousands of dollars)	
Bank balances	\$ 65,009	\$ 54,056
Cash on hand	59	63
	<u>\$ 65,068</u>	<u>\$ 54,119</u>

5. Due from/to Government of Canada

	2025	2024
	(thousands of dollars)	
Due from Government of Canada		
Cost-sharing agreements and projects delivered on behalf of the Government of Canada	\$ 170,580	\$ 143,152
Income tax	7,517	6,397
Other	631	568
	<u>\$ 178,728</u>	<u>\$ 150,117</u>
Due to Government of Canada		
RCMP	\$ 11,344	\$ 15,233
Public Service Pension Plan contribution	10,976	9,866
Payroll taxes	10,155	7,356
Program funding liable for claw back	3,081	3,081
Type II mine sites	1,270	1,033
CMHC mortgages and loans	364	545
Other	8,409	4,158
	<u>\$ 45,599</u>	<u>\$ 41,272</u>

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

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

6. Accounts receivable

	2025	2024
	(thousands of dollars)	
Taxes, interest, other revenue, and recovery receivables	\$ 48,183	\$ 48,827
Less: valuation allowance	(5,126)	(4,972)
	43,057	43,855
Tobacco settlement ¹	54,026	-
Due from government business enterprises that are not fully consolidated	3,170	3,830
	<u>\$ 100,253</u>	<u>\$ 47,685</u>

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

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

The Government is owed approximately \$101,000,000 in accordance with the agreement. The receivable of \$54,026,000 represents non-recurring revenue recorded in 2025 and is measured at net present value. In August and September 2025, the Government received an initial upfront payment of \$25,428,000. The remaining balance will be paid in annual instalments tied to a percentage of the tobacco companies' net after-tax income until the amount is fully paid.

The Government recorded \$3,269,000 in relation to the settlement legal fees.

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

7. Portfolio investments

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

	Quoted prices (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total 2025	Total 2024
(thousands of dollars)					
Short-term investments	\$ 153	\$ 5,336	\$ -	\$ 5,489	\$ 2,565
Bonds	-	6,304	-	6,304	5,906
Mortgages	-	4,347	-	4,347	4,047
Equities	4,409	25,948	-	30,357	30,510
Debt Securities	2,845	-	-	2,845	2,480
Investments at fair value	<u>\$ 7,407</u>	<u>\$ 41,935</u>	<u>\$ -</u>	<u>\$ 49,342</u>	<u>\$ 45,508</u>

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

8. Designated assets

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

Designated assets of \$41,935,000 (2024 - \$38,682,000) are included in portfolio investments (Note 7).

9. Loans receivable

	2025	2024
(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 2036 (2024 – 2036) bearing interest rates ranging from 0.00% to 8.20% (2024 – 0.00% to 8.20%), net of allowance for subsidies and valuation of \$114,000 (2024 – \$176,000) and discount in the amount of \$655,000 (2024 – \$769,000) for loans with concessionary terms.	\$ 26,524	\$ 28,672
Agreements for sale of land, due in varying annual amounts over a three- or five-year term to the year 2029 (2024 – 2029), bearing interest at 5.00% to 7.75% (2024 – 5.00% to 7.75%).	29,941	23,089

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

9. Loans receivable (continued)

	2025	2024
	(thousands of dollars)	
Regional Relief and Recovery Fund loans providing assistance to businesses to recover from COVID-19 pandemic, due with forgivable terms, bearing interest rates ranging from 0.00% to 5.00% (2024 - 0.00% to 5.00%).	405	437
Local improvement loans, due in varying annual amounts to the year 2040 (2024 – 2040), bearing interest rates ranging from 0.50% to 5.25% (2024 – 0.00% to 5.25%).	8,232	8,948
Debenture loans to municipalities, due in varying annual amounts to the year 2038 (2024 – 2038), bearing interest rates ranging from 2.72% to 5.85% (2024 – 2.72% to 6.38%).	2,077	2,379
Other, net of allowance for doubtful accounts of \$1,091,000 (2024 – \$1,267,000).	5,170	4,927
	<u>\$ 72,349</u>	<u>\$ 68,452</u>

The Government received non-cash consideration for sale of land of \$24,446,000 (2024 - \$16,066,000) in the form of loans receivable.

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

On August 12, 2024, the Government issued a Court-approved loan of \$50,000,000 to the receiver through a receivership credit agreement. This loan was increased to \$105,000,000 on November 27, 2024 through an amended receivership credit agreement. The loan bears 9.00% annual interest rate, compounded monthly, and is backed by a Court-ordered super-priority charge on Victoria Gold Corp.'s assets. The loan is fully repayable on the maturity date which is the earlier of any of these events (i) the occurrence of a default (ii) lifting of the temporary closure of Eagle Gold Mine (iii) the closing of any sale, refinancing, recapitalization, liquidation or other transactions involving Victoria Gold Corp.'s business or property or (iv) the discharge, replacement of the receiver or termination of the receivership proceeding.

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

On April 1, 2025, the Court raised the receiver's borrowing limit to \$220,000,000 pursuant to the second amended receivership credit agreement. The Government then received the remaining \$48,700,000 under the surety bonds to help fund this additional financing to the receiver. The aggregate amount advanced to the

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

9. Loans receivable (continued)

receiver is secured by the Court-ordered super-priority charges on Victoria Gold Corp.'s assets.

The Government's recovery of these amounts depends on the outcome of the sale process approved by the Court in June 2025 and any future Court decisions regarding the surety bonds. The sale is expected to conclude by December 2025 so the Government will monitor and reassess these events during 2026.

10. Inventories for resale

	2025	2024
	(thousands of dollars)	
Land		
Undeveloped land	\$ 603	\$ 603
Land under development ¹	68,354	67,237
Developed land	<u>17,665</u>	<u>16,818</u>
	86,622	84,658
Other	<u>162</u>	<u>190</u>
	<u><u>\$ 86,784</u></u>	<u><u>\$ 84,848</u></u>

¹ In 2025 a valuation of the land inventory for resale was performed based on current market conditions and independent appraisals. It was determined that the net realizable value of certain parcels including Haines Junction and Watson Lake was less than the development cost.

As a result, an impairment loss of \$14,857,000 was recognized as an expense under community and transportation in the statement of operations and accumulated operating surplus. The land inventory was written down from a carrying amount of \$83,211,000 to a net realizable value of \$68,354,000.

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

11. Investment in government business enterprises

(a) Summary of financial statements

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

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

11. Investment in government business enterprises (continued)

(a) Summary of financial statements (continued)

	Yukon		2025	2024
	Development Corporation	Yukon Liquor Corporation	Total	Total
(thousands of dollars)				
Assets				
Current	\$ 53,449	\$ 7,959	\$ 61,408	\$ 52,898
Capital Assets	598,232	1,501	599,733	561,624
Regulatory deferral (Note 11(f))	57,099	-	57,099	33,578
Right of use of assets	-	778	778	289
Other	31,193	46	31,239	33,978
	<u>739,973</u>	<u>10,284</u>	<u>750,257</u>	<u>682,367</u>
Liabilities				
Current	120,359	6,008	126,367	77,210
Long-term debt	247,232	-	247,232	224,534
Regulatory deferral (Note 11(f))	29,559	-	29,559	24,698
Contributions in aid of construction	109,461	-	109,461	106,599
Lease liabilities	477	536	1,013	678
Other	17,156	1,688	18,844	18,465
Equity	<u>215,729</u>	<u>2,052</u>	<u>217,781</u>	<u>230,183</u>
	<u>\$ 739,973</u>	<u>\$ 10,284</u>	<u>\$ 750,257</u>	<u>\$ 682,367</u>

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

11. Investment in government business enterprises (continued)

(a) Summary of financial statements (continued)

	Yukon Development Corporation	Yukon Liquor Corporation	2025 Total	2024 Total
	(thousands of dollars)			
Revenues ¹	\$ 92,388	\$ 19,888	\$ 112,276	\$ 124,257
Expenses	<u>125,652</u>	<u>12,427</u>	<u>138,079</u>	<u>106,372</u>
(Deficit) surplus before the following:	(33,264)	7,461	(25,803)	17,885
Net movement in regulatory deferral (Note 11(f))	<u>20,666</u>	<u>-</u>	<u>20,666</u>	<u>(5,840)</u>
(Deficit) surplus	<u>\$ (12,598)</u>	<u>\$ 7,461</u>	<u>\$ (5,137)</u>	<u>\$ 12,045</u>

¹ Yukon Liquor Corporation revenue is shown as net of cost of goods sold of \$34,048,000 (2024 - \$33,658,000).

	Yukon Development Corporation	Yukon Liquor Corporation	2025 Total	2024 Total
	(thousands of dollars)			
Equity, beginning of year	\$ 227,994	\$ 2,189	\$ 230,183	\$ 226,495
(Deficit) surplus	(12,598)	7,461	(5,137)	12,045
Other comprehensive gain	333	123	456	76
Profit to be remitted to the Government	<u>-</u>	<u>(7,721)</u>	<u>(7,721)</u>	<u>(8,433)</u>
Equity, end of year	<u>\$ 215,729</u>	<u>\$ 2,052</u>	<u>\$ 217,781</u>	<u>\$ 230,183</u>

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

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

11. Investment in government business enterprises (continued)

(b) Inter-entity balances and transactions

	Yukon Development Corporation	Yukon Liquor Corporation	2025 Total	2024 Total
	(thousands of dollars)			
	\$	\$	\$	\$
Government of Yukon:				
Accounts receivable from	424	2,746	3,170	3,830
Advance receivable from	32,200	-	32,200	34,200
Accounts payable to	10,662	3	10,665	9,051
Long-term obligation to	-	-	-	85
Revenues from	-	7,721	7,721	8,433
Expenses to ¹	38,349	-	38,349	45,815

¹ Only for Yukon Development Corporation: The amount includes cost of electricity of \$17,479,000 (2024 – \$17,531,000) purchased by the Government from an unrelated third party. This unrelated party buys electricity from the Yukon Development Corporation's wholly owned subsidiary, Yukon Energy Corporation.

(c) Advance receivable

Yukon Development Corporation

In 2018 the Government advanced \$39,200,000 to YDC for the development of the Whitehorse diesel - natural gas conversion project, which was completed by the Yukon Energy Corporation ("YEC"), YDC's wholly owned subsidiary. The term of the loan is to March 31, 2028, and pursuant to the agreement, the loan may be extended for additional five-year terms upon mutual consent of the parties. The per annum interest rate was based off the one-year indicative swap rate plus a 0.65% premium increase. The rate of interest effective on March 31, 2025 was 5.69% (2024 – 5.15%). The loan agreement requires principal repayments of \$1,000,000 on March 31 each year and full repayment of any principal outstanding at the end of each loan term if the loan is not extended. Two payments due March 31, 2024 and March 31, 2025 from YDC were received in 2025.

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

11. Investment in government business enterprises (continued)

(d) Commitments

Yukon Development Corporation

In June 2010, YDC issued 30-year bonds in the amount of \$100,000,000 at a fixed coupon rate of 5.0% per annum. In the Memorandum of Understanding ("the MOU") between the Government and YDC dated March 10, 2011, the Government agreed to provide YDC with financial assistance to a maximum of \$2,625,000 annually from April 1, 2011 to March 31, 2042, based on a prescribed formula where, depending on the annual financial results of YDC, the Government funding will be reduced or eliminated. In 2025, the Government paid \$2,625,000 (2024 – \$2,428,000) to YDC based on the MOU.

The Government has committed funding to YDC under the Interim Electrical Rebate program. The funding had been authorized up to \$3,500,000 for the year ending March 31, 2025 and it will be discontinued in 2026. 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. In 2025, the Government provided \$3,497,000 (2024 – \$3,413,000) to YDC for this purpose.

As at March 31, 2025, YEC had contractual obligations for future purchases of products or services in the amount of \$43,870,000 (2024 – \$55,933,000).

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

Aishihik Generating Station	December 31, 2027
Mayo Generating Station	December 31, 2025
Whitehorse Generating Station	May 31, 2025

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, 2025 for future years are \$6,927,000 (2024 – \$10,602,000).

(e) Contingencies

Yukon Development Corporation

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

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

11. Investment in government business enterprises (continued)

(f) Regulatory deferral accounts

Yukon Development Corporation

Regulatory deferral accounts in YDC's financial statements are accounted for differently than they would be in the absence of rate regulation. Where regulatory decisions dictate, YDC defers certain expenses or revenues as regulatory deferral account debit balances or regulatory deferral account credit balances and recognizes them in the net movement in regulatory deferral account balances as it collects or refunds amounts through customer rates. Any adjustments to these regulatory deferral accounts are recognized in the net movement 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 operating surplus.

12. Bank advances and short-term borrowings

The amounts borrowed from lines of credit fluctuated throughout the year with interest rates between 4.10% to 6.35% (2024 - 5.85% to 6.35%). Interest expense incurred was \$5,896,000 (2024 - \$2,220,000).

The Government's financial institutions have legally enforceable rights to set off the outstanding balance under the line of credit by bank balances in other accounts with the same financial institution.

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

	2025	2024
	(thousands of dollars)	
Bank balances	\$ (91,580)	\$ (89,008)
Line of credit	<u>359,018</u>	<u>194,071</u>
	<u>\$ 267,438</u>	<u>\$ 105,063</u>

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

13. Accounts payable and accrued liabilities

	2025	2024
	(thousands of dollars)	
Accounts payable	\$ 84,091	\$ 98,869
Accrued liabilities	127,278	102,783
Contractors' holdbacks and security deposits	29,783	36,639
Due to government business enterprises (Note 11(b))	10,665	9,051
Other	20,254	6,812
	<u>\$ 272,071</u>	<u>\$ 254,154</u>

14. Unearned revenues

	2025	2024
	(thousands of dollars)	
Liability portion of government transfers	\$ 41,242	\$ 49,271
Prepaid lease payments ¹	14,625	9,200
Other	11,132	10,989
	<u>\$ 66,999</u>	<u>\$ 69,460</u>

¹ The Government has an agreement with Northwestel Inc., a private sector, non-government entity for the Dempster Fibre Line (DFL), a fiber optic telecommunications network connecting Dawson City, Yukon and Inuvik, Northwest Territories. Based on the terms of the agreement, Northwestel has prepaid \$15,000,000 (2025 - \$5,800,000, 2023 - \$5,200,000, 2022 - \$4,000,000) to gain access to rights to the DFL over 20 years. The construction was concluded in September 2024 and \$375,000 was recognized as revenue in 2025. The unearned amount of \$14,625,000 will be recognized as revenue on a straight-line basis over the remaining lease term.

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

15. Environmental liabilities

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

	2025		2024	
	Number of sites	Estimated Liability	Number of sites	Estimated Liability
	(thousands of dollars)			
Liabilities for:				
Highway maintenance camps and airports	36	\$ 28,181	35	\$ 27,120
Other storage tanks and buildings	91	15,963	59	9,110
Marwell Tar Pit	1	797	1	25
Wellgreen	1	20,165	1	20,625
Wolverine	1	45,595	1	44,613
Minto	1	47,820	1	70,980
Other	33	17,018	16	12,747
	164	175,539	114	185,220
Type II sites	1	4,826	1	4,722
	165	\$ 180,365	115	\$ 189,942

(a) Contaminated sites and other environmental liabilities

The Government has recorded environmental liabilities for contaminated sites of \$175,539,000 (2024 - \$185,220,000). 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, 2025, the Government was aware of 164 sites (2024 – 114 sites) where the Government is obligated or is likely obligated to incur such costs. During the year remediation work was undertaken at 10 sites (2024 - 16 sites).

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

15. Environmental liabilities (continued)

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

One of the 164 contaminated 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 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, 2025, \$797,000 (2024 – \$25,000) was recorded as the remaining liability for this site.

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 \$20,165,000 (2024 - \$20,625,000), which reflects the Government’s potential exposure before any potential recoveries from the other parties.

The Wolverine Mine site was owned and operated by Yukon Zinc Corporation under a license pursuant to the *Quartz Mining Act* (Yukon). After operating for a short period of time, during which the required financial security for potential closure and remediation costs was not provided in full, the company was placed in receivership on September 16, 2019. After several legal rulings and appeals, the Court appointed receiver was unsuccessful in finding a viable purchaser of the mine and recommended it be turned over to the Government for closure. The Government has included \$45,595,000 (2024 - \$44,613,000) as an estimated liability for the remediation of this mine.

In May 2023, Minto Metal Corporation (Minto) abandoned its mine site located on Selkirk First Nation Category Settlement Land. The Government, in its regulatory capacity, determined that the mining operation was abandoned and acted under its powers in the *Quartz Mining Act* and *Water Act* to protect persons, property and environment.

During 2025, reclamation and closure costs of \$23,160,000 (2024 - \$23,993,000) were incurred. The Government claimed \$22,482,000 (2024 - \$23,811,000) from a security bond, which was recorded in funding and service agreements with other parties at March 31, 2025. During the year \$23,587,000 (2024 - \$18,109,000) of the bond was received and \$4,597,000 (2024 - \$5,702,000) was recorded as accounts receivable as at March 31, 2025. The remaining liability for Minto was reduced to \$47,820,000 (2024 - \$70,980,000) as at March 31, 2025. A related \$3,080,000 security from Minto, which is held in trust by the Government, earned interest of \$170,000 (2024 - \$135,000).

Subsequent to year-end, Buyco, a subsidiary of a Selkirk First Nation corporation, acquired substantially all of Minto’s tangible assets and mineral claims and licenses. The Government agreed to pause reclamation work beginning April 2026, while Buyco undertakes an 18-month feasibility program to evaluate long-term options for the site. The Government has assessed that no adjustments to the environmental liability are required at this time and will continue to monitor developments to inform any required adjustments in the future.

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

(b) Type II sites

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

On April 10, 2015, Veris Gold Corporation abandoned the Ketz River Mine site ("the site"). The site is identified as a Type II mine site in the DTA between the Government and the Government of Canada. The Government has provided notice to the Government of Canada pursuant to the DTA that the site has been abandoned by its owner/operator. Once a Type II site becomes abandoned the DTA requires that an Independent Assessor assess the condition of the site and develop a remediation plan. The Government is responsible for the cost of this assessment. Under the DTA, the Government of Canada accepted financial responsibility for the remediation of impacts attributable to activities that were permitted by the Government of Canada. The Government will be financially responsible for remediation of impacts of activities it permitted after devolution. The Government's costs, if any, may be offset by the security bond it holds. The financial obligations related to the assessment required under the DTA are estimated to be \$4,826,000 (2024 - \$4,722,000) and remediation costs, if any, which are the Government's responsibility, are currently undeterminable. No assets are designated for settling these liabilities.

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

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

	Asbestos & other hazardous building material	Forestry access roads	Fuel tanks	Landfills	2025 Total	2024 Total
	(thousands of dollars)					
Opening balance	\$ 41,458	\$ 589	\$ 2,315	\$ 15,907	\$ 60,269	\$ 69,429
Liability incurred	24	19	-	-	43	614
Liability settled	-	-	(82)	-	(82)	(400)
Accretion	1,855	27	97	398	2,377	2,003
Changes in estimates	(473)	-	(5)	-	(478)	(11,377)
	<u>\$ 42,864</u>	<u>\$ 635</u>	<u>\$ 2,325</u>	<u>\$ 16,305</u>	<u>\$ 62,129</u>	<u>\$ 60,269</u>

The undiscounted amount of estimated future cash flows is \$145,917,000 (2024 - \$141,536,000).

(a) Asbestos & other hazardous building materials liability

The Government owns and leases several buildings that are known to have asbestos and other hazardous building materials, which represents a health hazard upon demolition of the building. Per Occupational Health and Safety legislation, there is a legal obligation to remove the asbestos and other hazardous building materials in a prescribed manner when the building is demolished. The buildings have a remaining estimated useful life ranging from 1 to 70 years (2024 – 1 to 71 years). Estimated costs have been discounted to their present value using a discount rate range of 3.50% to 4.50% per annum (2024 – 3.45% to 4.50%). The retirement costs are expected to be incurred between 2026 and 2096.

(b) Forestry access roads liability

The Government has asset retirement obligations for its forestry access roads under the Forest Resources Act – Forest Resources Regulation. Asset retirement activities include decommissioning of the roads to restrict future access. The forestry access roads have an estimated remaining useful life ranging from 1 to 10 years (2024 – 1 to 10 years). Estimated costs have been discounted to their present value using a discount rate of 4.50% per annum (2024 – 4.50%). The retirement costs are expected to be incurred between 2026 and 2035.

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
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16. Asset retirement obligation liabilities (continued)

(c) Fuel tanks liability

The Government has asset retirement obligations for its fuel tanks under the *Environment Act (Yukon) – Storage Tank Regulations*. Asset retirement activities for the fuel tanks include decommissioning or dismantling the tanks, remediation of contamination from their normal use, and post-retirement monitoring. The fuel tanks have an estimated remaining useful life ranging from 8 to 19 years (2024 - 9 to 20 years). Estimated costs have been discounted to their present value using a discount rate range of 3.50% to 4.50% per annum (2024 – 3.45% to 4.50%). The retirement costs are expected to be incurred between 2033 and 2053.

(d) Landfill liability

There are 23 active or closed landfill sites that are outside incorporated communities that are operated by the Government. These landfill sites are subject to the *Environment Act (Yukon) – Solid Waste Regulations* which includes requirements for closure and post-closure care of a landfill. In calculation of the liability for these sites, the remaining landfill life was estimated to be from 0 to 48 years (2024 – 0 to 49 years). Solid waste permits issued under the Solid Waste Regulations specify 25 years of post-closure monitoring; therefore, 25 years is used as an estimated length of time needed for post-closure care. A discount rate of 2.50% per annum (2024 – 2.50%) was used for the net present value calculation for active and closed landfill sites. The retirement costs are expected to be incurred between 2026 and 2099.

17. Post-employment benefits and compensated absences

(a) The Government of Yukon and Yukon Housing Corporation

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

The Government and the Yukon Housing Corporation have conducted actuarial valuations of post-employment benefits as at December 31, 2022. March 31, 2025, amounts are based on an extrapolation of the December 31, 2022 amounts. These post-employment benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

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

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

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

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

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

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

Members of the Yukon Legislative Assembly receive a severance benefit in accordance with the *Legislative Assembly Retirement Allowance Act, 2007* (Yukon). The accrued benefit obligation is calculated actuarially using the projected benefit method prorated on service. The accrued benefit liability at March 31, 2025 is based on an extrapolation of an actuarial valuation that was performed as at March 31, 2024. The Government has designated a portion of its assets for the purpose of meeting this obligation (Note 8).

(b) Yukon University

The Yukon University's ("the University") cost of benefit plans, other than pensions, including severance benefits, sick leave and managers' accrued leave, payable upon termination of employment, death or retirement, is actuarially determined using the projected accrued benefit method prorated on employment services. These post-employment benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation. The actuarial valuation of the accrued benefit liability was performed as at March 31, 2025.

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

(c) Yukon Hospital Corporation

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

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

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

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

The accrued liabilities for the above benefits were as follows:

	2025	2024
	(thousands of dollars)	
Post-employment benefits and compensated absences liability		
Government of Yukon employees	\$ 135,883	\$ 133,664
Members of the Yukon Legislative Assembly	1,535	1,308
Yukon Hospital Corporation	2,800	3,369
Yukon Housing Corporation	2,605	2,230
Yukon University	10,512	10,325
	<u>10,512</u>	<u>10,325</u>
(Schedule D)	<u>\$ 153,335</u>	<u>\$ 150,896</u>

18. Retirement benefits

(a) Public Service Pension Plan

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

In the calendar year 2024, the Government contributed \$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 \$202,000 the Government contributed \$4.63 for every dollar contributed by both groups of plan members.

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

The Government's contributions to the Public Service Pension Plan during the year and recorded as expenses were \$48,691,000 (2024 – \$47,768,000).

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

18. Retirement benefits (continued)

(b) Legislative Assembly Retirement Allowances Plan

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

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

The *Legislative Assembly Retirement Allowances Act* stipulates that actuarial valuations for funding purposes must be performed at least triennially. An actuarial valuation is based on a number of assumptions about future events, such as inflation rates, interest rates, salary increases and member turnover and mortality. The assumptions used in a valuation for funding purposes are based on the actuary's best estimates with margins for conservatism. The last actuarial valuation for funding purposes was performed as of March 31, 2024. The accrued benefit obligation as at March 31, 2025 is based on an actuarial valuation performed for accounting purposes using the membership data as of March 31, 2024.

(c) Territorial Court Judiciary Pension Plan

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

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

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

18. Retirement benefits (continued)

(c) Territorial Court Judiciary Pension Plan (continued)

The last actuarial valuation for funding purposes was performed as of March 31, 2023. The accrued benefit obligation as at March 31, 2025 is based on an actuarial valuation performed for accounting purposes using the membership data as of March 31, 2023.

(d) Yukon University Employees' Pension Plan

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

An actuarial valuation for accounting purposes was performed as at March 31, 2025. An actuarial valuation for funding purposes was performed as at June 30, 2024, which established the University's required contributions as 100% (June 30, 2023 - 100%) of employee contributions.

The actuarial valuation for funding purposes as at June 30, 2024 indicates the University had an actuarial surplus of \$27,035,000 (June 30, 2023 – \$18,145,000) at the measurement date on a going concern basis and a surplus of \$17,708,000 (June 30, 2023 – \$11,678,000) if valued on the basis that the pension plan was to be terminated/wound up as at June 30, 2024. The solvency ratio of the plan was 114% at June 30, 2024 (100% at June 30, 2023).

For any unfunded pension liability, the University has obtained a letter of credit in lieu of making solvency payments. The amount of the letter of credit is equal to the amount of solvency payments required as determined by the actuary. The Government has issued letters to a bank guaranteeing that, should there be a requirement to draw upon the letters of credit required by the University to address its solvency deficit in its pension plan, the Government will provide the necessary financial support to address any resulting debt, interest and costs that may be required under the federal pension legislation. The University held a letter of credit with face value of \$5,932,000 (2024 – \$22,061,000). As the solvency ratio was 114% and the average solvency ratio exceeds 100% in the most recent actuarial valuation, the letter of credit was canceled effective April 2, 2025.

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

(e) Yukon Hospital Corporation Employees' Pension Plan

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

An actuarial valuation for funding purposes was performed at December 31, 2024, which established the Corporation's required contribution as 115% (2023 – 115%) of employee contributions. This valuation reported that, as at December 31, 2024, the pension plan had a surplus of \$71,534,000 (2023 – \$67,856,000) on a going concern basis. The solvency ratio of the plan at December 31, 2024 is 111% (109% at December 31, 2023).

In accordance with the *Pension Benefits Standards Act, 1985*, the Corporation is required to make special payments when applicable to address any pension solvency requirements. The pension plan had a solvency surplus of \$22,468,000 in 2024 calendar year (2023 - \$16,491,000) if valued on the basis that the pension plan was terminated/wound up at the end of 2024 calendar year. The Corporation is allowed to cover up to a specified maximum with a conforming letter of credit that is guaranteed by the Government. As at March 31, 2025, the Corporation had a Government-guaranteed conforming letter of credit totalling \$19,450,000 (2024 - \$27,992,000). Effective June 1, 2024, the Corporation will take a contribution holiday in keeping with requirements of the *Federal Income Tax Act*.

An actuarial valuation for accounting purposes was performed as at March 31, 2025.

(f) Extended health care and life insurance retirement benefits

The Government provides optional extended health care benefits to retired employees as well as life insurance coverage to eligible retirees. The extended health care plan is self-insured. The accrued benefit obligation as at March 31, 2025 is based on an extrapolation of an actuarial valuation conducted as at December 31, 2022.

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, 2025

18. Retirement benefits (continued)

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

	2025	2024
	(thousands of dollars)	
Accrued benefit asset		
Yukon Hospital Corporation Employees' Pension Plan	\$ (72,243)	\$ (69,499)
Yukon University Employees' Pension Plan	<u>(37,915)</u>	<u>(33,903)</u>
	<u>\$ (110,158)</u>	<u>\$ (103,402)</u>
Accrued benefit liability		
Extended health care retirement benefit	\$ 86,188	\$ 80,851
Legislative Assembly Retirement Allowances Plan	28,054	29,055
Life insurance retirement benefit	4,196	4,115
Territorial Court Judiciary Pension Plan	<u>9,646</u>	<u>9,276</u>
	<u>\$ 128,084</u>	<u>\$ 123,297</u>
Total net benefit liability (Schedule E)	<u><u>\$ 17,926</u></u>	<u><u>\$ 19,895</u></u>

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

19. Borrowings

	2025	2024
	(thousands of dollars)	
Yukon Hospital Corporation – loans with a chartered bank. (see below)	\$ 13,803	\$ 18,804
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 \$497,000 (2024 – \$527,000), repayable in blended monthly payments with maturities up to the year 2029, bearing fixed interest rate of 5.00%.	199	251
Yukon University – non-interest-bearing loan repayable on demand within 90 days.	-	966
Yukon Housing Corporation – loans payable to chartered banks and CMHC, repayable in blended periodic instalments with maturities up to the year 2029, bearing fixed interest rates ranging from 7.50% to 9.50%.	165	293
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 \$0 (2024 – \$0).	-	85
	\$ 14,167	\$ 20,399
Less: Amounts included in Due to Government of Canada (Note 5)	(364)	(545)
	<u>\$ 13,803</u>	<u>\$ 19,854</u>

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

	(thousands of dollars)
2026	\$ 5,398
2027	5,006
2028	3,634
2029	129
	<u>\$ 14,167</u>

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

19. Borrowings (continued)

Yukon Hospital Corporation - loans with chartered bank

	2025	2024
	(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.	\$ 3,201	\$ 4,905
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.	3,700	4,900
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.	3,908	5,080
Demand term installment loan with the CIBC with interest calculated at a fixed rate of 5.30% per annum for the Pension solvency and Letter of Credit interest. Blended payments of \$93,000 due monthly with the final payment due on February 28, 2028.	2,994	3,919
	<u>\$ 13,803</u>	<u>\$ 18,804</u>

The remaining undiscounted contractual cash flows on Yukon Hospital Corporation's borrowings are \$14,787,000 as at March 31, 2025 (2024 - \$24,786,000).

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. 2024-1341) came into force on December 16, 2024. These regulations pursuant to subsection 23(4) of the *Yukon Act* (Canada) provided authority to the Government and its entities to borrow in aggregate to a maximum of \$1.2 billion (2024 - up to a maximum of \$800,000,000 (P.C. 2020-0663)).

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

19. Borrowings (continued)

Borrowing limit (continued)

	2025	2024
	(thousands of dollars)	
Authorized borrowing limit	\$ 1,200,000	\$ 800,000

Borrowings by government reporting entity:

Government business enterprises

Yukon Development Corporation, bonds	100,000	100,000
Yukon Development Corporation, other long-term debt	<u>116,159</u>	<u>92,528</u>
	<u>216,159</u>	<u>192,528</u>

Fully consolidated entities

Yukon Hospital Corporation, bank loans	13,803	18,804
Yukon Housing Corporation, mortgages payable	199	251
Yukon University, loan payable	-	966
Yukon Housing Corporation, loans payable	<u>165</u>	<u>293</u>
	<u>14,167</u>	<u>20,314</u>
Accrued interest payable	1,813	2,098
Credit facilities used	357,543	159,715
Liabilities for leased tangible capital assets	<u>-</u>	<u>362</u>
Total debt	<u>589,682</u>	<u>375,017</u>
Available borrowing capacity	<u><u>\$ 610,318</u></u>	<u><u>\$ 424,983</u></u>

20. Liabilities for leased tangible capital assets

	2025	2024
	(thousands of dollars)	
Building lease obligation payable monthly until the year 2025, with imputed interest rate of 3.7%	\$ -	\$ 292
Building lease obligation payable monthly until the year 2024, with imputed interest rate of 3.3%	<u>-</u>	<u>70</u>
	<u><u>\$ -</u></u>	<u><u>\$ 362</u></u>

Interest expense related to liabilities for leased tangible capital assets for the year was \$nil (2024 – \$99,000) at an imputed average interest rate of 3.5% (2024 – 3.5%).

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

21. Tangible capital assets

	2025	2024
	Net Book Value	Net Book Value
	(thousands of dollars)	
Land	\$ 24,911	\$ 19,950
Buildings	934,248	880,620
Equipment & vehicles	106,497	109,231
Computer hardware & software	51,865	51,825
Infrastructure	1,064,046	926,190
Land improvements & fixtures	58,313	52,117
Waste & water systems	57,937	57,508
Communications technology	<u>109,350</u>	<u>102,772</u>
(Schedule C)	<u><u>\$ 2,407,167</u></u>	<u><u>\$ 2,200,213</u></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 \$338,000 (2024 – \$317,000). The cost and accumulated amortization of leased capital assets that are included in the schedule of tangible capital assets are as follows:

	2025	2024
	(thousands of dollars)	
Buildings (cost)	\$ -	\$ 4,273
Less: accumulated amortization	<u>-</u>	<u>(3,935)</u>
	<u><u>\$ -</u></u>	<u><u>\$ 338</u></u>

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

22. Expenses by object

	2025	2024
	(thousands of dollars)	
Personnel	\$ 861,501	\$ 786,016
Government transfers	461,299	413,074
Contract and special services	270,508	278,613
Materials, supplies, and utilities	170,603	177,764
Amortization	81,953	79,582
Rent	64,547	59,937
Communication and transportation	53,479	52,409
Environmental obligations	13,578	120,360
Accretion	2,376	2,003
Interest on long-term debt and capital lease obligations	1,104	1,310
Other	74,685	46,858
	<u>\$ 2,055,633</u>	<u>\$ 2,017,926</u>

23. 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, 2025, 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, 2025, except for the Compensation Fund (Yukon) which is at December 31, 2024.

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

23. Trusts under administration (continued)

	2025	2024
	(thousands of dollars)	
Compensation Fund (Yukon)	\$ 313,006	\$ 277,633
Canada Community Building Fund	135,143	148,308
Lottery Commission	8,736	10,855
Crime Prevention and Victim Services	8,557	8,213
Forest Sector trust	6,996	6,675
Quartz Mining Licence Security Deposit	6,012	5,751
Extended health and dental plan trust funds	4,353	465
Oil & Gas Well Abandonment Deposit	2,975	2,203
Public Guardian trust	2,587	2,006
School Trust Accounts	1,868	1,651
Other	2,657	1,799
	<u>\$ 492,890</u>	<u>\$ 465,559</u>

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

24. Contractual rights

The Government has entered into agreements to receive, or has contractual rights for, the following receipts subsequent to March 31, 2025:

	Expiry Date	2026	2027 - 2032	Total
(thousands of dollars)				
Contribution and Service Agreements				
Infrastructure Canada	2031	\$ 109,769	\$ 219,398	\$ 329,167
Transport Canada	2029	94,357	79,512	173,869
Indigenous Services Canada	2032	26,299	131,495	157,794
Health Canada	2028	22,009	24,234	46,243
Canada Mortgage and Housing Corporation	2030	9,695	19,886	29,581
Environment and Natural Resources	2028	19,821	18,895	38,716
Early Learning and Childcare Agreement	2031	18,948	74,387	93,335
Employment and Social Development	2028	6,744	12,322	19,066
Canada-Yukon Nature Agreement	2026	6,551	-	6,551
Canadian Heritage	2028	9,865	19,807	29,672
Justice Canada	2027	1,643	1,643	3,286
National Action Plan to End Gender Based Violence	2027	1,610	1,610	3,220
Student Financial Assistance	2027	509	2,036	2,545
Other	2028	11,001	10,506	21,507
		<u>\$ 338,821</u>	<u>\$ 615,731</u>	<u>\$ 954,552</u>

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

25. Contractual obligations

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2025:

	Expiry Date	2026	2027 - 2040	Total
(thousands of dollars)				
Capital projects - in progress at March 31, 2025	2031	\$ 304,832	\$ 28,866	\$ 333,698
RCMP policing agreement	2032	43,562	261,373	304,935
Other operational commitments	2033	131,387	102,437	233,824
Yukon Hospital Corporation medical equipment maintenance	2030	14,465	16,527	30,992
Building/office space leases	2033	14,870	13,540	28,410
Mineral Resources and Geoscience Services	2027	21,749	4,907	26,656
Alkan Air Ltd. medical evacuation contract	2026	44,349	-	44,349
Information Services Corporation	2040	222	5,156	5,378
Student Transportation	2027	4,478	5,908	10,386
NorthwesTel Inc. mobile radio network system	2025	545	-	545
		<u>\$ 580,459</u>	<u>\$ 438,714</u>	<u>\$ 1,019,173</u>

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

26. Overexpenditure

Over-expenditure of a vote contravenes subsection 17(2) of the *Financial Administration Act* (Yukon) which specifies that “a vote does not authorize any payment to be made in excess of the amount specified in the vote”. During the year, no (2024 – no) departments exceeded their votes.

The *Appropriation Acts* (Yukon) state that the Government is not to expend grant payments except in accordance with the Act. During the year, no (2024 – two) departments exceeded the authorized amounts.

27. Guarantees

At March 31, 2025, YDC had long-term debt of \$247,232,000 (2024 – \$225,000,000) (Note 11(a)) and a credit facility of up to \$100,000,000 (2024 – \$115,000,000). While the Government has not issued guarantees for these instruments, as YDC is an agent of the Government, lenders may have recourse to the Government. Except for the amounts committed as described in Note 11(d), it is expected that no significant costs will be incurred by the Government with respect to any guarantees and debts.

28. Risk management of financial instruments

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

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

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

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

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

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
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28. Risk management of financial instruments (continued)

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

	2025	2024
	(thousands of dollars)	
Carrying value	\$ 100,253	\$ 47,685
Allowance for doubtful accounts	\$ 5,126	\$ 4,972
Accounts receivable % less than 30 days	90 %	78 %
Accounts receivable % over 90 days	8 %	16 %

To manage the credit risk on mortgages and loans receivable, the Government actively monitors loan payments and works with borrowers to develop payment plans to resolve outstanding arrears issues. The maximum exposure of the mortgages and loans receivable to credit risk is \$72,349,000 (2024 - \$68,452,000). As at March 31, 2025, approximately 98% (2024 – 95%) of loans receivable were current or less than 30 days past due, whereas 2% (2024 – 5%) were over 30 days past due.

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

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

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

The carrying amounts of bank advances and short-term borrowings, accounts payable and accrued liabilities, as well as due to Government of Canada, as reported on the consolidated statement of financial position will be settled in the next fiscal year.

The undiscounted contractual cash flows for borrowings are disclosed in Note 19.

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
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28. Risk management of financial instruments (continued)

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

The Government is exposed to interest rate risk through its investment holdings in interest-bearing, or fixed-income assets. The Government manages this risk on its investments by setting asset mix guidelines that limit the extent to which interest rates impact the market value of the Government's portfolio investments, which may include GICs, term deposits, and funds that include short-term debt securities of Canadian Governments and corporate issuers with terms to maturity of 90 days or more but one year or less from the date of acquisition. Based on year-end short-term investment balances, a one per cent increase (decrease) in the bank's prime lending rate could increase (decrease) interest income by approximately \$53,000 (2024 - \$24,000).

The Government manages this risk on its debt by issuing securities at predominantly fixed rates of interest rather than at floating rates of interest. To reduce its exposure to interest rate risk, the Government, through its government reporting entities, uses interest rate contracts, including interest rate swap agreements, to manage the fixed and floating interest rate mix on its debt portfolio. The Government has interest rate swaps on a value of debt of \$13,803,000 (2024 - \$18,804,000). At March 31, 2025, 100 per cent (2024 - 100 per cent) of the Government's gross debt effectively carried a rate of interest that was fixed for greater than a one-year period. As such, fluctuations in market interest rates would not impact future cash flows and the operations of the Government.

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

	2025	2024
	(thousands of dollars)	
Government of Yukon	\$ 449,000	\$ 200,000
Yukon Housing Corporation	-	11,000
Yukon University	1,000	1,000
	<u>\$ 450,000</u>	<u>\$ 212,000</u>

The Government of Yukon used its line of credit during the year and incurred interest expenses at prime rate minus 0.85% (2024 - prime rate minus 0.85%) per annum. The Yukon Housing Corporation formally cancelled its overdraft facility (2024 - up to \$11,000,000) during 2025. The University line of credit was unused at both 2025 and 2024. The Government's credit facility interest rates are subject to fluctuations in the prime rate. The interest rate risk is minimal due to the short-term nature of amounts drawn.

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

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
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28. Risk management of financial instruments (continued)

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

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

29. Land claims

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

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

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
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30. Contingencies

Contingent liabilities

In the normal course of operations, the Government is subject to legal claims. These claims include items with pleading amounts and items where an amount is not specified. At March 31, 2025, the amounts claimed, excluding the claim from Northern Cross (Yukon) Ltd., which is described below, is \$12,884,000 (2024 - \$32,206,000). No provision for these claims has been made as it is unlikely or indeterminable that a liability has been incurred as at the date of the financial statements. Furthermore, an estimate of extent cannot be made as at the date of the financial statements.

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

The Government established a Risk Management Revolving Fund in December 2004, with a limit of \$5,000,000, which is to be used for providing limited insurance and risk management services to Government departments. Expenses relating to some of the property and liability losses incurred by the Government are to be paid out of this fund. The Government has legal liability and property insurance with a \$2,000,000 deductible. In 2025, the Government paid \$735,000 (2024 - \$656,000) for liability claims such as bodily injury, property damage and automobile liability. The Government had unpaid claims against the fund in the amount of \$1,301,000 as at March 31, 2025 (2024 - \$2,434,000). This amount is reported as part of the Government's accrued liabilities. The fund balance at March 31, 2025 was \$1,552,000 (2024 - \$2,450,000).

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

Contingent assets

The Government has instituted claims against others because of disputes resulting from breaches in contracts. It may receive funds in the future from recoveries of various types of claims paid out and other agreement pending the occurrence of certain events.

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
March 31, 2025

31. Subsequent events

Bond issuance

On September 15, 2025, the Government issued a 10-year bond for the face value of \$200,000,000 to advance major infrastructure projects and respond to natural disasters. The bond bears a fixed interest rate of 3.80% and matures on June 1, 2035. No principal payments are due until the bond matures. The first interest payment will occur on December 1, 2025 and further payments will be made semi-annually (June 1st and December 1st). The bond was issued at a discount of \$750,000 which will be amortized over the period of the debt using the effective interest rate method. Transaction costs of \$1,200,000 which include fees to agents and advisors will be presented as a reduction of the carrying value of the debt and amortized over the debt period using the effective interest rate method.

Legal settlements

The Government is defending multiple legal actions including contract, negligence, property and personal injury, and tax disputes. When a liability is identified and reasonably estimable, it is recorded as an accrued liability and an expense. An accrued liability and related settlement expense of \$13,654,000 were recorded as at March 31, 2025 for disputes known before the year end and settled afterward.

One of the legal disputes, a 2022 class action by families of former students alleging holds, restraints, or seclusion at Jack Hulland Elementary was resolved in August 2025 with a three-tier settlement structure. Subject to the Supreme Court of Yukon's approval on October 29, 2025, the claims process will open in fall 2025 and claimants will have two years to submit their claims. A determination of the final settlement amount will be based on the number and nature of claims made.

32. Comparative figures

Certain comparative figures for 2024 have been reclassified to conform with the 2025 presentation.

**Consolidated Schedule of Revenues by Source
for the year ended March 31, 2025**

	2025		2024
	Budget	Actual	Actual
	(thousands of dollars)		
From Government of Canada			
Formula financing grant	\$ 1,350,134	\$ 1,350,134	\$ 1,252,161
Contributions and service agreements	364,922	325,753	292,646
Other grants	<u>78,498</u>	<u>145,415</u>	<u>136,484</u>
	<u>1,793,554</u>	<u>1,821,302</u>	<u>1,681,291</u>
Taxes and general revenues			
Income taxes	147,819	157,186	124,224
Other taxes			
Tobacco tax	9,945	9,728	11,077
Fuel oil tax	9,384	9,090	9,647
General property tax	6,589	7,636	7,317
Liquor tax	5,269	5,146	5,314
Insurance premium tax	10,219	9,100	8,712
Grant in lieu of property tax	258	256	256
Sale of land	30,036	24,446	16,066
Licences, permits, and fees	36,607	34,649	34,746
Tobacco settlement (Note 6)	-	54,026	-
Investment and interest revenue	6,626	14,103	12,454
Hospital revenues	10,803	3,775	2,681
Resource revenue - mineral, oil and gas and forestry	4,587	2,057	4,934
Aviation operations	1,345	1,800	1,396
Income from portfolio investments	903	1,791	1,106
Fines	500	541	614
Other revenue	<u>331</u>	<u>8,937</u>	<u>4,194</u>
	<u>281,221</u>	<u>344,267</u>	<u>244,738</u>
Funding and service agreements with other parties	48,177	67,962	65,336
Income (loss) from investment in government business enterprises			
Yukon Liquor Corporation	7,221	7,461	8,397
Yukon Development Corporation	<u>10,300</u>	<u>(12,598)</u>	<u>3,648</u>
	<u>17,521</u>	<u>(5,137)</u>	<u>12,045</u>
	<u>\$ 2,140,473</u>	<u>\$ 2,228,394</u>	<u>\$ 2,003,410</u>

GOVERNMENT OF YUKON

Schedule B

**Consolidated Schedule of Operations by Function
for the year ended March 31, 2025**

	Health and Social Services		Community and Transportation		Education		General government ¹	
	2025	2024	2025	2024	2025	2024	2025	2024
	(thousands of dollars)							
Revenues								
From Government of Canada	\$ 76,255	\$ 55,272	\$ 186,100	\$ 154,209	\$ 18,587	\$ 16,962	\$ 1,501,299	\$ 1,409,213
Taxes and general revenues	63,364	7,182	59,479	50,769	6,950	7,296	202,211	169,665
Funding and service agreements with other parties	12,934	12,762	10,163	7,643	17,007	18,683	3,424	626
Income (loss) from investment in government business enterprises	-	-	(12,598)	3,648	-	-	7,461	8,397
	<u>152,553</u>	<u>75,216</u>	<u>243,144</u>	<u>216,269</u>	<u>42,544</u>	<u>42,941</u>	<u>1,714,395</u>	<u>1,587,901</u>
Expenses (Note 22)								
Personnel	298,244	270,814	91,655	85,932	195,500	170,947	139,095	131,488
Contracts, materials and other	253,544	239,058	190,670	177,584	1,898	6,719	67,609	79,745
Government transfers	151,489	127,861	122,582	109,409	65,384	66,051	66,897	41,714
Amortization expenses	<u>16,603</u>	<u>17,923</u>	<u>42,374</u>	<u>42,705</u>	<u>8,350</u>	<u>7,912</u>	<u>10,092</u>	<u>6,637</u>
Subtotal	719,880	655,656	447,281	415,630	271,132	251,629	283,693	259,584
Interest on long-term debt and capital lease obligations	<u>1,075</u>	<u>1,272</u>	<u>29</u>	<u>38</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>720,955</u>	<u>656,928</u>	<u>447,310</u>	<u>415,668</u>	<u>271,132</u>	<u>251,629</u>	<u>283,693</u>	<u>259,584</u>
Recovery of prior years' expenses	<u>664</u>	<u>1,200</u>	<u>47</u>	<u>163</u>	<u>229</u>	<u>3,152</u>	<u>427</u>	<u>4,848</u>
Surplus (deficit) for the year	<u>\$ (567,738)</u>	<u>\$ (580,512)</u>	<u>\$ (204,119)</u>	<u>\$ (199,236)</u>	<u>\$ (228,359)</u>	<u>\$ (205,536)</u>	<u>\$ 1,431,129</u>	<u>\$ 1,333,165</u>

¹ 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

Consolidated Schedule of Operations by Function (continued)
for the year ended March 31, 2025

	Natural Resources		Justice		Business, Tourism and Culture		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	(thousands of dollars)							
Revenues								
From Government of Canada	\$ 23,121	\$ 28,197	\$ 8,943	\$ 8,234	\$ 6,997	\$ 9,204	\$ 1,821,302	\$ 1,681,291
Taxes and general revenues	10,976	8,540	1,235	1,223	52	63	344,267	244,738
Funding and service agreements with other parties	23,049	24,017	703	1,134	682	471	67,962	65,336
Income (loss) from investment in government business enterprises	-	-	-	-	-	-	(5,137)	12,045
	<u>57,146</u>	<u>60,754</u>	<u>10,881</u>	<u>10,591</u>	<u>7,731</u>	<u>9,738</u>	<u>2,228,394</u>	<u>2,003,410</u>
Expenses (Note 22)								
Personnel	69,076	65,743	46,782	40,906	21,149	20,186	861,501	786,016
Contracts, materials and other	56,144	167,339	70,189	55,657	9,722	11,842	649,776	737,944
Government transfers	18,447	27,953	9,138	9,143	27,362	30,943	461,299	413,074
Amortization expenses	<u>1,850</u>	<u>1,670</u>	<u>1,926</u>	<u>1,938</u>	<u>758</u>	<u>797</u>	<u>81,953</u>	<u>79,582</u>
Subtotal	145,517	262,705	128,035	107,644	58,991	63,768	2,054,529	2,016,616
Interest on long-term debt and capital lease obligations	-	-	-	-	-	-	1,104	1,310
	<u>145,517</u>	<u>262,705</u>	<u>128,035</u>	<u>107,644</u>	<u>58,991</u>	<u>63,768</u>	<u>2,055,633</u>	<u>2,017,926</u>
Recovery of prior years' expenses	<u>700</u>	<u>1,032</u>	<u>96</u>	<u>571</u>	<u>83</u>	<u>319</u>	<u>2,246</u>	<u>11,285</u>
Surplus (deficit) for the year	<u>\$ (87,671)</u>	<u>\$ (200,919)</u>	<u>\$ (117,058)</u>	<u>\$ (96,482)</u>	<u>\$ (51,177)</u>	<u>\$ (53,711)</u>	<u>\$ 175,007</u>	<u>\$ (3,231)</u>

GOVERNMENT OF YUKON

Schedule C

**Consolidated Schedule of Tangible Capital Assets
for the year ended March 31, 2025**

	Land	Buildings	Equipment & vehicles	Computer hardware & software	Infrastructure	Land improvements & fixtures	Waste & water systems	Communications technology	2025 Total	2024 Total
(thousands of dollars)										
Cost of tangible capital assets, opening	\$ 19,950	\$ 1,451,810	\$ 258,104	\$ 137,125	\$ 1,453,476	\$ 73,772	\$ 81,521	\$ 108,792	\$ 3,584,550	\$ 3,306,120
Change in asset retirement obligation estimate	-	(411)	-	-	-	-	-	-	(411)	(3,670)
Acquisitions	4,961	79,495	13,591	7,742	161,687	10,358	1,548	10,167	289,549	287,862
Write-downs	-	-	-	-	-	-	-	-	-	(149)
Disposals	-	(4,273)	(4,696)	(51)	-	-	-	-	(9,020)	(5,613)
Cost of tangible capital assets, closing	<u>24,911</u>	<u>1,526,621</u>	<u>266,999</u>	<u>144,816</u>	<u>1,615,163</u>	<u>84,130</u>	<u>83,069</u>	<u>118,959</u>	<u>3,864,668</u>	<u>3,584,550</u>
Accumulated amortization, opening	-	571,190	148,873	85,300	527,286	21,655	24,013	6,020	1,384,337	1,310,238
Amortization expense	-	25,456	16,094	7,702	23,831	4,162	1,119	3,589	81,953	79,582
Disposals	-	(4,273)	(4,465)	(51)	-	-	-	-	(8,789)	(5,483)
Accumulated amortization, closing	<u>-</u>	<u>592,373</u>	<u>160,502</u>	<u>92,951</u>	<u>551,117</u>	<u>25,817</u>	<u>25,132</u>	<u>9,609</u>	<u>1,457,501</u>	<u>1,384,337</u>
Net book value (Note 21)	<u>\$ 24,911</u>	<u>\$ 934,248</u>	<u>\$ 106,497</u>	<u>\$ 51,865</u>	<u>\$ 1,064,046</u>	<u>\$ 58,313</u>	<u>\$ 57,937</u>	<u>\$ 109,350</u>	<u>\$ 2,407,167</u>	<u>\$ 2,200,213</u>
Asset retirement obligation ^(a)	\$ -	\$ 281	\$ 99	\$ -	\$ 305	\$ -	\$ 1,657	\$ -	\$ 2,342	\$ 3,674
Work-in-progress ^(a)	\$ -	\$ 92,791	\$ 3,551	\$ 20,459	\$ 432,900	\$ 12,199	\$ 9,559	\$ -	\$ 571,459	\$ 587,832

^(a)Included in net book value

GOVERNMENT OF YUKON

Schedule D

Consolidated Schedule of Post-employment Benefits and Compensated Absences
For the year ended March 31, 2025

	Government of Yukon Employees	Members of Yukon Legislative Assembly	Yukon Hospital Corporation	Yukon Housing Corporation	Yukon University	2025 Total	2024 Total
(thousands of dollars)							
Accrued benefit obligation							
Obligation at beginning of year	\$ 116,533	\$ 1,286	\$ -	\$ 1,571	\$ 8,007	\$ 127,397	\$ 124,095
Current service costs	10,868	160	-	186	818	12,032	11,890
Interest cost on benefit obligation	5,950	78	-	81	325	6,434	6,124
Actuarial loss (gain)	4,555	(63)	-	561	(154)	4,899	(955)
Benefits paid	(13,322)	-	-	(142)	(287)	(13,751)	(13,757)
Accrued benefit obligation at end of year	124,584	1,461	-	2,257	8,709	137,011	127,397
Unrecognized net actuarial gain (loss)	10,573	74	-	348	(761)	10,234	15,976
Accrued benefit liability	135,157	1,535	-	2,605	7,948	147,245	143,373
Liabilities that are not included in actuarial valuation	726	-	2,800	-	2,564	6,090	7,523
Post employment benefits and compensated absences (Note 17)	<u>\$ 135,883</u>	<u>\$ 1,535</u>	<u>\$ 2,800</u>	<u>\$ 2,605</u>	<u>\$ 10,512</u>	<u>\$ 153,335</u>	<u>\$ 150,896</u>
Net benefit cost							
Current service cost	\$ 10,868	\$ 160	\$ -	\$ 186	\$ 818	\$ 12,032	\$ 11,890
Interest cost on benefit obligation	5,950	78	-	81	325	6,434	6,124
Past service costs	-	-	-	-	-	-	(421)
Amortization of net actuarial loss (gain)	(1,327)	(11)	-	(82)	(154)	(1,574)	(1,560)
Net costs for the year	<u>\$ 15,491</u>	<u>\$ 227</u>	<u>\$ -</u>	<u>\$ 185</u>	<u>\$ 989</u>	<u>\$ 16,892</u>	<u>\$ 16,033</u>

GOVERNMENT OF YUKON

Schedule D

Consolidated Schedule of Post-employment Benefits and Compensated Absences (continued)
For the year ended March 31, 2025

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

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

²Group 1: 3.00% and Group 2: 4.00%.

2023-24 Key Assumptions					
Discount rate on benefit costs	4.80 %	6.00 %	N/A	4.90 %	4.80 %
Discount rate on accrued benefit obligation at end of year	4.90 %	5.70 %	N/A	4.90 %	4.85 %
Inflation rate at end of year	2.00 %	2.00 %	N/A	2.00 %	2.00 %
Rate of compensation increase	see below ¹	2.50 %	N/A	see below ¹	3.40 %
Amortization period (expected average remaining service life)	13.0 years	2.0 years	N/A	11.8 years	10.0 years

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

GOVERNMENT OF YUKON

Schedule E

**Consolidated Schedule of Retirement Benefits
for the year ended March 31, 2025**

	Extended health care retirement benefit	Legislative Assembly Retirement Allowances Plan	Life insurance retirement benefit	Territorial Court Judiciary Pension Plan	Yukon Hospital Corporation Employees' Pension Plan	Yukon University Employees' Pension Plan	2025 Total	2024 Total
(thousands of dollars)								
Pension and retirement plan assets are valued at fair value.								
Accrued benefit obligation								
Obligation at beginning of year	\$ 82,905	\$ 37,334	\$ 3,660	\$ 14,336	\$ 122,937	\$ 96,075	\$ 357,247	\$ 310,644
Current service costs	3,296	1,748	38	523	5,104	4,156	14,865	13,716
Transfer from other plans	-	-	-	2,235	-	-	2,235	-
Interest cost on benefit obligation	4,165	2,124	179	841	8,277	5,865	21,451	18,807
Actuarial (gain) loss	(81)	2,543	302	145	604	14,282	17,795	32,024
Benefits paid	(2,521)	(1,886)	(135)	(716)	(5,745)	(6,353)	(17,356)	(17,127)
Administration expenses	-	-	-	-	-	(749)	(749)	(817)
Accrued benefit obligation at end of year	<u>87,764</u>	<u>41,863</u>	<u>4,044</u>	<u>17,364</u>	<u>131,177</u>	<u>113,276</u>	<u>395,488</u>	<u>357,247</u>
Plan assets - valued at fair value								
Value at beginning of year	-	12,314	-	4,927	198,197	149,029	364,467	327,619
Actual return on plan assets	-	1,127	-	502	16,309	14,487	32,425	38,167
Transfer from other plans	-	-	-	2,235	-	-	2,235	-
Employer contributions	-	505	-	487	439	1,471	2,902	8,767
Member contributions	-	168	-	77	2,125	1,539	3,909	4,946
Benefits paid	-	(412)	-	(716)	(5,745)	(6,354)	(13,227)	(13,963)
Actual plan expenses	-	-	-	-	(555)	(749)	(1,304)	(1,069)
Value at end of year	<u>-</u>	<u>13,702</u>	<u>-</u>	<u>7,512</u>	<u>210,770</u>	<u>159,423</u>	<u>391,407</u>	<u>364,467</u>

GOVERNMENT OF YUKON

Schedule E

Consolidated Schedule of Retirement Benefits (continued)
for the year ended March 31, 2025

	Extended health care retirement benefit	Legislative Assembly Retirement Allowances Plan	Life insurance retirement benefit	Territorial Court Judiciary Pension Plan	Yukon Hospital Corporation Employees' Pension Plan	Yukon University Employees' Pension Plan	2025 Total	2024 Total
(thousands of dollars)								
Funded status - plan deficit (surplus)	87,764	28,161	4,044	9,852	(79,593)	(46,147)	4,081	(7,220)
Unrecognized net actuarial gain (loss)	<u>(1,576)</u>	<u>(107)</u>	<u>152</u>	<u>(206)</u>	<u>7,350</u>	<u>8,232</u>	<u>13,845</u>	<u>27,115</u>
Accrued benefit liability (asset) (Note 18)	<u>\$ 86,188</u>	<u>\$ 28,054</u>	<u>\$ 4,196</u>	<u>\$ 9,646</u>	<u>\$ (72,243)</u>	<u>\$ (37,915)</u>	<u>\$ 17,926</u>	<u>\$ 19,895</u>
Net benefit cost								
Current service cost	\$ 3,296	\$ 1,748	\$ 38	\$ 523	\$ 5,169	\$ 4,156	\$ 14,930	\$ 14,115
Less: Member contributions	-	(168)	-	(77)	(2,125)	(1,539)	(3,909)	(4,946)
Interest cost on benefit obligation	4,165	2,124	179	841	8,277	5,865	21,451	7,015
Expected return on plan assets	-	(709)	-	(322)	(13,252)	(8,627)	(22,910)	(9,326)
Amortization of net actuarial loss (gain)	<u>397</u>	<u>(2,017)</u>	<u>(1)</u>	<u>(108)</u>	<u>(374)</u>	<u>(2,396)</u>	<u>(4,499)</u>	<u>(6,029)</u>
Net cost for the year	<u>\$ 7,858</u>	<u>\$ 978</u>	<u>\$ 216</u>	<u>\$ 857</u>	<u>\$ (2,305)</u>	<u>\$ (2,541)</u>	<u>\$ 5,063</u>	<u>\$ 829</u>

GOVERNMENT OF YUKON

Schedule E

Consolidated Schedule of Retirement Benefits (continued)
for the year ended March 31, 2025

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

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

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

³ Group 1: 3.00% and Group 2: 4.00%.

2023-24 Key Assumptions						
Expected long term rate of return on assets at beginning of year	N/A	5.70 %	N/A	5.40 %	6.75 %	6.15 %
Discount rate on benefit costs	4.80 %	6.00 %	4.80 %	5.70 %	6.00 %	6.15 %
Discount rate on accrued benefit obligation at end of year	4.90 %	5.70 %	4.90 %	5.40 %	6.75 %	6.15 %
Inflation rate at end of year	2.00 %	2.00 %	2.00 %	2.00 %	2.00 %	2.00 %
Rate of compensation increase	see below ¹	2.50 %	see below ¹	3.00 %	2.50 %	3.40 %
Health care cost trend rate	see below ²	N/A	N/A	N/A	N/A	N/A
Amortization period (expected average remaining service life)	13.0 years	2.0 years	9.5 years	2.6 years	9.2 years	10.0 years

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

² 5.7% per annum for 2024-25, decreasing linearly to 4.9% in 2029, and following the McMaster Model to an ultimate trend rate of 4.0% in 2040.

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PART THREE

NON-CONSOLIDATED FINANCIAL STATEMENTS
AND OTHER INFORMATION

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SECTION I
GOVERNMENT OF YUKON
FINANCIAL STATEMENTS
(unaudited)

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GOVERNMENT OF YUKON
Non-Consolidated Statement of Financial Position
as at March 31, 2025


	2025	2024
	(thousands of dollars)	
Financial assets		
Cash and cash equivalents (Note 4)	\$ 910	\$ 1,017
Due from Government of Canada (Note 5)	172,078	142,962
Accounts receivable (Note 6)	97,351	42,417
Portfolio investments (Note 7)	41,935	38,682
Advances to Territorial corporations (Note 9)	60,901	60,599
Loan receivable - Victoria Gold Corp. (Note 10)	105,000	-
Loans receivable (Note 10)	46,595	43,788
Inventories for resale (Note 11)	86,622	84,658
	<u>611,392</u>	<u>414,123</u>
Liabilities		
Bank advances and short-term borrowings (Note 12)	267,438	105,063
Due to Government of Canada (Note 5)	45,137	40,670
Accounts payable and accrued liabilities (Note 13)	250,520	232,686
Unearned revenues (Note 14)	25,754	33,325
Surety bond - Victoria Gold Corp. (Note 10)	55,000	-
Environmental liabilities (Note 15)	178,811	189,188
Asset retirement obligation liabilities (Note 16)	51,990	50,103
Post-employment benefits and compensated absences (Note 17)	137,418	134,972
Retirement benefits (Note 18)	128,084	123,297
Liabilities for leased tangible capital assets (Note 19)	-	362
	<u>1,140,152</u>	<u>909,666</u>
Net debt	<u>(528,760)</u>	<u>(495,543)</u>
Non-financial assets		
Tangible capital assets (Note 20)	2,085,703	1,903,061
Inventories of supplies	10,892	11,141
Prepaid expenses	4,139	3,249
	<u>2,100,734</u>	<u>1,917,451</u>
Accumulated surplus	<u>\$ 1,571,974</u>	<u>\$ 1,421,908</u>
Accumulated surplus is comprised of:		
Accumulated operating surplus	1,568,305	1,419,734
Accumulated remeasurement gains	3,669	2,174
	<u>\$ 1,571,974</u>	<u>\$ 1,421,908</u>

Contractual rights, contractual obligations, commitments, guarantees, contingencies, and subsequent events (Notes 23, 24, 25, 27, 30 and 31)

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

Approved on: October 20, 2025


 Jessica Schultz
 Deputy Minister of Finance


 Sandy Silver
 Minister of Finance

GOVERNMENT OF YUKON

**Non-Consolidated Statement of Operations and Accumulated Operating Surplus
for the year ended March 31, 2025**

	2025		2024
	Main Estimates (Note 1(b))	Actual	Actual
	(thousands of dollars)		
Revenues (Schedule A)			
From Government of Canada			
Formula financing grant	\$ 1,350,134	\$ 1,350,134	\$ 1,252,161
Contributions and service agreements	314,436	305,947	280,889
Other grants	78,498	145,304	136,484
Taxes and general revenues	262,644	329,260	233,761
Funding and service agreements with other parties	40,731	53,319	48,444
	<u>2,046,443</u>	<u>2,183,964</u>	<u>1,951,739</u>
Expenses (Note 21 and Schedule B)	<u>1,927,416</u>	<u>2,037,639</u>	<u>2,005,675</u>
Recovery of prior years' expenses	-	2,246	11,285
Surplus (deficit) for the year	\$ 119,027	\$ 148,571	\$ (42,650)
Accumulated operating surplus at beginning of year		<u>1,419,734</u>	<u>1,462,384</u>
Accumulated operating surplus at end of year		<u><u>\$ 1,568,305</u></u>	<u><u>\$ 1,419,734</u></u>

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

GOVERNMENT OF YUKON
Non-Consolidated Statement of Remeasurement Gains and Losses
for the year ended March 31, 2025

	2025	2024
	(thousands of dollars)	
Accumulated remeasurement gains at beginning of year	\$ 2,174	\$ 599
Unrealized gains attributable to:		
Portfolio investments	338	4,396
Amounts reclassified to the statement of operations and accumulated operating surplus:		
Portfolio investments	1,157	(2,821)
Net remeasurement gains for the year	1,495	1,575
Accumulated remeasurement gains at year end	\$ 3,669	\$ 2,174

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

GOVERNMENT OF YUKON
Non-Consolidated Statement of Change in Net Debt
for the year ended March 31, 2025

	2025	2024
	Main Estimates (Note 1(b))	Actual Actual
	(thousands of dollars)	
Surplus (deficit) for the year	\$ 119,027	\$ (42,650)
Effect of change in tangible capital assets		
Acquisitions	(229,972)	(260,542)
Amortization of tangible capital assets	66,358	62,790
Loss on disposal of tangible capital assets	70	98
Proceeds on disposal of tangible capital assets	210	-
Change in asset retirement obligation estimate	-	3,137
Write-down of tangible capital assets	-	74
	<u>(163,334)</u>	<u>(194,443)</u>
Effect of change in other non-financial assets		
Acquisition of inventories of supplies	-	(12,824)
Consumption of inventories of supplies	-	11,780
Decrease (increase) in prepaid expenses	-	8
	<u>-</u>	<u>(1,036)</u>
Net remeasurement gains	<u>-</u>	<u>1,575</u>
Increase in net debt	(44,307)	(236,554)
Net debt at beginning of year		(258,989)
Net debt at end of year	<u>\$ (528,760)</u>	<u>\$ (495,543)</u>

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

GOVERNMENT OF YUKON
Non-Consolidated Statement of Cash Flow
for the year ended March 31, 2025

	2025	2024
	(thousands of dollars)	
Operating transactions		
Surplus (deficit) for the year	\$ 148,571	\$ (42,650)
Non-cash items included in surplus (deficit) for the year:		
Amortization of tangible capital assets	67,230	62,790
Loans receivable valuation adjustment	3,063	285
Amortization of unearned revenues	(375)	-
Accretion expense	1,933	1,665
Write-down of tangible capital assets	-	74
Gain on sale of inventories held for resale	(2,370)	(6)
Write-down of inventories held for resale	14,857	-
Loss on disposal of tangible capital assets	231	98
Net change in accounts receivable	(54,935)	(18,671)
Net change in accounts payable and accrued liabilities balances	29,629	(42,856)
Increase in surety bond - Victoria Gold Corp.	55,000	-
Net change in environmental liabilities	(10,377)	97,315
Net change in other operating asset and liabilities balances	(26,284)	32,418
Cash provided by (used for) operating transactions	<u>226,173</u>	<u>90,462</u>
Capital transactions		
Acquisition of tangible capital assets	(258,331)	(248,961)
Cash provided by (used for) capital transactions	<u>(258,331)</u>	<u>(248,961)</u>
Investing transactions		
Net proceeds from (acquisition of) portfolio investments	(808)	(610)
Repayments of advances from Territorial corporations	2,250	250
Advances to Territorial corporations	(2,552)	(475)
Repayment of loans receivable	19,944	15,887
Issuance of loans receivable	(106,368)	(2,383)
Investment in inventories held for resale	(42,428)	(23,174)
Cash provided by (used for) investing transactions	<u>(129,962)</u>	<u>(10,505)</u>
Financing transactions		
Repayment of liabilities for leased tangible capital assets	(362)	(473)
Cash provided by (used for) financing transactions	<u>(362)</u>	<u>(473)</u>
Change for the year	<u>(162,482)</u>	<u>(169,477)</u>
(Bank indebtedness) cash and cash equivalents, beginning of year	<u>(104,046)</u>	<u>65,431</u>
Bank indebtedness, end of year	<u><u>\$ (266,528)</u></u>	<u><u>\$ (104,046)</u></u>
Represented by:		
Cash and cash equivalents (Note 4)	\$ 910	\$ 1,017
Bank advances and short-term borrowings (Note 12)	<u>(267,438)</u>	<u>(105,063)</u>
Total	<u><u>\$ (266,528)</u></u>	<u><u>\$ (104,046)</u></u>
Interest received in the year	\$ 8,400	\$ 8,080
Interest paid in the year	\$ 5,896	\$ 2,319

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

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

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) Main Estimates

The Main Estimates figures are from the Main Estimates approved in the Legislative Assembly in March 2024. These figures do not reflect changes arising from Special Warrants issued or any Supplementary Estimates approved later in the year by the Yukon Legislative Assembly. Certain schedules provide comparisons to Revised Estimates which incorporate these changes.

(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 financial statements are prepared on a non-consolidated basis for the purpose of determining the financial position and annual results of the Government of Yukon departments. The *Taxpayer Protection Act* (Yukon) requires that the accounting policies of the Government, which are used to prepare its non-consolidated financial statements, must conform to the recommendations of the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, except with respect to consolidation.

The Government also prepares a set of consolidated financial statements in accordance with Canadian Public Sector Accounting Standards (PSAS) as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

2. Significant 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, 2029. The Formula Financing grant is principle-based, and the Canada health transfer and the Canada social transfer are simple equal cash per capita grants. Adjustments for health and social transfers are made in the year they are known.

Government 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.

Income taxes, levied under the *Income Tax Act* (Yukon), are collected by the Government of Canada on behalf of the Government under a tax collection agreement and are remitted to the Government monthly. Remittances are determined in accordance with the Department of Finance – Canada's best estimates for the taxation year, and income tax revenues are recognized on the basis of these estimates, subject to adjustments for known factors. Any adjustments upon finalization are reflected in the accounts in the year they are identified. Tax concessions are accrued on the same basis as the associated tax revenues and reduce gross taxation revenue.

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

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

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

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

2. Significant accounting policies (continued)

Revenues (continued)

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

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

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

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

Expenses

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

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

Assets

Financial assets

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

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

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

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

2. Significant accounting policies (continued)

Assets (continued)

Financial assets (continued)

Advances to Territorial corporations are funds provided by the Government to its government-owned entities to support their operations or projects, typically recorded as assets until repaid or settled.

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.

Inventories for resale include land that has been developed by the Government. 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.

Non-financial assets

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

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

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

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

2. Significant accounting policies (continued)

Assets (continued)

Non-financial assets (continued)

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

<u>Asset category</u>	<u>Estimated useful life</u>
Land	Indefinite
Buildings	
Buildings	50-100 years
Leasehold Improvements	Lease term
Portable classroom/housing trailers	10-40 years
Equipment and vehicles	
Heavy equipment	7-30 years
Operating equipment	5-25 years
Vehicles	6-20 years
Computer hardware and software	
Computer hardware	3-7 years
Computer software	3-20 years
Infrastructure	
Transportation infrastructure ¹	5-75 years
Forestry access roads	5-10 years
Resource access roads	Life of Mine
Land improvements and fixtures	5-50 years
Waste and water systems	
Landfills	25-80 years
Sewage and water systems	5-50 years
Communications technology	
Mobile radio system infrastructure	5-20 years
Network transmission systems	20-40 years

¹ Includes Highways, Surfaces, Bridges and Airport runways

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

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

2. Significant accounting policies (continued)

Assets (continued)

Other non-financial assets

Inventories of supplies consist primarily of fuel and lubricants, repair parts, stationery and office supplies, and highway materials that are tracked through revolving funds. 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.

Prepaid expenses consist primarily of licences, permits or operating leases with a life longer than the fiscal year and are expensed over the life of the underlying agreements.

Liabilities

Bank advances and short-term borrowings have initial maturities of one year or less.

Unearned revenues are cash received for which goods and services have not been provided by year-end and are primarily comprised of 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.

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, vacation leave, special leave and education leave that are paid to employees during their employment. The Government recognizes the obligation for these benefits as a liability and uses actuaries to estimate the amount of the obligation based on the projected benefit method prorated on service. Expenses related to post-employment benefits and compensated absences are recognized in the period in which the employee's service is rendered and the benefits are earned. The accrued benefit liability for these benefits is calculated as the accrued benefit obligation adjusted by unamortized actuarial gains or losses.

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

2. Significant accounting policies (continued)

Liabilities (continued)

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 and territorial court judges 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 market value.

Environmental liabilities

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

Asset retirement obligation liabilities

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

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

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

2. Significant accounting policies (continued)

Liabilities (continued)

Asset retirement obligation liabilities (continued)

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

If the tangible capital asset is in productive use, the estimated obligation is recorded as a liability and increase to the related tangible capital asset. The capitalized asset retirement cost is amortized on the same basis as the related tangible capital asset and recorded in amortization expense. If the tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

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

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

Other

Financial instruments

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

Financial Assets:	Measurement Basis
Cash and cash equivalents	Cost
Due from Government of Canada	Cost
Accounts receivable	Cost
Portfolio investments	Fair value
Advances to territorial corporations	Amortized cost
Loans receivable	Amortized cost

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

2. Significant accounting policies (continued)

Other (continued)

Financial instruments (continued)

Financial Liabilities:	Measurement Basis
Bank advances and short-term borrowings	Cost
Due to Government of Canada	Cost
Accounts payable and accrued liabilities	Cost

Fair value measurement

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

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

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

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

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

Measurement uncertainty

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

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

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

2. Significant accounting policies (continued)

Other (continued)

Measurement uncertainty (continued)

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

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 activities are complex and subjective. These estimates require a high degree of management judgement. The degree of measurement uncertainty resulting from the estimation of the provision cannot be reasonably determined.

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

3. Future changes in accounting standards

The Government will implement the new Conceptual Framework for Financial Reporting in the Public Sector (Conceptual Framework) and PS 1202 Financial Statement Presentation on April 1, 2026. The impact on the non-consolidated financial statements is currently being assessed.

The Conceptual Framework prescribes the nature, function and limits of financial accounting and reporting. It is the foundation on which PSAS are developed and professional judgement is applied. It will replace the conceptual aspects of PS 1000 Financial Statement Concepts and PS 1100 Financial Statement Objectives.

PS 1202, also known as the new reporting model, sets out key requirements for the presentation of information in public sector financial statements, based on foundational ideas from the Conceptual Framework.

4. Cash and cash equivalents

	2025	2024
	(thousands of dollars)	
Bank balances	\$ 864	\$ 968
Cash on hand	46	49
	<u>\$ 910</u>	<u>\$ 1,017</u>

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

5. Due from/to Government of Canada

	2025	2024
	(thousands of dollars)	
Due from Government of Canada		
Cost-sharing agreements and projects delivered on behalf of the Government of Canada	\$ 164,558	\$ 136,562
Income tax	7,517	6,397
Other	3	3
	<u>\$ 172,078</u>	<u>\$ 142,962</u>
Due to Government of Canada		
RCMP	\$ 11,344	\$ 15,233
Public Service Pension Plan contribution	10,976	9,866
Payroll taxes	10,155	7,356
Program funding liable for claw back	3,081	3,081
Type II mine sites	1,270	1,033
Other	8,311	4,101
	<u>\$ 45,137</u>	<u>\$ 40,670</u>

Amounts due from and due to the Government of Canada are payable on demand and are non-interest bearing. The carrying amounts approximate fair values because of their short term to maturity.

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

6. Accounts receivable

	2025	2024
	(thousands of dollars)	
Taxes, interest, and other revenue receivables	\$ 40,905	\$ 38,813
Less: valuation allowance	<u>(3,708)</u>	<u>(3,599)</u>
	37,197	35,214
Tobacco settlement ¹	54,026	-
Due from Territorial corporations	<u>6,128</u>	<u>7,203</u>
	<u><u>\$ 97,351</u></u>	<u><u>\$ 42,417</u></u>

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

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

The Government is owed approximately \$101,000,000 in accordance with the agreement. The receivable of \$54,026,000 represents non-recurring revenue recorded in 2025 and is measured at net present value. In August and September 2025, the Government received an initial upfront payment of \$25,428,000. The remaining balance will be paid in annual instalments tied to a percentage of the tobacco companies' net after-tax income until the amount is fully paid.

The Government recorded \$3,269,000 in relation to the settlement legal fees.

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

7. Portfolio investments

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

	Quoted prices (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total 2025	Total 2024
(thousands of dollars)					
Short-term investments	\$ -	\$ 5,336	\$ -	\$ 5,336	\$ 2,420
Bonds	-	6,304	-	6,304	5,906
Mortgages	-	4,347	-	4,347	4,047
Equities	-	25,948	-	25,948	26,309
Investments at fair value	<u>\$ -</u>	<u>\$ 41,935</u>	<u>\$ -</u>	<u>\$ 41,935</u>	<u>\$ 38,682</u>

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

8. Designated assets

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

Designated assets of \$41,935,000 (2024 - \$38,682,000) are included in portfolio investments (Note 7).

9. Advances to Territorial corporations

	2025	2024
(thousands of dollars)		
Yukon Development Corporation		
Infrastructure loan	\$ 32,200	\$ 34,200
Yukon Housing Corporation		
Working capital advances	<u>28,701</u>	<u>26,399</u>
	<u>\$ 60,901</u>	<u>\$ 60,599</u>

In 2018 the Government advanced \$39,200,000 to the Yukon Development Corporation ("YDC") for 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, 2028, and pursuant to the agreement, the loan may be extended for additional five-year terms upon mutual consent of the parties.

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

9. Advances to Territorial corporations (continued)

The per annum interest rate is based off the one-year indicative swap rate plus a 0.65% premium increase. The rate of interest effective on March 31, 2025, is 5.69% (2024 – 5.15%). The loan agreement requires principal repayments of \$1,000,000 on March 31 each year and full repayment of any principal outstanding at the end of each loan term if the loan is not extended. Two payments due March 31, 2024 and March 31, 2025 from YDC were received in 2025.

The working capital advances to the Yukon Housing Corporation are interest free and have various repayment terms.

10. Loans receivable

	2025	2024
	(thousands of dollars)	
Agreements for sale of land, due in varying annual amounts over a three- or five-year term to the year 2029 (2024 – 2029), bearing interest at 5.00% to 7.75% (2024 – 5.00% to 7.75%).	\$ 29,941	\$ 23,075
Local improvement loans, due in varying annual amounts to the year 2040 (2024 – 2040), bearing interest rates ranging from 0.50% to 5.25% (2024 – 0.00% to 5.25%).	8,232	8,948
Domestic well loans, due in varying annual amounts to the year 2038 (2024 – 2038), bearing interest rates ranging from 0.50% to 4.50% (2024 – 0.50% to 5.25%).	5,687	5,772
Debenture loans to municipalities, due in varying annual amounts to the year 2038 (2024 – 2038), bearing interest rates ranging from 2.72% to 5.85% (2024 – 2.72% to 6.38%).	2,077	2,379
Regional Relief and Recovery Fund loans providing assistance to businesses to recover from COVID-19 pandemic, due with forgivable terms, bearing interest rates ranging from 0.00% to 5.00% (2024 – 0.00% to 5.00%).	405	437
Better Buildings Program offering low-cost funding of up to \$50,000 for residential and \$100,000 for commercial buildings for upgrades that reduce annual energy consumption. Due in varying annual amounts over fifteen-year term to the year 2039, bearing interest rates ranging from 4.75% to 5.25% (2024 – 4.75% to 5.25%).	305	152
Energy infrastructure development loan due in periodic instalments bearing interest at 6.40% (2024 – 6.40%).	205	205
Business development assistance loans, due in varying annual amounts with varying terms, bearing interest rates ranging from 0.00% to 5.20% (2024 – 0.00% to 5.20%).	65	65

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

10. Loans receivable (continued)

	2025	2024
	(thousands of dollars)	
Due from Yukon Housing Corporation for lands agreements, due in periodic instalments to the year 2025 (2024 – 2025), bearing interest at 0.00% (2024 – 0.00%).	-	14
Due from Yukon Hospital Corporation for pension plan solvency loan, due as one payment in the year 2035, bearing interest at 3.95%.	-	3,063
Less: Valuation Allowance	(322)	(322)
	<u>\$ 46,595</u>	<u>\$ 43,788</u>

The Government received non-cash consideration for sale of land of \$24,446,000 (2024 - \$16,066,000) in the form of loans receivable.

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

On August 12, 2024, the Government issued a Court-approved loan of \$50,000,000 to the receiver through a receivership credit agreement. This loan was increased to \$105,000,000 on November 27, 2024 through an amended receivership credit agreement. The loan bears 9.00% annual interest rate, compounded monthly, and is backed by a Court-ordered super-priority charge on Victoria Gold Corp.'s assets. The loan is fully repayable on the maturity date which is the earlier of any of these events (i) the occurrence of a default (ii) lifting of the temporary closure of Eagle Gold Mine (iii) the closing of any sale, refinancing, recapitalization, liquidation or other transactions involving Victoria Gold Corp.'s business or property or (iv) the discharge, replacement of the receiver or termination of the receivership proceeding.

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

On April 1, 2025, the Court raised the receiver's borrowing limit to \$220,000,000 pursuant to the second amended receivership credit agreement. The Government then received the remaining \$48,700,000 under the surety bonds to help fund this additional financing to the receiver. The aggregate amount advanced to the receiver is secured by the Court-ordered super-priority charges on Victoria Gold Corp.'s assets.

The Government's recovery of these amounts depends on the outcome of the sale process approved by the Court in June 2025 and any future Court decisions regarding the surety bonds. The sale is expected to conclude by December 2025 so the Government will monitor and reassess these events during 2026.

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

11. Inventories for resale

	2025	2024
	(thousands of dollars)	
Undeveloped land	\$ 603	\$ 603
Land under development ¹	68,354	67,237
Developed land	<u>17,665</u>	<u>16,818</u>
	<u>\$ 86,622</u>	<u>\$ 84,658</u>

¹ In 2025 a valuation of the land inventory for resale was performed based on current market conditions and independent appraisals. It was determined that the net realizable value of certain parcels including Haines Junction and Watson Lake was less than the development cost.

As a result, an impairment loss of \$14,857,000 was recognized as an expense under community and transportation in the statement of operations and accumulated operating surplus. The land inventory was written down from a carrying amount of \$83,211,000 to a net realizable value of \$68,354,000.

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

12. Bank advances and short-term borrowings

The amounts borrowed from lines of credit fluctuated throughout the year with interest rates between 4.10% to 6.35% (2024 - 5.85% to 6.35%). Interest expense incurred was \$5,896,000 (2024 - \$2,220,000).

The Government's financial institutions have legally enforceable rights to set off the outstanding balance under the line of credit by bank balances in other accounts with the same financial institution.

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

	2025	2024
	(thousands of dollars)	
Bank balances	\$ (91,580)	\$ (89,008)
Line of credit	<u>359,018</u>	<u>194,071</u>
	<u>\$ 267,438</u>	<u>\$ 105,063</u>

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

13. Accounts payable and accrued liabilities

	2025	2024
	(thousands of dollars)	
Accounts payable	\$ 62,514	\$ 75,690
Accrued liabilities ¹	117,814	94,085
Contractors' holdbacks and security deposits	27,659	35,529
Due to Territorial corporations	22,279	20,941
Other	20,254	6,441
	<u>\$ 250,520</u>	<u>\$ 232,686</u>

¹ The accrued liabilities include the Yukon Government Carbon Price Rebate which represents the net of the amounts received from the Government of Canada less the amounts disbursed to the eligible groups as of March 31. The balance of the liability as of March 31, 2025 is \$28,490,000 (2024 - \$16,142,000).

14. Unearned revenues

	2025	2024
	(thousands of dollars)	
Liability portion of government transfers	\$ 10,932	\$ 23,928
Prepaid lease payments ¹	14,625	9,200
Other	197	197
	<u>\$ 25,754</u>	<u>\$ 33,325</u>

¹ The Government has an agreement with Northwestel Inc., a private sector, non-government entity for the Dempster Fibre Line (DFL), a fiber optic telecommunications network connecting Dawson City, Yukon and Inuvik, Northwest Territories. Based on the terms of the agreement, Northwestel has prepaid \$15,000,000 (2025 - \$5,800,000, 2023 - \$5,200,000, 2022 - \$4,000,000) to gain access to rights to the DFL over 20 years. The construction was concluded in September 2024 and \$375,000 was recognized as revenue in 2025. The unearned amount of \$14,625,000 will be recognized as revenue on a straight-line basis over the remaining lease term.

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

15. Environmental liabilities

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

	2025		2024	
	Number of sites	Estimated Liability	Number of sites	Estimated Liability
	(thousands of dollars)			
Liabilities for:				
Highway maintenance camps and airports	36	\$ 28,181	35	\$ 27,120
Other storage tanks and buildings	87	14,409	58	8,356
Marwell Tar Pit	1	797	1	25
Wellgreen	1	20,165	1	20,625
Wolverine	1	45,595	1	44,613
Minto	1	47,820	1	70,980
Other	33	17,018	16	12,747
	160	173,985	113	184,466
Type II sites	1	4,826	1	4,722
	161	\$ 178,811	114	\$ 189,188

(a) Contaminated sites and other environmental liabilities

The Government has recorded environmental liabilities for contaminated sites of \$173,985,000 (2024 - \$184,466,000). 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, 2025, the Government was aware of 160 sites (2024 – 113 sites) where the Government is obligated or is likely obligated to incur such costs. Phase I Environmental Site Assessments (ESA) have been undertaken on 148 of the 160 sites (2024 - 109 of the 113 sites). During the year remediation work was undertaken at 10 sites (2024 - 16 sites).

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

15. Environmental liabilities (continued)

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

One of the 160 contaminated 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 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, 2025, \$797,000 (2024 – \$25,000) was recorded as the remaining liability for this site.

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 \$20,165,000 (2024 - \$20,625,000), which reflects the Government's potential exposure before any potential recoveries from the other parties.

The Wolverine Mine site was owned and operated by Yukon Zinc Corporation under a license pursuant to the Quartz Mining Act (Yukon). After operating for a short period of time, during which the required financial security for potential closure and remediation costs was not provided in full, the company was placed in receivership on September 16, 2019. After several legal rulings and appeals, the Court appointed receiver was unsuccessful in finding a viable purchaser of the mine and recommended it be turned over to the Government for closure. The Government has included \$45,595,000 (2024 - \$44,613,000) as an estimated liability for the remediation of this mine.

In May 2023, Minto Metal Corporation (Minto) abandoned its mine site located on Selkirk First Nation Category Settlement Land. The Government, in its regulatory capacity, determined that the mining operation was abandoned and acted under its powers in the Quartz Mining Act and Water Act to protect persons, property and environment.

During 2025, reclamation and closure costs of \$23,160,000 (2024 - \$23,993,000) were incurred. The Government claimed \$22,482,000 (2024 - \$23,811,000) from a security bond, which was recorded in funding and service agreements with other parties at March 31, 2025. During the year \$23,587,000 (2024 - \$18,109,000) of the bond was received and \$4,597,000 (2024 - \$5,702,000) was recorded as accounts receivable as at March 31, 2025. The remaining liability for Minto was reduced to \$47,820,000 (2024 - \$70,980,000) as at March 31, 2025. A related \$3,080,000 security from Minto, which is held in trust by the Government, earned interest of \$170,000 (2024 - \$135,000).

Subsequent to year-end, Buyco, a subsidiary of a Selkirk First Nation corporation, acquired substantially all of Minto's tangible assets and mineral claims and licenses. The Government agreed to pause reclamation work beginning April 2026, while Buyco undertakes an 18-month feasibility program to evaluate long-term options for the site. The Government has assessed that no adjustments to the environmental liability are required at this time and will continue to monitor developments to inform any required adjustments in the future.

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

(b) Type II sites

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

On April 10, 2015, Veris Gold Corporation abandoned the Ketz River Mine site ("the site"). The site is identified as a Type II mine site in the DTA between the Government and the Government of Canada. The Government has provided notice to the Government of Canada pursuant to the DTA that the site has been abandoned by its owner/operator. Once a Type II site becomes abandoned the DTA requires that an Independent Assessor assess the condition of the site and develop a remediation plan. The Government is responsible for the cost of this assessment. Under the DTA, the Government of Canada accepted financial responsibility for the remediation of impacts attributable to activities that were permitted by the Government of Canada. The Government will be financially responsible for remediation of impacts of activities it permitted after devolution. The Government's costs, if any, may be offset by the security bond it holds. The financial obligations related to the assessment required under the DTA are estimated to be \$4,826,000 (2024 - \$4,722,000) and remediation costs, if any, which are the Government's responsibility, are currently undeterminable. No assets are designated for settling these liabilities.

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

16. Asset retirement obligation liabilities

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

	Asbestos & other hazardous building materials	Forestry access roads	Fuel tanks	Landfills	2025	2024
	(thousands of dollars)					
Opening balance	\$ 31,528	\$ 589	\$ 2,079	\$ 15,907	\$ 50,103	\$ 58,193
Liability incurred	-	19	-	-	19	613
Liability settled	-	-	(82)	-	(82)	(98)
Accretion	1,418	27	90	398	1,933	1,665
Changes in estimates	17	-	-	-	17	(10,270)
	<u>\$ 32,963</u>	<u>\$ 635</u>	<u>\$ 2,087</u>	<u>\$ 16,305</u>	<u>\$ 51,990</u>	<u>\$ 50,103</u>

The undiscounted amount of estimated future cash flows is \$126,150,000 (2024 - \$126,099,000).

(a) Asbestos & other hazardous building materials liability

The Government owns and leases several buildings that are known to have asbestos and other hazardous building materials, which represents a health hazard upon demolition of the building. Per Occupational Health and Safety legislation, there is a legal obligation to remove the asbestos and other hazardous building materials in a prescribed manner when the building is demolished. The buildings have a remaining estimated useful life ranging from 1 to 70 years (2024 – 1 to 71 years). Estimated costs have been discounted to their present value using a discount rate of 4.50% per annum (2024 – 4.50%). The retirement costs are expected to be incurred between 2026 and 2096.

(b) Forestry access roads liability

The Government has asset retirement obligations for its forestry access roads under the Forest Resources Act – Forest Resources Regulation. Asset retirement activities include decommissioning of the roads to restrict future access. The forestry access roads have an estimated remaining useful life ranging from 1 to 10 years (2024 – 1 to 10 years). Estimated costs have been discounted to their present value using a discount rate of 4.50% per annum (2024 – 4.50%). The retirement costs are expected to be incurred between 2026 and 2035.

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

16. Asset retirement obligation liabilities (continued)

(c) Fuel tank liability

The Government has asset retirement obligations for its fuel tanks under the *Environment Act (Yukon) – Storage Tank Regulations*. Asset retirement activities for the fuel tanks include decommissioning or dismantling the tanks, remediation of contamination from their normal use, and post-retirement monitoring. The fuel tanks have an estimated remaining useful life ranging from 8 to 19 years (2024 - 9 to 20 years). Estimated costs have been discounted to their present value using a discount rate of 4.50% per annum (2024 – 4.50%). The retirement costs are expected to be incurred between 2033 and 2053.

(d) Landfill liability

There are 23 active or closed landfill sites that are outside incorporated communities that are operated by the Government. These landfill sites are subject to the *Environment Act (Yukon) – Solid Waste Regulations* which includes requirements for closure and post-closure care of a landfill. In calculation of the liability for these sites, the remaining landfill life was estimated to be from 0 to 48 years (2024 – 0 to 49 years). Solid waste permits issued under the *Solid Waste Regulations* specify 25 years of post-closure monitoring; therefore, 25 years is used as an estimated length of time needed for post-closure care. A discount rate of 2.50% per annum (2024 – 2.50%) was used for the net present value calculation for active and closed landfill sites. The retirement costs are expected to be incurred between 2026 and 2099.

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
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17. Post-employment benefits and compensated absences

	2025	2024
	(thousands of dollars)	
Severance benefits	\$ 63,276	\$ 59,490
Sick leave obligation	25,506	23,617
Vacation leave obligation	<u>31,239</u>	<u>28,902</u>
Accrued benefit obligation	120,021	112,009
Unamortized net actuarial gain	<u>13,933</u>	<u>19,992</u>
Post-employment benefits accrued liability	133,954	132,001
Compensated absences	<u>3,464</u>	<u>2,971</u>
	<u><u>\$ 137,418</u></u>	<u><u>\$ 134,972</u></u>

Severance benefits are paid on termination of service or upon retirement. The above amounts are comprised of severance benefits for Government employees and for the Members of the Legislative Assembly.

(a) Yukon Government employees

Severance benefits are paid to Government employees based on the type of termination, e.g., resignation versus retirement, the rate of the pay, and the number of years of continuous employment.

If an employee has at least five years of continuous service, a cash-in of sick leave will be paid on termination of service or upon retirement. 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 accrued benefit obligation at March 31, 2025 is based on an actuarial valuation conducted as at December 31, 2022. In projecting the accrued obligation for these benefits as at March 31, 2025, the Government assumed a discount rate of 4.60% and general salary increases of 2.00% per annum. The net actuarial gain or loss is amortized over the expected average remaining service life of the active employees of 13 years.

Expenses related to post-employment benefits for the year ended March 31, 2025 were \$14,390,000 (2024 - \$14,042,000). Benefits paid by the Government from the post-employment benefits liability during the year amounted to \$12,664,000 (2024 - \$12,394,000). Post-employment benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

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

Effective December 31, 2019, all current resignation and retirement severance accruals have been frozen for employees classified as Deputy Ministers and Managers. All employees are eligible to receive severance payouts based on service accrued prior to December 31, 2019. The plan amendments do not materially affect the results. The accounting standards prescribe that the cost of plan amendments related to prior employee service is accounted for as an expense in the period of the amendment. The exception is where unamortized

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

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

(a) Yukon Government employees (continued)

gains or losses exist, whereby the unamortized gains or losses are immediately recognized to the maximum of the prior period service cost.

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.

(b) Members of the Legislative Assembly

The Legislative Assembly Act (Yukon) provides a severance allowance to members of the Legislative Assembly based on the aggregate of the indemnity and salary received by the member during the preceding year and the number of years served by the member. At March 31, 2025, the severance benefit obligation for this benefit was \$1,535,000 (2024 - \$1,308,000). The value of the assets designated by the Government to meet this obligation was \$1,478,000 at March 31, 2025 (2024 - \$1,222,000), which was included in the value disclosed in Note 8. The accrued benefit liability at March 31, 2025 is based on an extrapolation of an actuarial valuation that was performed as at March 31, 2024.

18. Retirement benefits

(a) Public Service Pension Plan

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

Since the above changes, there are two groups paying different rates of contributions to the plan. The Government contributes \$1.01 for every dollar contributed by the old group of plan members and \$1.00 for the new group of plan members.

In the calendar year 2025, for the portion of the employee's salary above \$210,200, the Government contributes \$5.09 for every dollar contributed by both groups of plan members. In the calendar year 2024, for the portion of the employee's salary above \$202,000 the Government contributed \$4.63 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 \$47,963,000 (2024 - \$47,051,000).

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

18. Retirement benefits (continued)

(b) Legislative Assembly Retirement Allowances Plan

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

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

The *Legislative Assembly Retirement Allowances Act* stipulates that actuarial valuations for funding purposes must be performed at least triennially. An actuarial valuation is based on a number of assumptions about future events, such as inflation rates, interest rates, salary increases and member turnover and mortality. The assumptions used in a valuation for funding purposes are based on the actuary's best estimates with margins for conservatism. The last actuarial valuation for funding purposes was performed as of March 31, 2024. The accrued benefit obligation as at March 31, 2025 is based on an actuarial valuation performed for accounting purposes using the membership data as of March 31, 2024.

(c) Territorial Court Judiciary Pension Plan

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

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

The last actuarial valuation for funding purposes was performed as of March 31, 2023. The accrued benefit obligation as at March 31, 2025 is based on an actuarial valuation performed for accounting purposes using the membership data as of March 31, 2023.

(d) 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, 2025 is based on an extrapolation of an actuarial valuation conducted as at December 31, 2022. 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.

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

(d) Extended health care and life insurance retirement benefits (continued)

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 were 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.

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

	2025	2024
	(thousands of dollars)	
Accrued benefit liability		
Extended health care retirement benefit	\$ 86,188	\$ 80,851
Legislative Assembly Retirement Allowance Plan	28,054	29,055
Life insurance retirement benefit	4,196	4,115
Territorial Court Judiciary Pension Plan	9,646	9,276
(Schedule D)	<u>\$ 128,084</u>	<u>\$ 123,297</u>

19. Liabilities for leased tangible capital assets

	2025	2024
	(thousands of dollars)	
Building lease obligation payable monthly until the year 2025, with imputed interest rate of 3.7%	\$ -	\$ 292
Building lease obligation payable monthly until the year 2024, with imputed interest rate of 3.3%	-	70
	<u>\$ -</u>	<u>\$ 362</u>

Interest expense related to liabilities for leased tangible capital assets for the year was \$nil (2024 – \$99,000) at an imputed average interest rate of 3.50% (2024 – 3.50%).

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

20. Tangible capital assets

	2025	2024
	Net Book Value	Net Book Value
	(thousands of dollars)	
Land	\$ 17,000	\$ 13,010
Buildings	652,189	624,692
Equipment & vehicles	89,344	91,190
Computer hardware & software	37,891	36,094
Transportation infrastructure	1,064,046	926,190
Land improvements & fixtures	57,945	51,604
Waste & water systems	57,937	57,508
Communications technology	<u>109,351</u>	<u>102,773</u>
(Schedule C)	<u><u>\$ 2,085,703</u></u>	<u><u>\$ 1,903,061</u></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 \$338,000 (2024 – \$317,000). The cost and accumulated amortization of leased capital assets that are included in the schedule of tangible capital assets are as follows:

	2025	2024
	(thousands of dollars)	
Buildings -cost	\$ -	\$ 4,273
Buildings - Accumulated Amortization	<u>-</u>	<u>(3,935)</u>
	<u><u>\$ -</u></u>	<u><u>\$ 338</u></u>

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

21. Expenses by object

	2025	2024
	(thousands of dollars)	
Personnel	\$ 735,398	\$ 670,832
Government transfers	660,707	605,198
Contract and special services	247,956	257,040
Materials, supplies, and utilities	136,424	144,424
Rent	67,463	62,852
Amortization	67,230	62,790
Communication and transportation	45,620	45,372
Environmental obligations	13,578	120,360
Accretion	1,933	1,665
Other	61,330	35,142
	<u>\$ 2,037,639</u>	<u>\$ 2,005,675</u>

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

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, 2025, 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, 2025, except for the Compensation Fund (Yukon) which is at December 31, 2024.

	2025	2024
	(thousands of dollars)	
Compensation Fund (Yukon)	\$ 313,006	\$ 277,633
Canada Community Building Funds	135,143	148,308
Lottery Commission	8,736	10,855
Crime Prevention and Victim Services	8,557	8,213
Forest Sector Trust	6,996	6,675
Quartz Mining Licence Security Deposit	6,012	5,751
Extended Health and Dental Plan Trust Funds	4,353	465
Oil & Gas Well Abandonment Deposit	2,975	2,203
Public Guardian Trust	2,587	2,006
School Trust Accounts	1,868	1,651
Other	2,657	1,799
	<u>\$ 492,890</u>	<u>\$ 465,559</u>

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

23. Contractual rights

The Government has entered into agreements to receive, or has contractual rights for, the following receipts subsequent to March 31, 2025:

	Expiry Date	2026	2027 - 2032	Total
(thousands of dollars)				
Contribution and Service Agreements				
Infrastructure Canada	2031	\$ 109,769	\$ 219,398	\$ 329,167
Transport Canada	2029	94,357	79,512	173,869
Indigenous Services Canada	2032	26,299	131,495	157,794
Health Canada	2028	22,009	24,234	46,243
Environment and Natural Resources Canada	2028	19,821	18,895	38,716
Early Learning and Childcare Agreement	2031	18,948	74,387	93,335
Employment and Social Development	2028	6,744	12,322	19,066
Canada-Yukon Nature Agreement	2026	6,551	-	6,551
Canadian Heritage	2028	9,865	19,807	29,672
Justice Canada	2027	1,643	1,643	3,286
National Action Plan to End Gender Based Violence	2027	1,610	1,610	3,220
Student Financial Assistance	2027	509	2,036	2,545
		<u>\$ 318,125</u>	<u>\$ 585,339</u>	<u>\$ 903,464</u>

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

24. Contractual obligations

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2025:

	Expiry Date	2026	2027 - 2040	Total
		(thousands of dollars)		
Capital projects - in progress at March 31, 2025	2031	\$ 304,832	\$ 28,866	\$ 333,698
RCMP policing agreement	2032	43,562	261,373	304,935
Yukon Hospital Corporation	2026	129,673	-	129,673
Other operational commitments	2033	62,234	34,855	97,089
Building/office space leases	2033	16,329	15,137	31,466
Mineral Resources and Geoscience Services	2027	21,749	4,907	26,656
Alkan Air Ltd. medical evacuation contract	2026	44,349	-	44,349
Yukon Development Corporation	2026	3,850	-	3,850
Information Services Corporation	2040	222	5,156	5,378
Student Transportation	2027	4,478	5,908	10,386
Northwestel Inc. mobile radio network system	2025	545	-	545
		<u>\$ 631,823</u>	<u>\$ 356,202</u>	<u>\$ 988,025</u>

25. Commitments

In June 2010, the Yukon Development Corporation ("YDC") issued 30-year bonds in the amount of \$100,000,000 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 2025, the Government paid \$2,625,000 (2024 - \$2,428,000) to YDC based on the MOU.

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

26. Overexpenditure

Over-expenditure of a vote contravenes subsection 17(2) of the *Financial Administration Act* (Yukon) which specifies that “a vote does not authorize any payment to be made in excess of the amount specified in the vote”. During the year, no (2024 – no) departments exceeded their votes.

The *Appropriation Acts* (Yukon) state that the Government is not to expend grant payments except in accordance with the Act. During the year, no (2024 – two) departments exceeded the authorized amounts.

27. Guarantees

The Government has guaranteed repayment of loans payable by the Yukon Housing Corporation of \$364,000 (2024 - \$544,000). In addition, the Government has guaranteed an operating demand overdraft facility to the Yukon Housing Corporation of up to \$0 (2024 - \$11,000,000). The overdraft facility has been discontinued in 2025.

At March 31, 2025, Yukon Development Corporation had long-term debt of \$247,232,000 (2024 - \$225,000,000) and a credit facility of up to \$100,000,000 (2024 - \$115,000,000). While the Government has not issued guarantees for these instruments, as Yukon Development Corporation is an agent of the Government, lenders may have recourse to the Government.

In February 2024, the Government issued a letter of credit providing guarantee to the bank in relation to the Yukon University Employee's Pension Plan's solvency deficit. The Yukon University held the letter of credit with face value of \$5,932,000 (2024 - \$5,932,000). In 2025, the Pension Plan was no longer in a solvency deficiency, and therefore the letter of credit was cancelled on April 2, 2025.

In August 2024, the Government issued a letter of credit providing guarantee to the bank in relation to the Yukon Hospital Employee's Pension Plan's solvency deficit. This guarantee was in effect from June 30, 2024 to June 30, 2025. The maximum amount of letters of credit to which the guarantee applied was \$19,450,000 (2024 - \$27,992,000).

It is expected that no significant costs will be incurred by the Government with respect to these guarantees and debts.

28. Risk management of financial instruments

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

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

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

28. Risk management of financial instruments (continued)

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

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

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

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

	2025	2024
	(thousands of dollars)	
Carrying value	\$ 97,351	\$ 42,417
Allowance for doubtful accounts	\$ 3,708	\$ 3,599
Accounts receivable % less than 30 days	93 %	78 %
Accounts receivable % over 90 days	6 %	15 %

To manage the credit risk on loans receivable, the Government actively monitors loan payments and works with borrowers to develop payment plans to resolve outstanding arrears issues. The maximum exposure of the loans receivable to credit risk is \$46,595,000 (2024 - \$43,788,000). As at March 31, 2025, 100% (2024 - 95%) of loans receivable were current, whereas 0% (2024 - 5%) were past due.

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

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

The Government manages its overall liquidity risk by managing cash resources which is achieved by monitoring actual and forecasted cash flows from operating, investing, and financing activities.

The carrying amounts of bank advances and short-term borrowings, accounts payable and accrued liabilities, as well as due to Government of Canada, as reported on the non-consolidated statement of financial position will be settled in the next fiscal year.

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

28. Risk management of financial instruments (continued)

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

The Government is exposed to interest rate risk through its investment holdings in interest-bearing, or fixed-income assets. The Government manages this risk on its investments by setting asset mix guidelines that limit the extent to which interest rates impact the market value of the Government's portfolio investments, which may include GICs, term deposits, and funds that include short-term debt securities of Canadian Governments and corporate issuers with terms to maturity of 90 days or more but one year or less from the date of acquisition. Based on year-end short-term investment balances, a one per cent increase (decrease) in the bank's prime lending rate could increase (decrease) interest income by approximately \$53,000 (2024 - \$24,000).

The Government has access to line of credit up to \$449,000,000 (2024 - \$200,000,000). The Government used its line of credit during the year and incurred interest expenses at prime rate minus 0.85% (2024 - prime rate minus 0.85%) per annum. The Government's credit facility interest rates are subject to fluctuations in the prime rate. The interest rate risk is minimal due to the short-term nature of amounts drawn.

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

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

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

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

29. Land claims

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

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

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

30. Contingencies

Contingent liabilities

In the normal course of operations, the Government is subject to legal claims. These claims include items with pleading amounts and items where an amount is not specified. At March 31, 2025, the amounts claimed, excluding the claim from Northern Cross (Yukon) Ltd., which is described below, is \$12,884,000 (2024 - \$32,206,000). No provision for these claims has been made as it is unlikely or indeterminable that a liability has been incurred as at the date of the financial statements. Furthermore, an estimate of extent cannot be made as at the date of the financial statements.

On April 4, 2017, Northern Cross (Yukon) Ltd. ("Northern Cross") filed a Statement of Claim in the Supreme Court of Yukon against the Government of the Yukon and the Minister of Energy, Mines and Resources. Northern Cross identified a number of causes of action although all of these are based upon its allegation that due to the moratorium on hydraulic fracturing Northern Cross' exploration rights in the Eagle Plains area have been adversely affected. The claim seeks up to \$2.26 billion which is comprised of \$395,000,000 for refund of work deposits, application fees, rental amounts, sunk costs and interest and \$1.86 billion in damages for loss of opportunity of 8.6 billion barrels of oil, at fair market 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 liability has been incurred at the date of the financial statements.

The Government established a Risk Management Revolving Fund in December 2004, with a limit of \$5,000,000, which is to be used for providing limited insurance and risk management services to Government departments. Expenses relating to some of the property and liability losses incurred by the Government are to be paid out of this fund. The Government has legal liability and property insurance with a \$2,000,000 deductible. In 2025, the Government paid \$735,000 (2024 - \$656,000) for liability claims such as bodily injury, property damage and automobile liability. The Government had unpaid claims against the fund in the amount of \$1,301,000 as at March 31, 2025 (2024 - \$2,434,000). This amount is reported as part of the Government's accrued liabilities. The fund balance at March 31, 2025 was \$1,552,000 (2024 - \$2,450,000).

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

Contingent assets

The Government has instituted claims against others because of disputes resulting from breaches in contracts. It may receive funds in the future from recoveries of various types of claims paid out and other agreement pending the occurrence of certain events.

GOVERNMENT OF YUKON
Notes to Non-Consolidated Financial Statements
March 31, 2025

31. Subsequent events

Bond issuance

On September 15, 2025, the Government issued a 10-year bond for the face value of \$200,000,000 to advance major infrastructure projects and respond to natural disasters. The bond bears a fixed interest rate of 3.80% and matures on June 1, 2035. No principal payments are due until the bond matures. The first interest payment will occur on December 1, 2025 and further payments will be made semi-annually (June 1st and December 1st). The bond was issued at a discount of \$750,000 which will be amortized over the period of the debt using the effective interest rate method. Transaction costs of \$1,200,000 which include fees to agents and advisors will be presented as a reduction of the carrying value of the debt and amortized over the debt period using the effective interest rate method.

Legal settlements

The Government is defending multiple legal actions including contract, negligence, property and personal injury, and tax disputes. When a liability is identified and reasonably estimable, it is recorded as an accrued liability and an expense. An accrued liability and related settlement expense of \$13,654,000 were recorded as at March 31, 2025 for disputes known before the year end and settled afterward.

One of the legal disputes, a 2022 class action by families of former students alleging holds, restraints, or seclusion at Jack Hulland Elementary was resolved in August 2025 with a three-tier settlement structure. Subject to the Supreme Court of Yukon's approval on October 29, 2025, the claims process will open in fall 2025 and claimants will have two years to submit their claims. A determination of the final settlement amount will be based on the number and nature of claims made.

32. Comparative figures

Certain comparative figures for 2024 have been reclassified to conform with the 2025 presentation.

**Schedule of Revenues
for the year ended March 31, 2025**

	2025		2024
	Main Estimates	Actual	Actual
	(Note 1(b))		
	(thousands of dollars)		
From Government of Canada			
Formula financing grant	\$ 1,350,134	\$ 1,350,134	\$ 1,252,161
Contributions and service agreements	314,436	305,947	280,889
Other grants	78,498	145,304	136,484
	<u>1,743,068</u>	<u>1,801,385</u>	<u>1,669,534</u>
Taxes and general revenues			
Income taxes	147,819	157,966	124,982
Other taxes			
Tobacco tax	9,945	9,728	11,077
Fuel oil tax	9,384	9,090	9,647
General property tax	7,372	7,636	7,317
Liquor tax	5,269	5,146	5,314
Insurance premium tax	10,219	9,100	8,712
Grant in lieu of property tax	258	256	256
Sale of land	30,036	24,446	16,066
Licences, permits, and fees	21,039	22,544	23,976
Tobacco settlement (Note 6)	-	54,026	-
Yukon Liquor Corporation			
Liquor profit	7,221	7,153	8,074
Cannabis profit	-	568	359
Investment and interest revenue	6,626	9,254	9,127
Resource revenue - mineral, oil and gas and forestry	4,587	2,058	4,934
Income from portfolio investments	903	1,791	1,106
Aviation operations	1,345	1,800	1,395
Fines	500	541	614
Restricted funds	-	582	462
Other revenue	121	5,575	343
	<u>262,644</u>	<u>329,260</u>	<u>233,761</u>
Funding and service agreements with other parties	<u>40,731</u>	<u>53,319</u>	<u>48,444</u>
	<u>\$ 2,046,443</u>	<u>\$ 2,183,964</u>	<u>\$ 1,951,739</u>

GOVERNMENT OF YUKON

Schedule B

**Schedule of Expenses
for the year ended March 31, 2025**

	2025	Actual 2025					2024	
	Main Estimates	Personnel	Government Transfers	Other	Amortization Expenses	Accretion Expenses	Total	Actual
	(Notes 1(b))						(Note 21)	
	(thousands of dollars)							
Health and Social Services	\$ 609,431	\$ 215,958	\$ 292,563	\$ 162,381	\$ 6,897	\$ 80	\$ 677,879	\$ 626,448
Highways and Public Works	282,776	91,288	684	138,505	37,382	576	268,435	282,964
Community Services	201,381	37,541	84,809	95,029	4,800	423	222,602	190,467
Environment	57,477	34,311	6,218	31,856	987	16	73,388	80,161
Energy, Mines and Resources	102,122	34,764	12,473	21,814	863	34	69,948	180,523
Public Service Commission	53,849	53,424	-	4,111	186	-	57,721	52,266
Yukon Housing Corporation (Transfer Payment)	43,279	-	40,728	-	-	-	40,728	30,602
Tourism and Culture	34,708	13,065	13,343	6,833	758	28	34,027	35,170
Finance	18,779	10,231	2,972	7,450	168	-	20,821	16,866
Yukon Development Corporation (Transfer Payment)	22,148	-	16,880	-	-	-	16,880	23,045
Education	269,866	159,306	98,048	23,832	6,797	731	288,714	267,060
Economic Development	27,230	8,084	15,088	1,726	-	-	24,898	28,424
French Language Services Directorate	7,755	5,655	551	1,708	-	-	7,914	7,281
Women and Gender Equity Directorate	5,475	1,481	4,088	335	-	-	5,904	4,996
Office of the Ombudsman	1,842	1,405	-	389	11	-	1,805	1,601
Child and Youth Advocate Office	1,118	942	-	266	-	-	1,208	902
Elections Office	1,202	409	-	436	-	-	845	822
Justice	107,907	46,783	9,153	68,116	1,926	45	126,023	105,669
Executive Council Office	26,790	15,046	6,763	5,444	2	-	27,255	28,500
Yukon Legislative Assembly	8,628	5,705	-	1,936	29	-	7,670	6,444
Restricted Funds	8,321	-	56,346	204	6,424	-	62,974	35,465
Adjustments	35,332	-	-	-	-	-	-	-
	<u>\$ 1,927,416</u>	<u>\$ 735,398</u>	<u>\$ 660,707</u>	<u>\$ 572,371</u>	<u>\$ 67,230</u>	<u>\$ 1,933</u>	<u>\$ 2,037,639</u>	<u>\$ 2,005,675</u>

GOVERNMENT OF YUKON

Schedule C

**Schedule of Tangible Capital Assets
for the year ended March 31, 2025**

	Land	Buildings	Equipment & vehicles	Computer hardware & software	Infrastructure	Land improvements & fixtures	Waste & water systems	Communications technology	2025 Total	2024 Total
(thousands of dollars)										
Cost of tangible capital assets, opening	\$ 13,010	\$1,035,390	\$ 212,105	\$ 108,612	\$ 1,453,476	\$ 72,292	\$ 81,521	\$ 108,792	\$3,085,198	\$2,831,167
Change in asset retirement obligation estimate	-	17	-	-	-	-	-	-	17	(3,137)
Acquisitions	3,990	44,025	11,303	7,008	161,687	10,358	1,548	10,167	250,086	260,542
Write-downs	-	-	-	-	-	-	-	-	-	(74)
Disposals	-	(4,273)	(4,548)	(51)	-	-	-	-	(8,872)	(3,300)
Cost of tangible capital assets, closing	17,000	1,075,159	218,860	115,569	1,615,163	82,650	83,069	118,959	3,326,429	3,085,198
Accumulated amortization, opening	-	410,698	120,915	72,518	527,286	20,688	24,013	6,019	1,182,137	1,122,549
Amortization expense	-	16,545	12,918	5,211	23,831	4,017	1,119	3,589	67,230	62,790
Disposals	-	(4,273)	(4,317)	(51)	-	-	-	-	(8,641)	(3,202)
Accumulated amortization, closing	-	422,970	129,516	77,678	551,117	24,705	25,132	9,608	1,240,726	1,182,137
Net book value as at March 31 (Note 20)	<u>\$ 17,000</u>	<u>\$ 652,189</u>	<u>\$ 89,344</u>	<u>\$ 37,891</u>	<u>\$ 1,064,046</u>	<u>\$ 57,945</u>	<u>\$ 57,937</u>	<u>\$ 109,351</u>	<u>\$2,085,703</u>	<u>\$1,903,061</u>
Work-in-progress ^(a)	\$ -	\$ 52,750	\$ 2,558	\$ 20,285	\$ 432,900	\$ 12,199	\$ 9,559	\$ -	\$ 530,251	\$ 559,566
Asset retirement obligation ^(a)	\$ -	\$ 709	\$ 99	\$ -	\$ 306	\$ -	\$ 1,657	\$ -	\$ 2,771	\$ 2,912

^(a)Included in net book value

GOVERNMENT OF YUKON

Schedule D

**Schedule of Retirement Benefits
for the year ended March 31, 2025**

	Extended health care retirement benefit	Legislative Assembly Retirement Allowances Plan	Life insurance retirement benefit	Territorial Court Judiciary Pension Plan	2025 Total	2024 Total
(thousands of dollars)						
Pension and retirement plan assets are valued at fair market value.						
Accrued benefit obligation						
Obligation at beginning of year	\$ 82,905	\$ 37,334	\$ 3,660	\$ 14,336	\$ 138,235	\$ 106,115
Current service costs	3,296	1,748	38	523	5,605	4,408
Plan amendment	-	-	-	2,235	2,235	-
Interest cost on benefit obligation	4,165	2,124	179	841	7,309	5,700
Actuarial (gain) loss	(81)	2,543	302	145	2,909	26,166
Benefits paid	(2,521)	(1,886)	(135)	(716)	(5,258)	(4,154)
Accrued benefit obligation at end of year	<u>87,764</u>	<u>41,863</u>	<u>4,044</u>	<u>17,364</u>	<u>151,035</u>	<u>138,235</u>
Plan assets						
Value at beginning of year	-	12,314	-	4,927	17,241	15,987
Actual return on plan assets	-	1,127	-	502	1,629	1,186
Plan amendment	-	-	-	2,235	2,235	-
Government contributions	-	505	-	487	992	807
Member contributions	-	168	-	77	245	251
Benefits paid	-	(412)	-	(716)	(1,128)	(990)
Value at end of year	<u>-</u>	<u>13,702</u>	<u>-</u>	<u>7,512</u>	<u>21,214</u>	<u>17,241</u>
Funded status - plan deficit	87,764	28,161	4,044	9,852	129,821	120,994
Unrecognized net actuarial gain (loss)	(1,576)	(107)	152	(206)	(1,737)	2,303
Accrued benefit liability (Note 18)	<u>86,188</u>	<u>28,054</u>	<u>4,196</u>	<u>9,646</u>	<u>128,084</u>	<u>123,297</u>
Net benefit cost						
Current service costs	3,296	1,748	38	523	5,605	4,408
Less: Member contributions	-	(168)	-	(77)	(245)	(251)
Interest cost on benefit obligation	4,165	2,124	179	841	7,309	5,700
Expected return on plan assets	-	(709)	-	(322)	(1,031)	(947)
Amortization of net actuarial (gain) loss	397	(2,017)	(1)	(108)	(1,729)	(5,383)
Net cost for the year	<u>\$ 7,858</u>	<u>\$ 978</u>	<u>\$ 216</u>	<u>\$ 857</u>	<u>\$ 9,909</u>	<u>\$ 3,527</u>

GOVERNMENT OF YUKON

Schedule D

**Schedule of Retirement Benefits
for the year ended March 31, 2025**

	Extended health care retirement benefit	Legislative Assembly Retirement Allowances Plan	Life insurance retirement benefit	Territorial Court Judiciary Pension Plan
Key Assumptions				
Expected long-term rate of return on assets at beginning of year	N/A	5.60 %	N/A	5.30 %
Discount rate on benefit costs	4.90 %	5.70 %	4.90 %	5.40 %
Discount rate on accrued benefit obligation at end of year	4.60 %	5.60 %	4.60 %	5.30 %
Inflation rate at end of year	2.00 %	2.00 %	2.00 %	2.00 %
Rate of compensation increase	see below ¹	2.50 %	see below ¹	3.00 %
Health care cost trend rate	see below ²	N/A	N/A	N/A
Amortization period (expected average remaining service life)	13.0 years	2.0 years	9.5 years	2.2 years

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

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

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SECTION II

SUPPLEMENTARY FINANCIAL INFORMATION

(unaudited)

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GOVERNMENT OF YUKON

Schedule 1

**Non-Consolidated Comparative Schedule of Revenues
for the year ended March 31, 2025**

	2025 \$	2024 \$	Increase (Decrease) \$
From Government of Canada			
Formula financing grant	<u>1,350,134,320</u>	<u>1,252,161,378</u>	<u>97,972,942</u>
Other grants			
Canada health transfer	59,489,950	57,624,000	1,865,950
Public Safety Canada	8,432,406	13,554,680	(5,122,274)
Carbon amounts received	56,346,052	30,653,319	25,692,733
Canada social transfer	19,319,000	18,393,000	926,000
Affordable housing in the North	-	15,000,000	(15,000,000)
Cannabis transfer	<u>1,716,971</u>	<u>1,259,248</u>	<u>457,723</u>
	<u>145,304,379</u>	<u>136,484,247</u>	<u>8,820,132</u>
Contributions and service agreements			
Investing in Canada infrastructure program	51,036,306	48,219,341	2,816,965
National trade corridors fund	92,103,207	61,324,524	30,778,683
Small Communities Fund	7,335,382	16,735,511	(9,400,129)
Low Carbon Fund	-	2,142,658	(2,142,658)
Continuing care facilities	10,499,397	10,495,805	3,592
Child welfare	14,441,172	11,257,997	3,183,175
Skills and labour market development	6,747,237	8,854,063	(2,106,826)
French language programs	9,621,130	9,039,432	581,698
Type II mine sites	6,614,039	4,804,531	1,809,508
Early learning and childcare	12,337,751	13,092,544	(754,793)
Target 1	-	590,727	(590,727)
Connect to innovate fund	-	11,400,953	(11,400,953)
Territorial health investment fund	17,261,022	5,966,830	11,294,192
Assisted Living	3,474,129	3,445,598	28,531
Shared Health Priorities	8,005,017	3,010,078	4,994,939
Land claims implementation	3,581,483	3,858,748	(277,265)
Environment and climate change Canada	9,103,327	15,018,983	(5,915,656)
Yukon Resource Gateway	-	7,241,906	(7,241,906)
Proof of vaccination fund	3,398,023	3,398,023	-
RCMP - mobile radio system	2,560,720	2,487,240	73,480
Travel recoveries - First Nations benefits	2,761,822	2,163,714	598,108
Arrest processing unit	2,238,464	1,977,192	261,272
Women and Gender Equality Canada	3,765,874	2,167,750	1,598,124
Natural Resources Canada	5,360,417	2,553,651	2,806,766
Canada Community Building Fund	2,219,211	2,112,922	106,289
Drug and Rare Disease	1,923,346	-	1,923,346
Health Canada	7,412,726	3,296,720	4,116,006
Youth criminal justice	1,653,000	1,670,471	(17,471)
Inuvialuit Final Agreement	1,681,858	1,738,666	(56,808)

GOVERNMENT OF YUKON

Schedule 1

Non-Consolidated Comparative Schedule of Revenues (continued)
for the year ended March 31, 2025

	2025 \$	2024 \$	Increase (Decrease) \$
Legal Aid	1,219,910	1,617,000	(397,090)
Community recreation and active living	1,209,914	1,117,598	92,316
Clean water wastewater fund	-	951,882	(951,882)
Other funding and service agreements	16,381,015	17,135,470	(754,455)
	<u>305,946,899</u>	<u>280,888,528</u>	<u>25,058,371</u>
Taxation			
Income taxes	157,966,053	124,981,570	32,984,483
Tobacco tax	9,727,900	11,076,526	(1,348,626)
Fuel oil tax	9,090,347	9,646,909	(556,562)
Insurance premium tax	9,099,627	8,711,558	388,069
General property tax	7,636,130	7,317,472	318,658
Liquor tax	5,145,623	5,314,277	(168,654)
Grant in lieu of property tax	256,461	256,181	280
	<u>198,922,141</u>	<u>167,304,493</u>	<u>31,617,648</u>
Licences, permits, and fees			
Business and professional	7,145,151	6,437,430	707,721
Motor vehicle	6,606,745	9,141,861	(2,535,116)
Continuing care facilities	3,660,972	3,795,365	(134,393)
Building safety	1,200,711	806,209	394,502
Land titles	533,781	452,823	80,958
Hunting, fishing and outfitting	828,276	777,704	50,572
Land use	516,208	626,919	(110,711)
Campground permits	1,133,672	1,134,759	(1,087)
Other	918,325	803,130	115,195
	<u>22,543,841</u>	<u>23,976,200</u>	<u>(1,432,359)</u>
Investment and interest revenue			
Banking and investment	849,721	5,998,008	(5,148,287)
Land sale agreements	2,107,445	986,317	1,121,128
Interest Yukon Hospital Loan	834,197	-	834,197
Interest on Loan to Receiver of Victoria Gold Corp.	2,937,403	-	2,937,403
Income from portfolio investments	1,790,916	1,106,388	684,528
Interest on advances to Territorial corporations	1,889,080	1,766,125	122,955
Local improvement loans	209,682	167,417	42,265
Debenture loans	91,590	102,704	(11,114)
Preferred dividend tax credit	245,154	38,994	206,160
Delinquent accounts	89,568	66,959	22,609
	<u>11,044,756</u>	<u>10,232,912</u>	<u>811,844</u>

GOVERNMENT OF YUKON

Schedule 1

Non-Consolidated Comparative Schedule of Revenues (continued)
for the year ended March 31, 2025

	2025 \$	2024 \$	Increase (Decrease) \$
Fines			
Territorial Court	536,220	608,684	(72,464)
Library fines	4,667	5,589	(922)
	<u>540,887</u>	<u>614,273</u>	<u>(73,386)</u>
Other			
Resource revenue - mineral, oil and gas and forestry	2,057,545	4,933,882	(2,876,337)
Yukon Liquor Corporation			
Liquor profit	7,153,218	8,073,946	(920,728)
Cannabis profit	567,582	358,679	208,903
Sale of land	24,446,418	16,066,258	8,380,160
Restricted funds	582,153	462,259	119,894
Aviation operations	1,799,609	1,395,483	404,126
Tobacco settlement	54,026,272	-	54,026,272
Other revenue	5,576,288	341,934	5,234,354
	<u>96,209,085</u>	<u>31,632,441</u>	<u>64,576,644</u>
Funding and service agreements with other parties			
Third-party health care costs	79,585	231,511	(151,926)
Airports	1,810,822	1,817,435	(6,613)
Fire management	5,441,570	2,776,131	2,665,439
Continuing and other health care recoveries from clients	523,815	280,196	243,619
Water and sewer	337,289	423,631	(86,342)
Canada Health Info-way Development	584,403	-	584,403
Minto Mine Security	22,482,571	-	22,482,571
Worker's Compensation Health and Safety Board	2,621,465	-	2,621,465
Restricted funds	48,654	473	48,181
Other	19,388,505	42,914,939	(23,526,434)
	<u>53,318,679</u>	<u>48,444,316</u>	<u>4,874,363</u>
	<u>2,183,964,987</u>	<u>1,951,738,788</u>	<u>232,226,199</u>

**Non-Consolidated Schedule of Revenues by Department
for the year ended March 31, 2025**

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Yukon Legislative Assembly					
Taxes and General Revenues					
Income from portfolio investment	903,000	-	903,000	1,790,916	887,916
	<u>903,000</u>	<u>-</u>	<u>903,000</u>	<u>1,790,916</u>	<u>887,916</u>
Executive Council Office					
From Canada					
Operation and Maintenance					
Yukon Environment Socio-economic Assessment Act implementation					
- Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)	377,000	157,000	534,000	467,359	(66,641)
- Land claims implementation - CIRNAC	4,517,000	(573,000)	3,944,000	3,581,483	(362,517)
- Office of the Commissioner - CIRNAC	15,000	-	15,000	15,000	-
Deputy Minister Northern Tour - CanNor	-	36,000	36,000	22,560	(13,440)
Arctic & Northern Security Centre Feasibility - CanNor	-	107,000	107,000	96,286	(10,714)
	<u>4,909,000</u>	<u>(273,000)</u>	<u>4,636,000</u>	<u>4,182,688</u>	<u>(453,312)</u>
Taxes and General Revenues					
Water license fees	40,000	-	40,000	48,901	8,901
	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>48,901</u>	<u>8,901</u>
Total revenues	<u>4,949,000</u>	<u>(273,000)</u>	<u>4,676,000</u>	<u>4,231,589</u>	<u>(444,411)</u>

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Community Services					
From Canada					
Operation and Maintenance					
Emergency measures					
Crown-Indigenous Relations and Northern Affairs Canada					
- Emergency measures	222,000	-	222,000	1,093,952	871,952
Public Safety Canada					
- Disaster Financial Assistance Agreement re: flood relief advance payment	-	864,000	864,000	8,432,406	7,568,406
Indigenous Services Canada					
-Emergency Management Assistance Program	-	294,000	294,000	293,427	(573)
Sport	353,000	-	353,000	353,025	25
Community recreation/active living	1,138,000	200,000	1,338,000	1,209,914	(128,086)
Author readings	16,000	-	16,000	29,900	13,900
Natural Resources Canada					
- Fighting and Managing Wildfires in a Changing Climate	2,626,000	-	2,626,000	2,750,000	124,000
- 2 Billion Trees	70,000	364,000	434,000	192,738	(241,262)
- Resilient communities through fire smart	-	983,000	983,000	982,890	(110)
- Climate Change Adoption	-	175,000	175,000	86,793	(88,207)
Capital					
Canada Community Building Fund	2,500,000	-	2,500,000	2,219,211	(280,789)
Small Communities Fund	6,835,000	-	6,835,000	2,600,182	(4,234,818)
Investing in Canada infrastructure program (Protective services)	37,100,000	-	37,100,000	38,505,520	1,405,520

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Community Services					
Natural Resources Canada					
- Fighting and Managing Wildfires in a Changing Climate	685,000	-	685,000	1,000,000	315,000
- 2 Billion Trees	-	184,000	184,000	327,370	143,370
Local improvement charge	-	-	-	750	750
	<u>51,545,000</u>	<u>3,064,000</u>	<u>54,609,000</u>	<u>60,078,078</u>	<u>5,469,078</u>
Taxes and General Revenues					
Building safety licenses and fees	1,000,000	-	1,000,000	1,200,711	200,711
Library fines	-	-	-	4,667	4,667
Audio Visual	-	-	-	1,403	1,403
Photocopier fees	2,000	-	2,000	110	(1,890)
Sale of land	29,836,000	-	29,836,000	23,031,018	(6,804,982)
Interest on local improvement	200,000	-	200,000	209,682	9,682
General property tax	7,372,000	-	7,372,000	7,636,130	264,130
Grant-in-lieu of property tax	258,000	-	258,000	256,461	(1,539)
Better buildings administration	-	-	-	500	500
Professional/consumer licensing	688,000	-	688,000	908,416	220,416
Business/corporate licensing	5,500,000	-	5,500,000	6,236,735	736,735
Employment standards	6,000	-	6,000	6,797	797
Community, Water, Sewer and Solid Waste Projects	213,000	-	213,000	189,935	(23,065)
	<u>45,075,000</u>	<u>-</u>	<u>45,075,000</u>	<u>39,682,565</u>	<u>(5,392,435)</u>
Third-Party recoveries					
Operation and Maintenance					
Emergency medical services	-	-	-	5,564	5,564
Community recreation/active living	60,000	-	60,000	126,360	66,360
Sport	959,000	-	959,000	778,636	(180,364)

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Community Services					
Yukon Lottery Commission	-	144,000	144,000	148,000	4,000
Public library	15,000	-	15,000	-	(15,000)
Water and sewer services	981,000	-	981,000	337,289	(643,711)
Mosquito Control	46,000	-	46,000	89,804	43,804
Household Hazardous Waste - City of Whitehorse	-	-	-	57,789	57,789
Direct fire - export	-	5,200,000	5,200,000	5,441,570	241,570
Community assessment	807,000	-	807,000	899,721	92,721
Capital					
Rural electrification and well program	-	-	-	169,493	169,493
	<u>2,868,000</u>	<u>5,344,000</u>	<u>8,212,000</u>	<u>8,054,226</u>	<u>(157,774)</u>
Total revenues	<u>99,488,000</u>	<u>8,408,000</u>	<u>107,896,000</u>	<u>107,814,869</u>	<u>(81,131)</u>

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Economic Development					
From Canada					
Operation and Maintenance					
Foreign Credential Recognition Program	818,000	-	818,000	195,753	(622,247)
Labour Market Development Agreement	4,360,000	(805,000)	3,555,000	3,555,484	484
Workforce Development Agreement	2,606,000	(440,000)	2,166,000	2,166,000	-
Skills for Success	-	800,000	800,000	830,000	30,000
	<u>7,784,000</u>	<u>(445,000)</u>	<u>7,339,000</u>	<u>6,747,237</u>	<u>(591,763)</u>
Taxes and General Revenues					
Trade School Registration Fees	1,000	-	1,000	-	(1,000)
Venture Loan Guarantees	-	-	-	1,500	1,500
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>1,500</u>
Total revenues	<u>7,785,000</u>	<u>(445,000)</u>	<u>7,340,000</u>	<u>6,748,737</u>	<u>(591,263)</u>

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Education					
From Canada					
Operation and Maintenance					
Canadian Heritage - French language programs	2,583,000	756,000	3,339,000	3,441,130	102,130
Student financial assistance					
- Canada student loan	509,000	-	509,000	512,852	3,852
Early learning and child care	11,624,000	2,292,000	13,916,000	12,337,751	(1,578,249)
Capital					
Investing in Canada infrastructure program	9,769,000	(4,429,000)	5,340,000	2,256,496	(3,083,504)
Early Learning and Child Care	515,000	-	515,000	39,434	(475,566)
	<u>25,000,000</u>	<u>(1,381,000)</u>	<u>23,619,000</u>	<u>18,587,663</u>	<u>(5,031,337)</u>
Taxes and General Revenues					
Extension programs fees	5,000	-	5,000	-	(5,000)
Summer school fees	10,000	-	10,000	4,870	(5,130)
Apprenticeship and certification	1,000	-	1,000	1,940	940
	<u>16,000</u>	<u>-</u>	<u>16,000</u>	<u>6,810</u>	<u>(9,190)</u>
Third-Party recoveries					
Operation and Maintenance					
Victoria Gold Yukon Student Encouragement Society	300,000	(300,000)	-	-	-
Student accommodation	80,000	-	80,000	54,900	(25,100)
Staff accommodation rental	40,000	-	40,000	11,805	(28,195)
Stikine students	264,000	-	264,000	282,000	18,000
Facility lease	-	-	-	15,866	15,866

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Education					
Yukon Association of Education Professionals - Teachers on call	80,000	-	80,000	8,848	(71,152)
Council of Ministers of Education of Canada agreement - Monitors	350,000	20,000	370,000	310,335	(59,665)
Capital					
School-based information technology	88,000	-	88,000	59,303	(28,697)
	<u>1,202,000</u>	<u>(280,000)</u>	<u>922,000</u>	<u>743,057</u>	<u>(178,943)</u>
Total revenues	<u>26,218,000</u>	<u>(1,661,000)</u>	<u>24,557,000</u>	<u>19,337,530</u>	<u>(5,219,470)</u>

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Energy, Mines and Resources					
From Canada					
Operation and Maintenance					
Agriculture Canada					
- Sustainable Canadian agricultural partnership	1,110,000	-	1,110,000	1,142,518	32,518
- Rent	3,000	-	3,000	-	(3,000)
- Canadian Food Inspection Agency	2,000	-	2,000	1,500	(500)
Canadian Forest Services					
- National Forest Industry	300,000	-	300,000	179,602	(120,398)
Natural Resources Canada					
- Energy efficiency - greener homes initiative	181,000	-	181,000	-	(181,000)
- Zero emission vehicle infrastructure program	300,000	-	300,000	170,779	(129,221)
- Oil to Heat Pump Affordability Program	-	-	-	177,217	177,217
- Codes Acceleration Fund	-	-	-	50,000	50,000
Environment and Climate Change Canada					
- Low carbon economy fund	9,277,000	(4,150,000)	5,127,000	1,095,436	(4,031,564)
Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)					
- Type II mine sites	8,716,000	(1,309,000)	7,407,000	6,614,039	(792,961)
	<u>19,889,000</u>	<u>(5,459,000)</u>	<u>14,430,000</u>	<u>9,431,091</u>	<u>(4,998,909)</u>

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Energy, Mines and Resources					
Taxes and General Revenues					
Land management					
- Lands administration/interest	1,150,000	-	1,150,000	2,107,445	957,445
- Land sales fees	20,000	-	20,000	216,373	196,373
- Land leases	189,000	-	189,000	170,407	(18,593)
- Land use fees	21,000	-	21,000	3,880	(17,120)
- Quarrying royalties and leases	80,000	-	80,000	89,651	9,651
- Sale of land	200,000	-	200,000	1,415,400	1,215,400
Land planning					
- Application fees	7,000	-	7,000	3,800	(3,200)
Forest management					
- Application fees	3,000	-	3,000	5,320	2,320
- Timber royalty	20,000	-	20,000	15,061	(4,939)
- Development fee	10,000	-	10,000	10,296	296
- Road charge	15,000	-	15,000	17,592	2,592
Agricultural land application and grazing lease fees	5,000	-	5,000	11,095	6,095
Mineral resources					
- Coal leases, permits and royalties	22,000	-	22,000	18,853	(3,147)
- Placer mining fees	385,000	-	385,000	432,452	47,452
- Quartz mining fees and leases	4,135,000	(2,500,000)	1,635,000	1,557,971	(77,029)
- Maps, publications and charts	5,000	-	5,000	2,832	(2,168)
- Loan to the Receiver for Victoria Gold Corp (Interest)	-	3,044,000	3,044,000	2,937,403	(106,597)
	<u>6,267,000</u>	<u>544,000</u>	<u>6,811,000</u>	<u>9,015,831</u>	<u>2,204,831</u>

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Energy, Mines and Resources					
Third-Party recoveries					
Operation and Maintenance					
Land management					
- Legal surveys	10,000	-	10,000	-	(10,000)
Agriculture					
- Agriculture conference	3,000	-	3,000	-	(3,000)
- FPT Minister's Conference	-	-	-	66,587	66,587
Mineral resources					
-Security for Minto Mine	21,220,000	3,000,000	24,220,000	22,482,571	(1,737,429)
	<u>21,233,000</u>	<u>3,000,000</u>	<u>24,233,000</u>	<u>22,549,158</u>	<u>(1,683,842)</u>
	<u>47,389,000</u>	<u>(1,915,000)</u>	<u>45,474,000</u>	<u>40,996,080</u>	<u>(4,477,920)</u>
Total revenues					

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Environment					
From Canada					
Operation and Maintenance					
Corporate Services and Climate Change					
- Inuvialuit Final Agreement	1,706,000	228,000	1,934,000	1,681,858	(252,142)
- Climate change preparedness in the North	938,000	-	938,000	816,675	(121,325)
- Canada Yukon Nature Agreement	7,484,000	-	7,484,000	6,646,276	(837,724)
- Climate Change Scientist	141,000	-	141,000	134,215	(6,785)
Parks Canada	-	185,000	185,000	185,000	-
Environment sustainability					
- Environmental occurrences notification agreement	6,000	-	6,000	6,930	930
- Environment and Climate Change Canada	900,000	641,000	1,541,000	1,227,400	(313,600)
- Polar Knowledge Canada	109,000	-	109,000	74,385	(34,615)
- Climate change preparedness in the North	316,000	762,000	1,078,000	424,913	(653,087)
- Natural Resources Canada	-	650,000	650,000	950,000	300,000
- Fisheries and Oceans	-	15,000	15,000	14,679	(321)
- Parks Canada	-	15,000	15,000	-	(15,000)
- Miscellaneous partnerships	48,000	-	48,000	-	(48,000)
Capital					
Investing in Canada infrastructure program	975,000	-	975,000	1,527,547	552,547
	<u>12,623,000</u>	<u>2,496,000</u>	<u>15,119,000</u>	<u>13,689,878</u>	<u>(1,429,122)</u>
Taxes and General Revenues					
Campground permits	1,821,000	-	1,821,000	1,133,672	(687,328)
Wilderness tourism licensing	8,000	-	8,000	8,200	200
Hunting licenses and seals	465,000	-	465,000	507,890	42,890
Trapping and fur licenses	6,000	-	6,000	5,776	(224)
Fishing licenses	360,000	-	360,000	297,341	(62,659)
Outfitting fees	10,000	-	10,000	9,070	(930)
	<u>2,670,000</u>	<u>-</u>	<u>2,670,000</u>	<u>1,961,949</u>	<u>(708,051)</u>

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Environment					
Third-Party recoveries					
Operation and Maintenance					
Mapping recoveries	3,000	-	3,000	951	(2,049)
Environmental sustainability - miscellaneous partnerships	48,000	-	48,000	57,198	9,198
Compulsory inspections - Province of British Columbia	2,000	-	2,000	2,500	500
Conservation Action Team	2,000	-	2,000	3,000	1,000
United States Geological Survey	41,000	-	41,000	20,732	(20,268)
Klondike Plateau Bear Project	-	70,000	70,000	139,303	69,303
Gwich'in Renewable Resources Board	-	47,000	47,000	47,000	-
Newmont Corporation	-	100,000	100,000	100,000	-
Standards and approvals - technical review	25,000	90,000	115,000	12,492	(102,508)
NatureServe Canada - Yukon conservation data	34,000	-	34,000	-	(34,000)
Trapper education workshop	26,000	-	26,000	23,350	(2,650)
Environmental Liabilities and Remediation - Yukon					
Housing Corporation	-	150,000	150,000	66,404	(83,596)
Science Horizons - Clean Foundation Internship	-	25,000	25,000	26,165	1,165
	<u>181,000</u>	<u>482,000</u>	<u>663,000</u>	<u>499,095</u>	<u>(163,905)</u>
Total revenues	<u>15,474,000</u>	<u>2,978,000</u>	<u>18,452,000</u>	<u>16,150,922</u>	<u>(2,301,078)</u>

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Finance					
From Canada					
Formula Financing grant	1,350,134,000	-	1,350,134,000	1,350,134,320	320
Canada health transfer	58,108,000	803,000	58,911,000	59,489,950	578,950
Canada social transfer	18,866,000	261,000	19,127,000	19,319,000	192,000
Cannabis transfer	1,409,000	231,000	1,640,000	1,716,971	76,971
Vaping transfer	115,000	(20,000)	95,000	-	(95,000)
	<u>1,428,632,000</u>	<u>1,275,000</u>	<u>1,429,907,000</u>	<u>1,430,660,241</u>	<u>753,241</u>
Taxes and General Revenues					
Personal income tax	106,685,000	4,275,000	110,960,000	125,465,542	14,505,542
Corporate income tax	41,134,000	(6,673,000)	34,461,000	32,500,512	(1,960,488)
Fuel oil tax	9,384,000	2,176,000	11,560,000	9,090,347	(2,469,653)
Insurance premium tax	10,219,000	(1,159,000)	9,060,000	9,099,627	39,627
Tobacco tax	9,945,000	595,000	10,540,000	9,727,900	(812,100)
Banking and investment	3,796,000	(2,956,000)	840,000	849,721	9,721
Interest on advance to Territorial Corporation	1,378,000	511,000	1,889,000	1,889,080	80
Interest on accounts receivable	10,000	-	10,000	80,030	70,030
Miscellaneous revenue	50,000	-	50,000	779,744	729,744
Preferred dividend tax	-	-	-	245,154	245,154
Exchange rate gain or loss	-	-	-	14,138	14,138
Delinquent charge tax	-	-	-	9,538	9,538
Settlement recovery	-	-	-	3,709,248	3,709,248
Recovery of Bad Debt Expense	-	-	-	609,975	609,975
	<u>182,601,000</u>	<u>(3,231,000)</u>	<u>179,370,000</u>	<u>194,070,556</u>	<u>14,700,556</u>

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Finance					
Third-Party recoveries					
Operation and Maintenance					
Charge card incentive	50,000	-	50,000	131,116	81,116
Yukon Bureau of Statistics - recoverable services	-	-	-	78,870	78,870
Banking, Investments and Debt Services	-	-	-	223,830	223,830
	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>433,816</u>	<u>383,816</u>
Total revenues	<u>1,611,283,000</u>	<u>(1,956,000)</u>	<u>1,609,327,000</u>	<u>1,625,164,613</u>	<u>15,837,613</u>

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
<hr/>					
French Language Services Directorate					
From Canada					
Operation and Maintenance					
Health Canada - Official Languages from Health Program	126,000	83,000	209,000	208,844	(156)
Canadian Heritage	5,980,000	200,000	6,180,000	6,180,000	-
	<u>6,106,000</u>	<u>283,000</u>	<u>6,389,000</u>	<u>6,388,844</u>	<u>(156)</u>
Total revenues	<u>6,106,000</u>	<u>283,000</u>	<u>6,389,000</u>	<u>6,388,844</u>	<u>(156)</u>

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Health and Social Services					
From Canada					
Operation and Maintenance					
Territorial health investment fund	12,220,000	8,679,000	20,899,000	17,261,022	(3,637,978)
Shared Health Priorities	8,241,000	-	8,241,000	8,005,017	(235,983)
Proof of vaccination fund	3,401,000	-	3,401,000	3,398,023	(2,977)
Child welfare	11,298,000	469,000	11,767,000	14,441,172	2,674,172
Federal child benefit	280,000	-	280,000	148,376	(131,624)
Transition homes	1,157,000	-	1,157,000	-	(1,157,000)
Youth criminal justice	1,643,000	-	1,643,000	1,653,000	10,000
Social assistance	509,000	-	509,000	-	(509,000)
Health Canada					
- Mental health	752,000	-	752,000	672,980	(79,020)
- Aging and Dignity	2,530,000	1,030,000	3,560,000	2,539,746	(1,020,254)
Assisted living	3,800,000	-	3,800,000	3,474,129	(325,871)
Recoverable services	15,000	-	15,000	-	(15,000)
Women and Gender Equality Canada					
- National Action Plan to End Gender-Based Violence	650,000	613,000	1,263,000	2,177,081	914,081
Travel recoveries - first nations benefits	2,000,000	-	2,000,000	2,761,822	761,822
Drugs and rare disease	-	-	-	1,923,346	1,923,346
Hearing assessments and aids	61,000	-	61,000	(3,481)	(64,481)
Canadian partnership against cancer	83,000	-	83,000	-	(83,000)
Chronic disease surveillance	181,000	-	181,000	180,784	(216)
Canadian partnership against cancer - Smoking cessation	100,000	-	100,000	106,314	6,314
Continuing care facilities	9,450,000	-	9,450,000	10,499,397	1,049,397
Prior year adjustment	-	-	-	313,548	313,548
Capital					
Health Canada - Shared Health Priorities	-	4,200,000	4,200,000	4,200,000	-
	<u>58,371,000</u>	<u>14,991,000</u>	<u>73,362,000</u>	<u>73,752,276</u>	<u>390,276</u>

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Health and Social Services					
Taxes and General Revenues					
Interest Revenue	-	-	-	834,197	834,197
Registration and fees	36,000	-	36,000	74,492	38,492
Environmental health - inspection/permits	10,000	-	10,000	10,200	200
Continuing care facilities	4,246,000	-	4,246,000	3,660,972	(585,028)
Tobacco Settlement	-	-	-	54,026,272	54,026,272
	<u>4,292,000</u>	<u>-</u>	<u>4,292,000</u>	<u>58,606,133</u>	<u>54,314,133</u>
Third-Party recoveries					
Operation and Maintenance					
Canada Health Infoway	-	1,078,000	1,078,000	584,403	(493,597)
Social supports					
- Client recovery	50,000	-	50,000	40,224	(9,776)
- Social assistance	80,000	-	80,000	58,133	(21,867)
Third-party health care costs	8,641,000	-	8,641,000	10,869,365	2,228,365
Canadian partnership against cancer	375,000	140,000	515,000	385,851	(129,149)
Health Data Research Network	-	69,000	69,000	143,079	74,079
Hearing assessments and aids	587,000	-	587,000	282,011	(304,989)
Rental recovery	74,000	-	74,000	37,154	(36,846)
Community health					
- Yukon immunization program	50,000	-	50,000	7,360	(42,640)
Community nursing					
- Patient services	167,000	-	167,000	200,664	33,664
- Drugs and vaccines	10,000	-	10,000	394	(9,606)
- Rent/utility recoveries	116,000	-	116,000	44,239	(71,761)
- Lower post recovery	15,000	-	15,000	15,789	789
Emergency Medical Services	75,000	-	75,000	47,103	(27,897)
Miscellaneous Revenue	75,000	(75,000)	-	-	-

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Health and Social Services					
Continuing care facilities					
- McDonald lodge food services	120,000	-	120,000	137,964	17,964
Third Party Home Care	-	-	-	79,585	79,585
	<u>10,435,000</u>	<u>1,212,000</u>	<u>11,647,000</u>	<u>12,933,318</u>	<u>1,286,318</u>
Total revenues	<u>73,098,000</u>	<u>16,203,000</u>	<u>89,301,000</u>	<u>145,291,727</u>	<u>55,990,727</u>

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Highways and Public Works					
From Canada					
Operation and Maintenance					
Mobile radio system					
- Royal Canadian Mountain Police	2,396,000	-	2,396,000	2,560,720	(164,720)
- Other federal agencies	69,000	-	69,000	26,290	42,710
Transportation - recoverable services	49,000	-	49,000	26,334	22,666
National safety code agreement	153,000	-	153,000	152,567	433
Motor vehicles	15,000	-	15,000	12,000	3,000
Airports	60,000	-	60,000	61,730	(1,730)
Leases/facility management agreements	32,000	-	32,000	32,544	(544)
Recoverable services	125,000	46,000	171,000	135,846	35,154
Natural Resources Canada					
- Energy efficiency program - greener homes initiatives	-	180,000	180,000	180,000	-
Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)	-	787,000	787,000	786,540	460
Capital					
Small Communities fund	5,475,000	(99,000)	5,376,000	4,735,200	640,800
Low carbon Economy fund	1,680,000	(1,585,000)	95,000	-	95,000
Yukon Resource Gateway project	2,801,000	-	2,801,000	-	2,801,000
National Trade Corridors fund	88,570,000	3,728,000	92,298,000	92,103,206	194,794
Active Transportation fund	750,000	(218,000)	532,000	265,393	266,607
Investing in Canada infrastructure program - Dempster Fibre Project	-	-	-	289,751	(289,751)
	<u>102,175,000</u>	<u>2,839,000</u>	<u>105,014,000</u>	<u>101,368,121</u>	<u>3,645,879</u>

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Highways and Public Works					
Taxes and General Revenues					
Queen's Printer subscriptions	-	-	-	3,007	(3,007)
Sale of government surplus equipment	46,000	-	46,000	78,448	(32,448)
Access to Information and Protection of Privacy	10,000	-	10,000	11,808	(1,808)
Highway information signs/permits	11,000	-	11,000	9,150	1,850
Quarry permits	-	-	-	8,400	(8,400)
Aviation operations	1,345,000	-	1,345,000	1,799,609	(454,609)
National safety code - fees/materials	26,000	-	26,000	24,231	1,769
Weigh station fees	158,000	-	158,000	320,976	(162,976)
Private vehicle registration/permits	1,705,000	-	1,705,000	1,832,267	(127,267)
Commercial vehicle registration/permits	3,102,000	-	3,102,000	3,762,919	(660,919)
Driver licenses/fees	513,000	350,000	863,000	1,011,559	(148,559)
Land use fees	12,000	-	12,000	12,600	(600)
Communications infrastructure - Dempster Fibre	-	-	-	375,000	(375,000)
	<u>6,928,000</u>	<u>350,000</u>	<u>7,278,000</u>	<u>9,249,974</u>	<u>(1,971,974)</u>
Third-Party recoveries					
Operation and Maintenance					
Travel agent processing	5,000	-	5,000	8,241	(3,241)
Industry conference and reverse tradeshow	12,000	-	12,000	2,000	10,000
Information and communications technology service agreements	697,000	-	697,000	729,929	(32,929)
Transportation - recoverable services	342,000	-	342,000	659,605	(317,605)
Airports	1,905,000	-	1,905,000	1,810,822	94,178
Leases/facility management agreements	379,000	81,000	460,000	459,692	308
Capital					
Quarry permit	-	-	-	68,610	(68,610)
	<u>3,340,000</u>	<u>81,000</u>	<u>3,421,000</u>	<u>3,738,899</u>	<u>(317,899)</u>
Total revenues	<u>112,443,000</u>	<u>3,270,000</u>	<u>115,713,000</u>	<u>114,356,994</u>	<u>1,356,006</u>

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Justice					
From Canada					
Operation and Maintenance					
Community safety officer program	902,000	-	902,000	220	(901,780)
Negotiations of administration of justice agreements	469,000	-	469,000	-	(469,000)
National Action Plan to end gender-based violence	1,598,000	497,000	2,095,000	1,434,846	(660,154)
Judiciary french language training	12,000	-	12,000	-	(12,000)
Legal Aid	1,051,000	169,000	1,220,000	1,219,910	(90)
Gladue Project	223,000	-	223,000	223,000	-
Indigenous courtworker program	458,000	-	458,000	458,000	-
Yukon Public Legal Education Association	163,000	-	163,000	163,000	-
Family Justice Activities	208,000	-	208,000	208,000	-
Cannabis and impaired driving	459,000	-	459,000	490,193	31,193
Exchange of service agreement	30,000	-	30,000	64,371	34,371
Drug treatment court funding	510,000	58,000	568,000	451,283	(116,717)
Arrest processing unit	1,913,000	-	1,913,000	2,238,464	325,464
Federal Victims Fund	965,000	-	965,000	852,155	(112,845)
Domestic Violence Treatment Program	150,000	-	150,000	141,530	(8,470)
Family Information Liaison Unit	285,000	-	285,000	157,068	(127,932)
Indigenous family courtworker program	-	54,000	54,000	33,276	(20,724)
Women and Gender Equality Canada					
Sexualized Assault Response Team	-	-	-	(695)	(695)
Gun and Gang Violence Action Fund	800,000	-	800,000	799,638	(362)
Capital					
Federal Victims Fund	40,000	-	40,000	9,304	(30,696)
	<u>10,236,000</u>	<u>778,000</u>	<u>11,014,000</u>	<u>8,943,563</u>	<u>(2,070,437)</u>

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Justice					
Taxes and General Revenues					
Court fees	500,000	-	500,000	536,220	36,220
Sheriff's Office	58,000	-	58,000	33,738	(24,262)
Public guardian and trustee fees	35,000	-	35,000	131,301	96,301
Land titles fees	600,000	-	600,000	533,781	(66,219)
	<u>1,193,000</u>	<u>-</u>	<u>1,193,000</u>	<u>1,235,040</u>	<u>42,040</u>
Third-Party recoveries					
Operation and Maintenance					
Public Utilities Board hearings	100,000	125,000	225,000	288,319	63,319
Worker advocate	497,000	-	497,000	356,179	(140,821)
Outreach worker - Province of British Columbia	44,000	10,000	54,000	58,586	4,586
	<u>641,000</u>	<u>135,000</u>	<u>776,000</u>	<u>703,084</u>	<u>(72,916)</u>
Total revenues	<u>12,070,000</u>	<u>913,000</u>	<u>12,983,000</u>	<u>10,881,687</u>	<u>(2,101,313)</u>

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Public Service Commission					
From Canada					
Operation and Maintenance					
Health, safety and well-being	5,000	-	5,000	-	(5,000)
	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Third-Party recoveries					
Operation and Maintenance					
Human resource business partners	227,000	-	227,000	234,270	7,270
Human resource shared services	77,000	-	77,000	77,070	70
Organizational development	5,000	-	5,000	75	(4,925)
Health, safety and well-being	5,000	-	5,000	-	(5,000)
Workers compensation payments	<u>-</u>	<u>2,400,000</u>	<u>2,400,000</u>	<u>2,621,465</u>	<u>221,465</u>
	<u>314,000</u>	<u>2,400,000</u>	<u>2,714,000</u>	<u>2,932,880</u>	<u>218,880</u>
Total revenues	<u>319,000</u>	<u>2,400,000</u>	<u>2,719,000</u>	<u>2,932,880</u>	<u>213,880</u>

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Tourism and Culture					
From Canada					
Operation and Maintenance					
Canada Council for the Arts	250,000	-	250,000	250,000	-
	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Taxes and General Revenues					
Yukon Beringia Interpretive Centre	70,000	-	70,000	47,986	(22,014)
Archives - reproduction fees	6,000	-	6,000	2,384	(3,616)
	<u>76,000</u>	<u>-</u>	<u>76,000</u>	<u>50,370</u>	<u>(25,630)</u>
Third-Party recoveries					
Operation and Maintenance					
Yukon Lottery Commission	467,000	218,000	685,000	682,491	(2,509)
	<u>467,000</u>	<u>218,000</u>	<u>685,000</u>	<u>682,491</u>	<u>(2,509)</u>
Total revenues	<u>793,000</u>	<u>218,000</u>	<u>1,011,000</u>	<u>982,861</u>	<u>(28,139)</u>
Women and Gender Equity Directorate					
From Canada					
Operation and Maintenance					
Women and Gender Equality Canada-Gender based violence funding	1,870,000	932,000	2,802,000	2,352,874	(449,126)
Crisis Hotline	150,000	-	150,000	150,000	-
	<u>2,020,000</u>	<u>932,000</u>	<u>2,952,000</u>	<u>2,502,874</u>	<u>(449,126)</u>
Total revenues	<u>2,020,000</u>	<u>932,000</u>	<u>2,952,000</u>	<u>2,502,874</u>	<u>(449,126)</u>

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Yukon Development Corporation					
From Canada					
Capital					
Investing in Canada Infrastructure Program	5,618,000	8,000	5,626,000	3,028,529	(2,597,471)
Arctic Energy fund	7,905,000	(2,276,000)	5,629,000	5,428,463	(200,537)
	<u>13,523,000</u>	<u>(2,268,000)</u>	<u>11,255,000</u>	<u>8,456,992</u>	<u>(2,798,008)</u>
Total revenues	<u>13,523,000</u>	<u>(2,268,000)</u>	<u>11,255,000</u>	<u>8,456,992</u>	<u>(2,798,008)</u>
Yukon Liquor Corporation					
Taxes and General Revenues					
Corporate net income					
- Liquor profit	7,221,000	-	7,221,000	7,153,218	(67,782)
- Cannabis profit	-	-	-	567,582	567,582
Liquor tax	5,269,000	-	5,269,000	5,145,623	(123,377)
Total revenues	<u>12,490,000</u>	<u>-</u>	<u>12,490,000</u>	<u>12,866,423</u>	<u>376,423</u>
Interest					
Taxes and General Revenues					
Interest	<u>92,000</u>	<u>-</u>	<u>92,000</u>	<u>91,590</u>	<u>(410)</u>

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Restricted Funds					
From Canada					
Operation and Maintenance					
Carbon amounts received	-	-	-	56,346,052	56,346,052
Taxes and General Revenues					
Gain on sale of tangible capital assets	-	-	-	187,691	187,691
Other revenue	-	-	-	394,462	394,462
	-	-	-	582,153	582,153
Third-Party recoveries					
Operation and Maintenance					
Restricted funds	-	-	-	48,654	48,654
Total revenues	-	-	-	56,976,859	56,976,859

Non-Consolidated Schedule of Revenues by Department (continued)
for the year ended March 31, 2025

	Main Estimates \$	Supplementary Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Totals					
From Canada	1,743,068,000	16,832,000	1,759,900,000	1,801,385,598	(41,485,598)
Taxes and general revenues	262,644,000	(2,337,000)	260,307,000	329,260,710	(68,953,710)
Third-party recoveries	<u>40,731,000</u>	<u>12,592,000</u>	<u>53,323,000</u>	<u>53,318,679</u>	<u>4,321</u>
Total revenues	<u>2,046,443,000</u>	<u>27,087,000</u>	<u>2,073,530,000</u>	<u>2,183,964,987</u>	<u>(110,434,987)</u>

GOVERNMENT OF YUKON

Schedule 3

Non-Consolidated Comparative Schedule of Expenses
for the year ended March 31, 2025

	2025 \$	2024 \$	Increase (Decrease) \$
Yukon Legislative Assembly			
Operation and Maintenance			
Legislative services	4,244,813	4,071,921	172,892
Legislative assembly office	1,229,079	1,155,333	73,746
Retirement allowances and death benefits	1,346,579	422,642	923,937
Hansard	713,832	651,667	62,165
Conflicts Commission	36,850	68,491	(31,641)
	<u>7,571,153</u>	<u>6,370,054</u>	<u>1,201,099</u>
Capital			
Legislative assembly office	<u>69,693</u>	<u>202,866</u>	<u>(133,173)</u>
	<u>69,693</u>	<u>202,866</u>	<u>(133,173)</u>
Less: Acquisition of tangible capital assets	<u>-</u>	<u>(143,000)</u>	<u>143,000</u>
	<u>69,693</u>	<u>59,866</u>	<u>9,827</u>
Amortization	<u>28,600</u>	<u>14,300</u>	<u>14,300</u>
Total Expenses	<u>7,669,446</u>	<u>6,444,220</u>	<u>1,225,226</u>
Elections Office			
Operation and Maintenance			
Chief Electoral Office	<u>828,826</u>	<u>821,980</u>	<u>6,846</u>
Capital			
Elections	<u>16,124</u>	<u>-</u>	<u>16,124</u>
Total expenses	<u>844,950</u>	<u>821,980</u>	<u>22,970</u>
Office of the Ombudsman			
Operation and Maintenance			
Office of the Ombudsman	<u>1,761,597</u>	<u>1,587,008</u>	<u>174,589</u>
Capital			
Office of the Ombudsman	32,000	3,000	29,000
Amortization	<u>10,664</u>	<u>10,664</u>	<u>-</u>
Total expenses	<u>1,804,261</u>	<u>1,600,672</u>	<u>203,589</u>

GOVERNMENT OF YUKON

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2025

	2025 \$	2024 \$	Increase (Decrease) \$
Child and Youth Advocate Office			
Operation and Maintenance			
Child and youth advocate office	<u>1,194,440</u>	<u>899,764</u>	<u>294,676</u>
Capital			
Child and youth advocate office	<u>13,999</u>	<u>2,000</u>	<u>11,999</u>
Total expenses	<u>1,208,439</u>	<u>901,764</u>	<u>306,675</u>
Executive Council Office			
Operation and Maintenance			
Strategic corporate services	4,833,067	4,914,002	(80,935)
Aboriginal relations	9,846,518	10,764,876	(918,358)
Corporate programs and intergovernmental relations	8,245,016	8,263,697	(18,681)
Government internal audit services	518,168	513,072	5,096
Office of the Commissioner	225,338	295,837	(70,499)
Cabinet offices	3,584,802	3,626,201	(41,399)
COVID-19 response	<u>-</u>	<u>108,535</u>	<u>(108,535)</u>
	<u>27,252,909</u>	<u>28,486,220</u>	<u>(1,233,311)</u>
Capital			
Corporate services	-	11,608	(11,608)
Amortization	<u>1,999</u>	<u>1,999</u>	<u>-</u>
Total expenses	<u>27,254,908</u>	<u>28,499,827</u>	<u>(1,244,919)</u>

GOVERNMENT OF YUKON

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2025

	2025 \$	2024 \$	Increase (Decrease) \$
Community Services			
Operation and Maintenance			
Corporate services	6,459,743	6,363,641	96,102
Protective services	53,377,181	43,237,213	10,139,968
Community development	59,160,947	52,804,465	6,356,482
Regulatory and consumer services	14,070,716	13,404,787	665,929
	<u>133,068,587</u>	<u>115,810,106</u>	<u>17,258,481</u>
Capital			
Corporate services	-	6,022	(6,022)
Protective services	2,492,755	4,155,804	(1,663,049)
Community development	104,435,197	78,477,076	25,958,121
Regulatory and customer affairs	1,148,799	1,875,582	(726,783)
	<u>108,076,751</u>	<u>84,514,484</u>	<u>23,562,267</u>
Less: Acquisition of tangible capital assets	(17,753,280)	(13,185,252)	(4,568,028)
Land development costs transferred to land inventory	(27,530,320)	(23,109,565)	(4,420,755)
Loan advances transferred to loans receivable	(1,201,414)	(1,544,276)	342,862
	<u>61,591,737</u>	<u>46,675,391</u>	<u>14,916,346</u>
Cost of land sold	22,076,666	16,060,350	6,016,316
ARO accretion expense	422,971	411,919	11,052
Amortization	4,799,884	4,476,556	323,328
Bad debt expense	642,353	591,590	50,763
Municipal landfills	-	6,440,776	(6,440,776)
Total expenses	<u>222,602,198</u>	<u>190,466,688</u>	<u>32,135,510</u>

GOVERNMENT OF YUKON

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2025

	2025 \$	2024 \$	Increase (Decrease) \$
Economic Development			
Operation and Maintenance			
COVID-19 response	170,000	190,353	(20,353)
Corporate services	3,631,717	3,562,974	68,743
Operations	<u>20,369,306</u>	<u>24,536,951</u>	<u>(4,167,645)</u>
	<u>24,171,023</u>	<u>28,290,278</u>	<u>(4,119,255)</u>
Capital			
Corporate services	38,561	43,073	(4,512)
Operations	<u>688,246</u>	<u>90,433</u>	<u>597,813</u>
	<u>726,807</u>	<u>133,506</u>	<u>593,301</u>
Total expenses	<u>24,897,830</u>	<u>28,423,784</u>	<u>(3,525,954)</u>
Education			
Operation and Maintenance			
Education support services	5,719,457	5,590,040	129,417
Schools and student services	169,924,433	148,853,563	21,070,870
Corporate services and program	58,741,074	60,299,821	(1,558,747)
Yukon University	31,195,316	30,375,316	820,000
First Nations initiatives	<u>11,073,382</u>	<u>6,214,441</u>	<u>4,858,941</u>
	<u>276,653,662</u>	<u>251,333,181</u>	<u>25,320,481</u>
Capital			
Schools and student services	16,062,859	32,052,715	(15,989,856)
Yukon university	600,000	1,100,000	(500,000)
Corporate services and program	<u>39,434</u>	<u>126,359</u>	<u>(86,925)</u>
	<u>16,702,293</u>	<u>33,279,074</u>	<u>(16,576,781)</u>
Less: Acquisition of tangible capital assets	<u>(12,170,083)</u>	<u>(24,635,285)</u>	<u>12,465,202</u>
	<u>4,532,210</u>	<u>8,643,789</u>	<u>(4,111,579)</u>
ARO accretion expense	730,685	598,696	131,989
Amortization	<u>6,796,692</u>	<u>6,482,223</u>	<u>314,469</u>
	<u>7,527,377</u>	<u>7,080,919</u>	<u>446,458</u>
Write-down of tangible capital assets	<u>-</u>	<u>2,433</u>	<u>(2,433)</u>
Total expenses	<u>288,713,249</u>	<u>267,060,322</u>	<u>21,652,927</u>

GOVERNMENT OF YUKON

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2025

	2025 \$	2024 \$	Increase (Decrease) \$
Energy, Mines and Resources			
Operation and Maintenance			
Corporate services	13,861,208	14,133,000	(271,792)
Sustainable resources	13,087,450	12,976,463	110,987
Oil and gas and mineral resources	155,261,233	50,297,066	104,964,167
Strategic initiatives	<u>14,631,762</u>	<u>26,185,360</u>	<u>(11,553,598)</u>
	<u>196,841,653</u>	<u>103,591,889</u>	<u>93,249,764</u>
Capital			
Corporate services	127,037	1,402,883	(1,275,846)
Sustainable resources	<u>515,584</u>	<u>300,913</u>	<u>214,671</u>
	<u>642,621</u>	<u>1,703,796</u>	<u>(1,061,175)</u>
Less: Acquisition of tangible capital assets	(231,685)	(1,488,814)	1,257,129
Land development costs transferred to land inventory	(41,056)	(69,580)	28,524
Loan advances transferred to loans receivable	<u>(105,000,000)</u>	<u>-</u>	<u>(105,000,000)</u>
	<u>(104,630,120)</u>	<u>145,402</u>	<u>(104,775,522)</u>
ARO accretion expense	34,059	25,746	8,313
Amortization	863,068	787,371	75,697
Environmental liabilities (net)	<u>(23,160,023)</u>	<u>75,972,183</u>	<u>(99,132,206)</u>
Total expenses	<u>69,948,637</u>	<u>180,522,591</u>	<u>(110,573,954)</u>

GOVERNMENT OF YUKON

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2025

	2025 \$	2024 \$	Increase (Decrease) \$
Environment			
Operation and Maintenance			
Corporate services	21,456,185	21,435,590	20,595
Environmental sustainability	33,855,518	33,756,561	98,957
Environmental liabilities & remediation	<u>2,888,552</u>	<u>4,095,038</u>	<u>(1,206,486)</u>
	<u>58,200,255</u>	<u>59,287,189</u>	<u>(1,086,934)</u>
Capital			
Corporate Services	184,313	1,497,976	(1,313,663)
Environmental sustainability	<u>4,814,026</u>	<u>2,008,269</u>	<u>2,805,757</u>
	<u>4,998,339</u>	<u>3,506,245</u>	<u>1,492,094</u>
Less: Acquisition of tangible capital assets	<u>(3,595,904)</u>	<u>(2,427,736)</u>	<u>(1,168,168)</u>
	<u>1,402,435</u>	<u>1,078,509</u>	<u>323,926</u>
ARO accretion expense	16,313	14,374	1,939
Amortization	987,364	882,202	105,162
Environmental liabilities (net)	<u>12,782,682</u>	<u>18,898,511</u>	<u>(6,115,829)</u>
Total expenses	<u>73,389,049</u>	<u>80,160,785</u>	<u>(6,771,736)</u>

GOVERNMENT OF YUKON

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2025

	2025 \$	2024 \$	Increase (Decrease) \$
Finance			
Operation and Maintenance			
Corporate services	1,643,554	1,494,590	148,964
Financial operations and revenue services	9,650,641	6,413,632	3,237,009
Economics, fiscal policy and statistics	2,904,923	2,667,251	237,672
Management board secretariat	2,434,295	1,916,083	518,212
Office of the Comptroller	1,507,079	1,413,401	93,678
Workers' compensation supplementary benefits	178,760	201,589	(22,829)
	<u>18,319,252</u>	<u>14,106,546</u>	<u>4,212,706</u>
Capital			
Corporate services	<u>25,611</u>	<u>26,552</u>	<u>(941)</u>
Less: Acquisition of tangible capital assets	(25,611)	-	(25,611)
Amortization	<u>168,047</u>	<u>166,983</u>	<u>1,064</u>
Bad debt expense	<u>76,760</u>	<u>489,395</u>	<u>(412,635)</u>
Transfers through tax system	<u>2,256,483</u>	<u>2,076,800</u>	<u>179,683</u>
Total expenses	<u>20,820,542</u>	<u>16,866,276</u>	<u>3,954,266</u>
French Language Services Directorate			
Operation and Maintenance			
French Language Services	<u>7,914,091</u>	<u>7,281,066</u>	<u>633,025</u>

GOVERNMENT OF YUKON

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2025

	2025 \$	2024 \$	Increase (Decrease) \$
Health and Social Services			
Operation and Maintenance			
Innovation, quality and performance	184,687,862	168,682,230	16,005,632
Corporate services	35,119,632	33,018,970	2,100,662
Insured health and social services	114,774,999	105,675,038	9,099,961
Community and primary care	94,274,426	78,924,645	15,349,781
Continuing care	101,909,647	98,063,244	3,846,403
Yukon Hospital services	126,514,958	122,999,317	3,515,641
	<u>657,281,524</u>	<u>607,363,444</u>	<u>49,918,080</u>
Capital			
Corporate services	1,182,964	1,491,749	(308,785)
Family and children's services	5,003	-	5,003
Community and program support	79,854	2,600,442	(2,520,588)
Continuing care	865,203	312,810	552,393
Yukon Hospital services	12,427,895	10,330,805	2,097,090
	<u>14,560,919</u>	<u>14,735,806</u>	<u>(174,887)</u>
Less: Acquisition of tangible capital assets	<u>(938,626)</u>	<u>(3,099,027)</u>	<u>2,160,401</u>
	<u>13,622,293</u>	<u>11,636,779</u>	<u>1,985,514</u>
ARO accretion expense	80,013	76,833	3,180
Amortization	<u>6,897,261</u>	<u>7,371,111</u>	<u>(473,850)</u>
	<u>6,977,274</u>	<u>7,447,944</u>	<u>(470,670)</u>
Total expenses	<u>677,881,091</u>	<u>626,448,167</u>	<u>51,432,924</u>

GOVERNMENT OF YUKON

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2025

	2025 \$	2024 \$	Increase (Decrease) \$
Highways and Public Works			
Operation and Maintenance			
Corporate services	15,604,089	13,535,415	2,068,674
Information and communications technology	26,204,830	25,897,019	307,811
Transportation	75,429,495	77,173,903	(1,744,408)
Property management	52,986,093	52,017,658	968,435
Transformation and capital planning	1,093,506	1,613,495	(519,989)
	<u>171,318,013</u>	<u>170,237,490</u>	<u>1,080,523</u>
Less: Lease payments for leased tangible capital assets transferred to liabilities	<u>(361,727)</u>	<u>(472,766)</u>	<u>111,039</u>
	<u>170,956,286</u>	<u>169,764,724</u>	<u>1,191,562</u>
Capital			
Information and communications technology	14,137,863	13,770,054	367,809
Transportation	204,030,227	173,212,289	30,817,938
Property management	34,353,850	50,641,818	(16,287,968)
Transformation and capital planning	11,148,747	46,411,808	(35,263,061)
	<u>263,670,687</u>	<u>284,035,969</u>	<u>(20,365,282)</u>
Less: Acquisition of tangible capital assets	<u>(204,150,041)</u>	<u>(204,760,559)</u>	<u>610,518</u>
	<u>59,520,646</u>	<u>79,275,410</u>	<u>(19,754,764)</u>
ARO accretion expense	576,261	457,555	118,706
Amortization	37,382,442	33,459,215	3,923,227
Write-down of tangible capital assets	<u>-</u>	<u>7,254</u>	<u>(7,254)</u>
Total expenses	<u>268,435,635</u>	<u>282,964,158</u>	<u>(14,528,523)</u>

GOVERNMENT OF YUKON

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2025

	2025 \$	2024 \$	Increase (Decrease) \$
Justice			
Operation and Maintenance			
Management services	8,254,746	7,564,094	690,652
Court services	9,213,090	6,814,002	2,399,088
Legal services	12,459,302	11,553,101	906,201
Regulatory services	5,412,412	5,536,773	(124,361)
Community justice and public safety	70,285,238	67,854,128	2,431,110
Human rights	1,220,853	904,190	316,663
	<u>106,845,641</u>	<u>100,226,288</u>	<u>6,619,353</u>
Capital			
Management services	309,331	300,485	8,846
Court services	56,915	26,235	30,680
Community justice and public safety	3,435,807	3,473,503	(37,696)
Regulatory services	10,636	-	10,636
	<u>3,812,689</u>	<u>3,800,223</u>	<u>12,466</u>
Less: Acquisition of tangible capital assets	<u>(260,672)</u>	<u>(345,954)</u>	<u>85,282</u>
	<u>3,552,017</u>	<u>3,454,269</u>	<u>97,748</u>
Legal settlements	13,654,000	-	13,654,000
ARO accretion expense	44,635	50,168	(5,533)
Amortization	<u>1,925,729</u>	<u>1,937,789</u>	<u>(12,060)</u>
	<u>15,624,364</u>	<u>1,987,957</u>	<u>13,636,407</u>
Total expenses	<u>126,022,022</u>	<u>105,668,514</u>	<u>20,353,508</u>

GOVERNMENT OF YUKON

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2025

	2025 \$	2024 \$	Increase (Decrease) \$
Public Service Commission			
Operation and Maintenance			
Corporate services	2,633,431	2,422,170	211,261
Human resource service centre	9,125,348	8,527,070	598,278
People and culture	6,646,987	6,746,628	(99,641)
Employee relations	5,489,761	5,970,819	(481,058)
Corporate funds	33,579,275	28,298,075	5,281,200
	<u>57,474,802</u>	<u>51,964,762</u>	<u>5,510,040</u>
Capital			
Corporate services	11,529	67,538	(56,009)
People and culture	48,264	46,100	2,164
	<u>59,793</u>	<u>113,638</u>	<u>(53,845)</u>
Less: Acquisition of tangible capital assets	<u>-</u>	<u>(46,100)</u>	<u>46,100</u>
	<u>59,793</u>	<u>67,538</u>	<u>(7,745)</u>
Amortization	<u>185,930</u>	<u>233,655</u>	<u>(47,725)</u>
Total expenses	<u>57,720,525</u>	<u>52,265,955</u>	<u>5,454,570</u>

GOVERNMENT OF YUKON

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2025

	2025 \$	2024 \$	Increase (Decrease) \$
Tourism and Culture			
Operation and Maintenance			
COVID-19 response	-	752,582	(752,582)
Corporate services	2,683,410	3,367,465	(684,055)
Cultural services	15,738,139	15,367,441	370,698
Tourism	13,395,172	13,007,946	387,226
	<u>31,816,721</u>	<u>32,495,434</u>	<u>(678,713)</u>
Capital			
Corporate services	14,855	92,830	(77,975)
Cultural services	1,151,877	982,976	168,901
Tourism	628,591	1,213,684	(585,093)
	<u>1,795,323</u>	<u>2,289,490</u>	<u>(494,167)</u>
Less: Acquisition of tangible capital assets	<u>(370,965)</u>	<u>(442,707)</u>	<u>71,742</u>
	<u>1,424,358</u>	<u>1,846,783</u>	<u>(422,425)</u>
ARO accretion expense	27,946	29,944	(1,998)
Amortization	<u>757,720</u>	<u>797,448</u>	<u>(39,728)</u>
	<u>785,666</u>	<u>827,392</u>	<u>(41,726)</u>
Total expenses	<u>34,026,745</u>	<u>35,169,609</u>	<u>(1,142,864)</u>

GOVERNMENT OF YUKON

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2025

	2025 \$	2024 \$	Increase (Decrease) \$
Women and Gender Equity Directorate			
Operation and Maintenance			
Policy and program development	<u>5,903,664</u>	<u>4,996,097</u>	<u>907,567</u>
Yukon Development Corporation (Transfer Payment)			
Operation and Maintenance			
Inflation relief rebate	-	5,302,000	(5,302,000)
Interim electrical rebate	3,497,334	3,412,629	84,705
Mayo B rate payer support	<u>2,625,000</u>	<u>2,428,000</u>	<u>197,000</u>
	<u>6,122,334</u>	<u>11,142,629</u>	<u>(5,020,295)</u>
Capital			
Innovative renewable energy initiative	2,300,951	1,964,650	336,301
Arctic energy fund	5,428,463	4,089,994	1,338,469
Investing in Canada infrastructure program	3,028,529	3,847,912	(819,383)
Atlin hydro expansion project	<u>-</u>	<u>2,000,000</u>	<u>(2,000,000)</u>
	<u>10,757,943</u>	<u>11,902,556</u>	<u>(1,144,613)</u>
Total expenses	<u>16,880,277</u>	<u>23,045,185</u>	<u>(6,164,908)</u>

GOVERNMENT OF YUKON

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2025

	2025 \$	2024 \$	Increase (Decrease) \$
Yukon Housing Corporation (Transfer Payment)			
Operation and Maintenance			
Gross expenditures	23,985,505	23,167,215	818,290
Less: Rental revenues	(11,814,565)	(10,179,350)	(1,635,215)
Recoveries	<u>(3,151,159)</u>	<u>(3,596,903)</u>	<u>445,744</u>
	<u>9,019,781</u>	<u>9,390,962</u>	<u>(371,181)</u>
Capital			
Gross expenditures	52,223,447	32,652,035	19,571,412
Less: Recoveries	(17,480,823)	(9,199,499)	(8,281,324)
Loan expenditures	<u>(3,034,239)</u>	<u>(2,241,030)</u>	<u>(793,209)</u>
	<u>31,708,385</u>	<u>21,211,506</u>	<u>10,496,879</u>
Total expenses	<u>40,728,166</u>	<u>30,602,468</u>	<u>10,125,698</u>
Restricted Funds			
Net expenditures	56,550,162	29,295,902	27,254,260
Amortization	<u>6,423,862</u>	<u>6,168,625</u>	<u>255,237</u>
Total expenses	<u>62,974,024</u>	<u>35,464,527</u>	<u>27,509,497</u>

GOVERNMENT OF YUKON

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2025

	2025 \$	2024 \$	Increase (Decrease) \$
Totals			
Operation and Maintenance	1,799,198,201	1,605,209,621	193,988,580
Capital	<u>457,669,977</u>	<u>461,472,319</u>	<u>(3,802,342)</u>
	2,256,868,178	2,066,681,940	190,186,238
Less: Acquisition of tangible capital assets	(239,496,867)	(250,574,434)	11,077,567
Land development costs transferred to land inventory	(27,571,376)	(23,179,145)	(4,392,231)
Loan advances transferred to loans receivable	<u>(106,201,414)</u>	<u>(1,544,276)</u>	<u>(104,657,138)</u>
	1,883,598,521	1,791,384,085	92,214,436
Cost of land sold	22,076,666	16,060,350	6,016,316
ARO Accretion Expense	1,932,883	1,665,235	267,648
Amortization Expense	67,229,262	62,790,141	4,439,121
Other expenses not appropriated	<u>62,802,417</u>	<u>133,774,844</u>	<u>(70,972,427)</u>
	<u><u>2,037,639,749</u></u>	<u><u>2,005,674,655</u></u>	<u><u>31,965,094</u></u>

GOVERNMENT OF YUKON

Schedule 4

**Non-Consolidated Schedule of Expenses by Department
for the year ended March 31, 2025**

	Appropriation			Actual \$	Under (Over) Estimates \$
	Main Estimates \$	Supplementary Estimates \$	Transfers \$		
Yukon Legislative Assembly					
Operation and Maintenance					
Legislative services	4,535,000	-	-	4,535,000	290,187
Legislative assembly office	1,234,000	79,000	-	1,313,000	83,921
Retirement allowances and death benefits	1,966,000	-	-	1,966,000	619,421
Hansard	765,000	152,000	-	917,000	203,168
Conflicts Commission	59,000	-	-	59,000	22,150
	<u>8,559,000</u>	<u>231,000</u>	<u>-</u>	<u>8,790,000</u>	<u>1,218,847</u>
Capital					
Legislative assembly office	40,000	30,000	-	70,000	307
Amortization	<u>29,000</u>	<u>-</u>	<u>-</u>	<u>29,000</u>	<u>400</u>
Total expenses	<u>8,628,000</u>	<u>261,000</u>	<u>-</u>	<u>8,889,000</u>	<u>1,219,554</u>

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2025

	Appropriation				Actual \$	Under (Over) Estimates \$
	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Revised Estimates \$		
Elections Office						
Operation and Maintenance						
Chief Electoral Office	785,000	-	-	785,000	583,175	201,825
Elections administration	156,000	-	-	156,000	33,339	122,661
Elections Education Act	56,000	-	-	56,000	31,671	24,329
Electoral District Boundaries Commission	187,000	-	-	187,000	173,712	13,288
Plebiscite Administration	-	80,000	-	80,000	6,929	73,071
	<u>1,184,000</u>	<u>80,000</u>	<u>-</u>	<u>1,264,000</u>	<u>828,826</u>	<u>435,174</u>
Capital						
Office furniture and equipment	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>18,000</u>	<u>16,124</u>	<u>1,876</u>
Total expenses	<u>1,202,000</u>	<u>80,000</u>	<u>-</u>	<u>1,282,000</u>	<u>844,950</u>	<u>437,050</u>

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2025

	Appropriation					
	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Office of the Ombudsman						
Operation and Maintenance						
Office of the Ombudsman	1,568,000	-	-	1,568,000	1,549,256	18,744
Information & Privacy Commissioner	173,000	-	-	173,000	142,034	30,966
Public Interest Disclosure Commissioner	57,000	-	-	57,000	70,308	(13,308)
	<u>1,798,000</u>	<u>-</u>	<u>-</u>	<u>1,798,000</u>	<u>1,761,598</u>	<u>36,402</u>
Capital						
Office of the Ombudsman	32,000	-	-	32,000	32,000	-
Amortization	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>10,664</u>	<u>1,336</u>
Total expenses	<u>1,842,000</u>	<u>-</u>	<u>-</u>	<u>1,842,000</u>	<u>1,804,262</u>	<u>37,738</u>
Child and Youth Advocate Office						
Operation and Maintenance						
Child and youth advocate office	<u>1,104,000</u>	<u>96,000</u>	<u>-</u>	<u>1,200,000</u>	<u>1,194,440</u>	<u>5,560</u>
Capital						
Child and youth advocate office	<u>14,000</u>	<u>-</u>	<u>-</u>	<u>14,000</u>	<u>13,999</u>	<u>1</u>
Total expenses	<u>1,118,000</u>	<u>96,000</u>	<u>-</u>	<u>1,214,000</u>	<u>1,208,439</u>	<u>5,561</u>

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2025

	Appropriation					
	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Executive Council Office						
Operation and Maintenance						
Strategic corporate services	5,427,000	(322,000)	-	5,105,000	4,833,067	271,933
Aboriginal relations	9,169,000	1,278,000	-	10,447,000	9,846,518	600,482
Corporate programs and intergovernmental relations	7,450,000	688,000	-	8,138,000	8,245,016	(107,016)
Government internal audit services	624,000	-	-	624,000	518,168	105,832
Office of the Commissioner	308,000	-	-	308,000	225,338	82,662
Cabinet offices	3,633,000	-	-	3,633,000	3,584,802	48,198
	<u>26,611,000</u>	<u>1,644,000</u>	<u>-</u>	<u>28,255,000</u>	<u>27,252,909</u>	<u>1,002,091</u>
Capital						
Strategic corporate services	15,000	(15,000)	-	-	-	-
Amortization	<u>164,000</u>	<u>(162,000)</u>	<u>-</u>	<u>2,000</u>	<u>1,999</u>	<u>1</u>
Total expenses	26,790,000	1,467,000	-	28,257,000	27,254,908	1,002,092

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2025

	Appropriation					
	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Community Services						
Operation and Maintenance						
Corporate services	6,627,000	-	-	6,627,000	6,459,743	167,257
Protective services	29,868,000	23,306,000	-	53,174,000	53,377,181	(203,181)
Community development	55,944,000	3,264,000	-	59,208,000	59,160,947	47,053
Regulatory and consumer services	14,341,000	-	-	14,341,000	14,070,716	270,284
	<u>106,780,000</u>	<u>26,570,000</u>	<u>-</u>	<u>133,350,000</u>	<u>133,068,587</u>	<u>281,413</u>
Capital						
Protective services	2,157,000	40,000	-	2,197,000	2,492,755	(295,755)
Community development	93,326,000	10,000,000	-	103,326,000	104,435,197	(1,109,197)
Regulatory and consumer services	3,786,000	-	-	3,786,000	1,148,799	2,637,201
	<u>99,269,000</u>	<u>10,040,000</u>	<u>-</u>	<u>109,309,000</u>	<u>108,076,751</u>	<u>1,232,249</u>
Less: Acquisition of tangible capital assets	(12,691,000)	(1,500,000)	-	(14,191,000)	(17,753,280)	3,562,280
Land development costs transferred to land inventory	(23,694,000)	(10,000,000)	-	(33,694,000)	(43,433,215)	9,739,215
Loan advances transferred to loans receivable	(3,722,000)	-	-	(3,722,000)	(1,201,414)	(2,520,586)
	<u>59,162,000</u>	<u>(1,460,000)</u>	<u>-</u>	<u>57,702,000</u>	<u>45,688,842</u>	<u>12,013,158</u>

GOVERNMENT OF YUKON

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2025

	Appropriation				Actual \$	Under (Over) Estimates \$
	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Revised Estimates \$		
Community Services						
Land inventory adjustment	-	-	-	-	15,902,895	(15,902,895)
Cost of land sold	29,836,000	-	-	29,836,000	22,076,666	7,759,334
Amortization	5,029,000	(2,000)	-	5,027,000	4,799,884	227,116
Bad debt expense	150,000	-	-	150,000	642,353	(492,353)
ARO accretion expense	<u>424,000</u>	<u>(2,000)</u>	<u>-</u>	<u>422,000</u>	<u>422,971</u>	<u>(971)</u>
Total expenses	<u>201,381,000</u>	<u>25,106,000</u>	<u>-</u>	<u>226,487,000</u>	<u>222,602,198</u>	<u>3,884,802</u>

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2025

	Appropriation				Actual \$	Under (Over) Estimates \$
	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Revised Estimates \$		
Economic Development						
Operation and Maintenance						
COVID-19 response	-	-	-	-	170,000	(170,000)
Corporate services	3,878,000	(100,000)	-	3,778,000	3,631,717	146,283
Operations	22,293,000	(345,000)	-	21,948,000	20,369,306	1,578,694
	<u>26,171,000</u>	<u>(445,000)</u>	<u>-</u>	<u>25,726,000</u>	<u>24,171,023</u>	<u>1,554,977</u>
Capital						
Corporate services	40,000	-	-	40,000	38,561	1,439
Operations	973,000	-	-	973,000	688,246	284,754
	<u>1,013,000</u>	<u>-</u>	<u>-</u>	<u>1,013,000</u>	<u>726,807</u>	<u>286,193</u>
Amortization	<u>46,000</u>	<u>(46,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>27,230,000</u>	<u>(491,000)</u>	<u>-</u>	<u>26,739,000</u>	<u>24,897,830</u>	<u>1,841,170</u>

GOVERNMENT OF YUKON

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2025

	Appropriation					
	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Education						
Operation and Maintenance						
Education support services	6,305,000	-	-	6,305,000	5,719,457	585,543
School authorities	127,774,000	19,294,000	-	147,068,000	151,741,023	(4,673,023)
Administration and support	10,948,000	653,000	-	11,601,000	12,940,042	(1,339,042)
Student well-being and inclusion	5,745,000	(156,000)	-	5,589,000	5,243,368	345,632
Corporate services and program	58,746,000	4,128,000	-	62,874,000	58,741,074	4,132,926
Yukon University	31,195,000	-	-	31,195,000	31,195,316	(316)
First Nations initiatives	12,032,000	414,000	-	12,446,000	11,073,382	1,372,618
	<u>252,745,000</u>	<u>24,333,000</u>	<u>-</u>	<u>277,078,000</u>	<u>276,653,662</u>	<u>424,338</u>
Capital						
Schools authorities	28,265,000	(8,674,000)	-	19,591,000	16,062,859	3,528,141
Corporate services and program	515,000	-	-	515,000	39,434	475,566
Yukon university	600,000	-	-	600,000	600,000	-
	<u>29,380,000</u>	<u>(8,674,000)</u>	<u>-</u>	<u>20,706,000</u>	<u>16,702,293</u>	<u>4,003,707</u>
Less: Acquisition of tangible capital assets	<u>(21,961,000)</u>	<u>8,662,000</u>	<u>-</u>	<u>(13,299,000)</u>	<u>(12,170,083)</u>	<u>(1,128,917)</u>
	<u>7,419,000</u>	<u>(12,000)</u>	<u>-</u>	<u>7,407,000</u>	<u>4,532,210</u>	<u>2,874,790</u>
ARO accretion expense	617,000	117,000	-	734,000	730,685	3,315
Amortization	9,085,000	(74,000)	-	9,011,000	6,796,692	2,214,308
Total expenses	<u>269,866,000</u>	<u>24,364,000</u>	<u>-</u>	<u>294,230,000</u>	<u>288,713,249</u>	<u>5,516,751</u>

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2025

	Appropriation					
	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Energy, Mines and Resources						
Operation and Maintenance						
Corporate services	14,156,000	(93,000)	-	14,063,000	13,861,208	201,792
Sustainable resources	13,694,000	(100,000)	-	13,594,000	13,087,450	506,550
Mineral resources and geoscience services	54,207,000	105,804,000	-	160,011,000	155,261,233	4,749,767
Strategic initiatives and partnerships	21,490,000	(5,320,000)	-	16,170,000	14,631,762	1,538,238
	<u>103,547,000</u>	<u>100,291,000</u>	<u>-</u>	<u>203,838,000</u>	<u>196,841,653</u>	<u>6,996,347</u>
Capital						
Corporate services	75,000	163,000	-	238,000	127,037	110,963
Sustainable resources	454,000	-	-	454,000	515,584	(61,584)
	<u>529,000</u>	<u>163,000</u>	<u>-</u>	<u>692,000</u>	<u>642,621</u>	<u>49,379</u>
Less: Acquisition of tangible capital assets	(201,000)	(163,000)	-	(364,000)	(231,685)	(132,315)
Land development costs transferred to land inventory	(250,000)	-	-	(250,000)	(41,056)	(208,944)
Loan advances to the Receiver of Victoria Gold Corp. transferred to loans receivable	-	(105,000,000)	-	(105,000,000)	(105,000,000)	-
	78,000	(105,000,000)	-	(104,922,000)	(104,630,120)	(291,880)

GOVERNMENT OF YUKON

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2025

	Appropriation				Actual \$	Under (Over) Estimates \$
	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Revised Estimates \$		
Energy, Mines and Resources						
ARO accretion expense	26,000	8,000	-	34,000	34,059	(59)
Amortization	<u>896,000</u>	<u>(11,000)</u>	<u>-</u>	<u>885,000</u>	<u>863,068</u>	<u>21,932</u>
	922,000	(3,000)	-	919,000	897,127	21,873
Environmental liabilities (net)	<u>(2,425,000)</u>	<u>(21,575,000)</u>	<u>-</u>	<u>(24,000,000)</u>	<u>(23,160,023)</u>	<u>(839,977)</u>
Total expenses	<u>102,122,000</u>	<u>(26,287,000)</u>	<u>-</u>	<u>75,835,000</u>	<u>69,948,637</u>	<u>5,886,363</u>

GOVERNMENT OF YUKON

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2025

	Appropriation			Revised Estimates \$	Actual \$	Under (Over) Estimates \$
	Main Estimates \$	Supplementary Estimates \$	Transfers \$			
Environment						
Operation and Maintenance						
Corporate services	21,667,000	577,000	-	22,244,000	21,456,185	787,815
Environmental sustainability	30,312,000	3,936,000	-	34,248,000	33,855,518	392,482
Environmental liabilities & remediation	3,636,000	150,000	-	3,786,000	2,888,552	897,448
	<u>55,615,000</u>	<u>4,663,000</u>	<u>-</u>	<u>60,278,000</u>	<u>58,200,255</u>	<u>2,077,745</u>
Capital						
Corporate services	742,000	-	-	742,000	184,313	557,687
Environmental sustainability	5,871,000	(600,000)	-	5,271,000	4,814,026	456,974
	<u>6,613,000</u>	<u>(600,000)</u>	<u>-</u>	<u>6,013,000</u>	<u>4,998,339</u>	<u>1,014,661</u>
Less: Acquisition of tangible capital assets	<u>(4,938,000)</u>	<u>600,000</u>	<u>-</u>	<u>(4,338,000)</u>	<u>(3,595,904)</u>	<u>(742,096)</u>
	<u>1,675,000</u>	<u>-</u>	<u>-</u>	<u>1,675,000</u>	<u>1,402,435</u>	<u>272,565</u>
ARO accretion expense	15,000	1,000	-	16,000	16,313	(313)
Amortization	<u>787,000</u>	<u>(2,000)</u>	<u>-</u>	<u>785,000</u>	<u>987,364</u>	<u>(202,364)</u>
	<u>802,000</u>	<u>(1,000)</u>	<u>-</u>	<u>801,000</u>	<u>1,003,677</u>	<u>(202,677)</u>
Environmental liabilities (net)	<u>(615,000)</u>	<u>1,745,000</u>	<u>-</u>	<u>1,130,000</u>	<u>12,782,682</u>	<u>(11,652,682)</u>
Total expenses	<u>57,477,000</u>	<u>6,407,000</u>	<u>-</u>	<u>63,884,000</u>	<u>73,389,049</u>	<u>(9,505,049)</u>

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2025

	Appropriation			Revised Estimates \$	Actual \$	Under (Over) Estimates \$
	Main Estimates \$	Supplementary Estimates \$	Transfers \$			
Finance						
Operation and Maintenance						
Corporate services	1,324,000	-	-	1,324,000	1,643,554	(319,554)
Financial operations and revenue services	7,731,000	5,700,000	-	13,431,000	9,650,641	3,780,359
Economics, fiscal policy and statistics	2,923,000	-	-	2,923,000	2,904,923	18,077
Management board secretariat	2,231,000	487,000	-	2,718,000	2,434,295	283,705
Office of the Comptroller	1,410,000	-	-	1,410,000	1,507,079	(97,079)
Workers' compensation supplementary benefits	275,000	-	-	275,000	178,760	96,240
	<u>15,894,000</u>	<u>6,187,000</u>	<u>-</u>	<u>22,081,000</u>	<u>18,319,252</u>	<u>3,761,748</u>
Capital						
Corporate services	32,000	-	-	32,000	25,611	6,389
Less: Acquisition of tangible capital assets	<u>-</u>	<u>(26,000)</u>	<u>-</u>	<u>(26,000)</u>	<u>(25,611)</u>	<u>(389)</u>
	<u>32,000</u>	<u>(26,000)</u>	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Amortization	167,000	6,000	-	173,000	168,047	4,953
Bad debt expense	325,000	-	-	325,000	76,760	248,240
Transfers through tax system	<u>2,361,000</u>	<u>(247,000)</u>	<u>-</u>	<u>2,114,000</u>	<u>2,256,483</u>	<u>(142,483)</u>
Total expenses	<u>18,779,000</u>	<u>5,920,000</u>	<u>-</u>	<u>24,699,000</u>	<u>20,820,542</u>	<u>3,878,458</u>

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2025

	Appropriation			Actual	Under (Over) Estimates
	Main	Supplementary	Transfers		
	Estimates \$	Estimates \$	\$	\$	\$
French Language Services Directorate					
Operation and Maintenance					
Central Services	4,461,000	(56,000)	-	4,405,000	198,438
Partnerships and strategic support	3,294,000	339,000	-	3,633,000	(74,529)
Total expenses	7,755,000	283,000	-	8,038,000	123,909

GOVERNMENT OF YUKON

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2025

	Appropriation			Revised Estimates \$	Actual \$	Under (Over) Estimates \$
	Main Estimates \$	Supplementary Estimates \$	Transfers \$			
Health and Social Services						
Operation and Maintenance						
Innovation, quality and performance	164,107,000	47,535,000	-	211,642,000	184,687,862	26,954,138
Corporate services	34,119,000	(2,565,000)	-	31,554,000	35,119,632	(3,565,632)
Social Services	102,706,000	10,136,000	-	112,842,000	114,774,999	(1,932,999)
Community and primary care	86,106,000	8,471,000	-	94,577,000	94,274,426	302,574
Continuing care	96,921,000	4,989,000	-	101,910,000	101,909,647	353
Yukon Hospital services	110,413,000	11,910,000	-	122,323,000	126,514,958	(4,191,958)
	<u>594,372,000</u>	<u>80,476,000</u>	<u>-</u>	<u>674,848,000</u>	<u>657,281,524</u>	<u>17,566,476</u>
Capital						
Corporate services	2,820,000	(706,000)	-	2,114,000	1,182,964	931,036
Social services	222,000	(102,000)	-	120,000	5,003	114,997
Community and primary care	414,000	(64,000)	-	350,000	79,854	270,146
Continuing care	859,000	(440,000)	-	419,000	865,203	(446,203)
Yukon Hospital services	5,071,000	7,357,000	-	12,428,000	12,427,895	105
	<u>9,386,000</u>	<u>6,045,000</u>	<u>-</u>	<u>15,431,000</u>	<u>14,560,919</u>	<u>870,081</u>
Less: Acquisition of tangible capital assets	<u>(2,509,000)</u>	<u>706,000</u>	<u>-</u>	<u>(1,803,000)</u>	<u>(938,626)</u>	<u>(864,374)</u>
	<u>6,877,000</u>	<u>6,751,000</u>	<u>-</u>	<u>13,628,000</u>	<u>13,622,293</u>	<u>5,707</u>
ARO accretion expense	77,000	3,000	-	80,000	80,013	(13)
Amortization	<u>8,105,000</u>	<u>(5,000)</u>	<u>-</u>	<u>8,100,000</u>	<u>6,897,261</u>	<u>1,202,739</u>
	<u>8,182,000</u>	<u>(2,000)</u>	<u>-</u>	<u>8,180,000</u>	<u>6,977,274</u>	<u>1,202,726</u>
Total expenses	<u>609,431,000</u>	<u>87,225,000</u>	<u>-</u>	<u>696,656,000</u>	<u>677,881,091</u>	<u>18,774,909</u>

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2025

	Appropriation					
	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Highways and Public Works						
Operation and Maintenance						
Corporate services	15,457,000	-	-	15,457,000	15,604,089	(147,089)
Information and communications technology	26,732,000	-	-	26,732,000	26,204,830	527,170
Transportation	71,476,000	4,424,000	-	75,900,000	75,429,495	470,505
Property management	50,341,000	4,094,000	-	54,435,000	52,986,092	1,448,908
Transformation and capital planning	<u>1,726,000</u>	<u>(120,000)</u>	<u>-</u>	<u>1,606,000</u>	<u>1,093,506</u>	<u>512,494</u>
	165,732,000	8,398,000	-	174,130,000	171,318,012	2,811,988
Less: lease payments for leased tangible capital assets transferred to liabilities	<u>(1,171,000)</u>	<u>809,000</u>	<u>-</u>	<u>(362,000)</u>	<u>(361,727)</u>	<u>(273)</u>
	<u>164,561,000</u>	<u>9,207,000</u>	<u>-</u>	<u>173,768,000</u>	<u>170,956,285</u>	<u>2,811,715</u>
Capital						
Information and communications technology	14,244,000	(50,000)	-	14,194,000	14,137,863	56,137
Transportation	195,233,000	14,239,000	-	209,472,000	204,030,227	5,441,773
Property management	36,502,000	551,000	-	37,053,000	34,353,850	2,699,150
Transformation and capital planning	<u>14,368,000</u>	<u>(2,685,000)</u>	<u>-</u>	<u>11,683,000</u>	<u>11,148,747</u>	<u>534,253</u>
	<u>260,347,000</u>	<u>12,055,000</u>	<u>-</u>	<u>272,402,000</u>	<u>263,670,687</u>	<u>8,731,313</u>
Less: Acquisition of tangible capital assets	<u>(173,540,000)</u>	<u>(15,987,000)</u>	<u>-</u>	<u>(189,527,000)</u>	<u>(204,150,041)</u>	<u>14,623,041</u>
	<u>86,807,000</u>	<u>(3,932,000)</u>	<u>-</u>	<u>82,875,000</u>	<u>59,520,646</u>	<u>23,354,354</u>

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2025

	Appropriation				Actual \$	Under (Over) Estimates \$
	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Revised Estimates \$		
Highways and Public Works						
ARO accretion expense	475,000	102,000	-	577,000	576,261	739
Amortization	30,925,000	(20,000)	-	30,905,000	37,382,442	(6,477,442)
Rent	8,000	-	-	8,000	-	8,000
Total expenses	282,776,000	5,357,000	-	288,133,000	268,435,634	19,697,366

GOVERNMENT OF YUKON

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2025

	Appropriation					
	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Justice						
Operation and Maintenance						
Corporate services	9,039,000	398,000	-	9,437,000	8,254,746	1,182,254
Court services	9,132,000	690,000	-	9,822,000	9,213,090	608,910
Legal services	11,026,000	519,000	-	11,545,000	12,459,302	(914,302)
Regulatory services	5,077,000	675,000	-	5,752,000	5,412,412	339,588
Community justice and public safety	66,115,000	3,271,000	-	69,386,000	70,285,238	(899,238)
Human rights	1,011,000	-	-	1,011,000	1,220,853	(209,853)
	<u>101,400,000</u>	<u>5,553,000</u>	<u>-</u>	<u>106,953,000</u>	<u>106,845,641</u>	<u>107,359</u>
Capital						
Corporate services	478,000	-	-	478,000	309,331	168,669
Court services	65,000	-	-	65,000	56,915	8,085
Regulatory services	-	10,000	-	10,000	10,636	(636)
Community justice and public safety	4,785,000	(1,299,000)	-	3,486,000	3,435,807	50,193
	<u>5,328,000</u>	<u>(1,289,000)</u>	<u>-</u>	<u>4,039,000</u>	<u>3,812,689</u>	<u>226,311</u>
Less: Acquisition of tangible capital assets	<u>(1,644,000)</u>	<u>1,299,000</u>	<u>-</u>	<u>(345,000)</u>	<u>(260,672)</u>	<u>(84,328)</u>
	<u>3,684,000</u>	<u>10,000</u>	<u>-</u>	<u>3,694,000</u>	<u>3,552,017</u>	<u>141,983</u>
Legal settlements	-	-	-	-	13,654,000	(13,654,000)
ARO accretion expense	52,000	(7,000)	-	45,000	44,635	365
Amortization	<u>2,771,000</u>	<u>(4,000)</u>	<u>-</u>	<u>2,767,000</u>	<u>1,925,729</u>	<u>841,271</u>
	<u>2,823,000</u>	<u>(11,000)</u>	<u>-</u>	<u>2,812,000</u>	<u>15,624,364</u>	<u>(12,812,364)</u>
Total expenses	<u>107,907,000</u>	<u>5,552,000</u>	<u>-</u>	<u>113,459,000</u>	<u>126,022,022</u>	<u>(12,563,022)</u>

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2025

	Appropriation			Revised Estimates \$	Actual \$	Under (Over) Estimates \$
	Main Estimates \$	Supplementary Estimates \$	Transfers \$			
Public Service Commission						
Operation and Maintenance						
Corporate services	2,352,000	-	-	2,352,000	2,633,431	(281,431)
Human resource service centre	8,624,000	-	-	8,624,000	9,125,348	(501,348)
People and culture	7,150,000	-	-	7,150,000	6,646,987	503,013
Employee relations	5,692,000	250,000	-	5,942,000	5,489,761	452,239
Corporate funds	29,725,000	4,475,000	-	34,200,000	33,579,275	620,725
	<u>53,543,000</u>	<u>4,725,000</u>	<u>-</u>	<u>58,268,000</u>	<u>57,474,802</u>	<u>793,198</u>
Capital						
Corporate services	45,000	(30,000)	-	15,000	11,529	3,471
People and culture	8,000	40,000	-	48,000	48,264	(264)
Employee relations	10,000	(10,000)	-	-	-	-
	<u>63,000</u>	<u>-</u>	<u>-</u>	<u>63,000</u>	<u>59,793</u>	<u>3,207</u>
Amortization	243,000	(73,000)	-	170,000	185,930	(15,930)
Total expenses	<u>53,849,000</u>	<u>4,652,000</u>	<u>-</u>	<u>58,501,000</u>	<u>57,720,525</u>	<u>780,475</u>

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2025

	Appropriation			Revised Estimates \$	Actual \$	Under (Over) Estimates \$
	Main Estimates \$	Supplementary Estimates \$	Transfers \$			
Tourism and Culture						
Operation and Maintenance						
Corporate services	2,958,000	-	-	2,958,000	2,683,410	274,590
Cultural services	15,406,000	218,000	-	15,624,000	15,738,139	(114,139)
Tourism	13,624,000	-	-	13,624,000	13,395,172	228,828
	<u>31,988,000</u>	<u>218,000</u>	<u>-</u>	<u>32,206,000</u>	<u>31,816,721</u>	<u>389,279</u>
Capital						
Corporate services	10,000	-	-	10,000	14,855	(4,855)
Cultural services	1,574,000	-	-	1,574,000	1,151,877	422,123
Tourism	635,000	-	-	635,000	628,591	6,409
	<u>2,219,000</u>	<u>-</u>	<u>-</u>	<u>2,219,000</u>	<u>1,795,323</u>	<u>423,677</u>
Less: Acquisition of tangible capital assets	<u>(675,000)</u>	<u>-</u>	<u>-</u>	<u>(675,000)</u>	<u>(370,965)</u>	<u>(304,035)</u>
	<u>1,544,000</u>	<u>-</u>	<u>-</u>	<u>1,544,000</u>	<u>1,424,358</u>	<u>119,642</u>
ARO accretion expense	31,000	(3,000)	-	28,000	27,946	54
Amortization	1,145,000	(2,000)	-	1,143,000	757,720	385,280
	<u>1,176,000</u>	<u>(5,000)</u>	<u>-</u>	<u>1,171,000</u>	<u>785,666</u>	<u>385,334</u>
Total expenses	<u>34,708,000</u>	<u>213,000</u>	<u>-</u>	<u>34,921,000</u>	<u>34,026,745</u>	<u>894,255</u>

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2025

	Appropriation					
	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Women and Gender Equity Directorate						
Operation and Maintenance						
Policy and program development	5,475,000	872,000	-	6,347,000	5,903,664	443,336
Total expenses	5,475,000	872,000	-	6,347,000	5,903,664	443,336
Yukon Development Corporation						
Operation and Maintenance						
Interim electrical rebate	3,500,000	-	-	3,500,000	3,497,334	2,666
Mayo B rate payer support	2,625,000	-	-	2,625,000	2,625,000	-
	6,125,000	-	-	6,125,000	6,122,334	2,666
Capital						
Innovative renewable energy initiative	2,500,000	-	-	2,500,000	2,300,951	199,049
Arctic energy fund	7,905,000	(2,276,000)	-	5,629,000	5,428,463	200,537
Investing in Canada infrastructure program	5,618,000	8,000	-	5,626,000	3,028,529	2,597,471
	16,023,000	(2,268,000)	-	13,755,000	10,757,943	2,997,057
Total expenses	22,148,000	(2,268,000)	-	19,880,000	16,880,277	2,999,723

GOVERNMENT OF YUKON

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2025

	Appropriation					
	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Yukon Housing Corporation						
Operation and Maintenance						
Gross expenditures	24,039,000	240,000	-	24,279,000	23,985,505	293,495
Less: Rental revenues	(9,417,000)	-	-	(9,417,000)	(11,814,565)	2,397,565
Recoveries	(2,834,000)	-	-	(2,834,000)	(3,151,159)	317,159
	<u>11,788,000</u>	<u>240,000</u>	<u>-</u>	<u>12,028,000</u>	<u>9,019,781</u>	<u>3,008,219</u>
Capital						
Gross expenditures	53,672,000	-	-	53,672,000	52,223,447	1,448,553
Less: Recoveries	(16,719,000)	(500,000)	-	(17,219,000)	(17,480,823)	261,823
Loan expenditures	(5,462,000)	-	-	(5,462,000)	(3,034,239)	(2,427,761)
	<u>31,491,000</u>	<u>(500,000)</u>	<u>-</u>	<u>30,991,000</u>	<u>31,708,385</u>	<u>(717,385)</u>
	<u>31,491,000</u>	<u>(500,000)</u>	<u>-</u>	<u>30,991,000</u>	<u>31,708,385</u>	<u>(717,385)</u>
Total expenses	<u>43,279,000</u>	<u>(260,000)</u>	<u>-</u>	<u>43,019,000</u>	<u>40,728,166</u>	<u>2,290,834</u>
Loan Capital and Loan Amortization						
Loans to third parties	5,000,000	-	-	5,000,000	-	5,000,000
Less loan advances transferred to loans receivable	(5,000,000)	-	-	(5,000,000)	-	(5,000,000)
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2025

	Appropriation				Actual \$	Under (Over) Estimates \$
	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Revised Estimates \$		
Restricted Funds						
Net expenditures	1,367,000	-	-	1,367,000	56,550,162	(55,183,162)
Amortization expense	6,954,000	-	-	6,954,000	6,423,862	530,138
	<u>8,321,000</u>	<u>-</u>	<u>-</u>	<u>8,321,000</u>	<u>62,974,024</u>	<u>(54,653,024)</u>
Total expenses	<u>8,321,000</u>	<u>-</u>	<u>-</u>	<u>8,321,000</u>	<u>62,974,024</u>	<u>(54,653,024)</u>

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2025

	Appropriation			Revised Estimates \$	Actual \$	Under (Over) Estimates \$
	Main Estimates \$	Supplementary Estimates \$	Transfers \$			
Totals						
Operation and maintenance	1,583,186,000	264,415,000	-	1,847,601,000	1,799,559,928	48,041,072
Capital	461,812,000	14,987,000	-	476,799,000	457,669,977	19,129,023
Less: Acquisition of tangible capital assets	(218,159,000)	(6,409,000)	-	(224,568,000)	(239,496,867)	14,928,867
Land development costs transferred to land held for sale	(23,944,000)	(10,000,000)	-	(33,944,000)	(27,571,376)	(6,372,624)
Loan advances transferred to loans receivable	(8,722,000)	(105,000,000)	-	(113,722,000)	(106,201,414)	(7,520,586)
Lease payments for leased tangible capital assets transferred to liabilities	(1,171,000)	809,000	-	(362,000)	(361,727)	(273)
Cost of land sold	29,836,000	-	-	29,836,000	22,076,666	7,759,334
Amortization expenses	66,358,000	(395,000)	-	65,963,000	67,229,262	(1,266,262)
ARO accretion expense	1,717,000	219,000	-	1,936,000	1,932,883	3,117
Other expenses not appropriated	1,171,000	(20,077,000)	-	(18,906,000)	62,802,417	(81,708,417)
Adjustment	<u>35,332,000</u>	<u>(50,000,000)</u>	<u>-</u>	<u>(14,668,000)</u>	<u>-</u>	<u>(14,668,000)</u>
	<u>1,927,416,000</u>	<u>88,549,000</u>	<u>-</u>	<u>2,015,965,000</u>	<u>2,037,639,749</u>	<u>(21,674,749)</u>

GOVERNMENT OF YUKON

Schedule 5

**Non-Consolidated Schedule of Recoveries of Prior Years' Expenses
for the year ended March 31, 2025**

	Over Accruals \$	Other Recoveries \$	Total \$
Health and Social Services	515,383	138,199	653,582
Energy, Mines and Resources	691,180	8,531	699,711
Education	39,943	189,508	229,451
Tourism and Culture	2,988	17,649	20,637
Economic Development	17,270	44,782	62,052
Highway & Public Works	(54,111)	282,445	228,334
Justice	-	95,792	95,792
Public Service Commission	-	1,405	1,405
Women's Directorate	10,971	(596)	10,375
Executive Council Office	160,568	1,530	162,098
Community Services	46,499	982	47,481
Environment	399	-	399
Legislative assembly	-	23,985	23,985
French Language Services	3,496	-	3,496
Worker's Compensation Board	-	7,016	7,016
	<u>1,434,586</u>	<u>811,228</u>	<u>2,245,814</u>

GOVERNMENT OF YUKON

Schedule 6

**Non-Consolidated Schedule of Restricted Funds
for the year ended March 31, 2025**

	Recycling Fund \$	Youth Investment Fund \$	Health Investment Fund \$	External Professional Development Fund \$	Conservation Fund \$	Road and Airport Equipment Reserve Fund \$	Queen's Printer Revolving Fund \$	Vehicle Fleet Revolving Fund \$	Wildland Fire Suppression Revolving Fund \$
							CLOSED		CLOSED
Revenues									
Appropriation	175,000	102,000	50,000	25,000	-	-	-	-	-
Operating	<u>6,893,418</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,158,019</u>	<u>-</u>	<u>6,264,542</u>	<u>-</u>
	<u>7,068,418</u>	<u>102,000</u>	<u>50,000</u>	<u>25,000</u>	<u>-</u>	<u>16,158,019</u>	<u>-</u>	<u>6,264,542</u>	<u>-</u>
Expenses									
Operating	7,078,654	130,246	-	-	-	17,722,849	-	3,819,914	-
Amortization	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,344,027</u>	<u>-</u>	<u>2,079,835</u>	<u>-</u>
	<u>7,078,654</u>	<u>130,246</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,066,876</u>	<u>-</u>	<u>5,899,749</u>	<u>-</u>
Net profit (loss) for the year	(10,236)	(28,246)	50,000	25,000	-	(5,908,857)	-	364,793	-
Adjustments for the <i>Financial Administration Act</i> requirements									
Acquisition of capital assets	-	-	-	-	-	(3,296,586)	-	(3,823,670)	-
Amortization of capital assets	-	-	-	-	-	4,344,027	-	2,079,835	-
(Gain) Loss on sale of capital assets	-	-	-	-	-	(47,987)	-	(88,157)	-
Proceeds on sale of capital assets	-	-	-	-	-	152,403	-	226,417	-
Adjustments as per fund limits	-	-	-	-	-	-	-	-	-
Balance at beginning of year	<u>1,078,382</u>	<u>37,227</u>	<u>351,373</u>	<u>159,325</u>	<u>185,453</u>	<u>5,697,742</u>	<u>-</u>	<u>5,202,743</u>	<u>-</u>
Balance at end of year	<u><u>1,068,146</u></u>	<u><u>8,981</u></u>	<u><u>401,373</u></u>	<u><u>184,325</u></u>	<u><u>185,453</u></u>	<u><u>940,742</u></u>	<u><u>-</u></u>	<u><u>3,961,961</u></u>	<u><u>-</u></u>

GOVERNMENT OF YUKON

Schedule 6

Non-Consolidated Schedule of Restricted Funds (continued)
for the year ended March 31, 2025

	Recycling Fund \$	Youth Investment Fund \$	Health Investment Fund \$	External Professional Development Fund \$	Conservation Fund \$	Road and Airport Equipment Reserve Fund \$	Queen's Printer Revolving Fund \$	Vehicle Fleet Revolving Fund \$	Wildland Fire Suppression Revolving Fund \$
							CLOSED		CLOSED
Assets and liabilities that are specific to each Fund and included in the Government's assets and liabilities are as follows:									
Assets									
Accounts receivable	227,757	-	-	-	-	-	-	31,392	-
Tangible capital assets	-	-	-	-	-	37,090,255	-	10,555,905	-
	<u>227,757</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,090,255</u>	<u>-</u>	<u>10,587,297</u>	<u>-</u>
Liabilities									
Accounts payable and accrued liabilities	<u>58,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,329</u>	<u>-</u>	<u>1,092,884</u>	<u>-</u>
Accumulated surplus (deficit) of the Funds that are included in the Government's accumulated surplus are as follows:									
Accumulated surplus (deficit)	<u>1,068,146</u>	<u>8,981</u>	<u>401,373</u>	<u>184,325</u>	<u>185,453</u>	<u>38,020,170</u>	<u>-</u>	<u>11,998,209</u>	<u>-</u>

GOVERNMENT OF YUKON

Schedule 6

Non-Consolidated Schedule of Restricted Funds (continued)
for the year ended March 31, 2025

	Risk Management Revolving Fund \$	Assurance Fund \$	Yukon Historic Resources Fund \$	Corrections Revolving Fund \$	Elijah Smith Forest Renewal Fund \$	Carbon Rebate Revolving Fund \$	Region Relief and Recovery Revolving Fund \$	2025 Total \$	2024 Total \$
Revenues									
Appropriation	48,654	-	32,000	-	-	-	-	432,654	388,000
Operating	<u>2,271,000</u>	<u>298,033</u>	<u>-</u>	<u>90,559</u>	<u>5,870</u>	<u>56,346,052</u>	<u>-</u>	<u>88,327,493</u>	<u>60,269,660</u>
	<u>2,319,654</u>	<u>298,033</u>	<u>32,000</u>	<u>90,559</u>	<u>5,870</u>	<u>56,346,052</u>	<u>-</u>	<u>88,760,147</u>	<u>60,657,660</u>
Expenses									
Operating	3,116,596	-	19,865	99,274	-	56,346,052	-	88,333,450	58,384,873
Amortization	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,423,862</u>	<u>6,168,625</u>
	<u>3,116,596</u>	<u>-</u>	<u>19,865</u>	<u>99,274</u>	<u>-</u>	<u>56,346,052</u>	<u>-</u>	<u>94,757,312</u>	<u>64,553,498</u>
Net profit (loss) for the year	(796,942)	298,033	12,135	(8,715)	5,870	-	-	(5,997,165)	(3,895,838)
Adjustments for the <i>Financial Administration Act</i> requirements									
Acquisition of capital assets	-	-	-	-	-	-	-	(7,120,256)	(9,387,677)
Amortization of capital assets	-	-	-	-	-	-	-	6,423,862	6,168,625
(Gain) Loss on sale of capital assets	-	-	-	-	-	-	-	(136,144)	(60,768)
Proceeds on sale of capital assets	-	-	-	-	-	-	-	378,820	153,028
Adjustments as per fund limits	-	-	-	-	-	-	-	-	-
Balance at beginning of year	<u>2,349,037</u>	<u>6,853,966</u>	<u>1,246,029</u>	<u>57,787</u>	<u>302,656</u>	<u>-</u>	<u>-</u>	<u>23,521,720</u>	<u>30,544,351</u>
Balance at end of year	<u><u>1,552,095</u></u>	<u><u>7,151,999</u></u>	<u><u>1,258,164</u></u>	<u><u>49,072</u></u>	<u><u>308,526</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>17,070,837</u></u>	<u><u>23,521,720</u></u>

GOVERNMENT OF YUKON

Schedule 6

Non-Consolidated Schedule of Restricted Funds (continued)
for the year ended March 31, 2025

	Risk Management Revolving Fund \$	Assurance Fund \$	Yukon Historic Resources Fund \$	Corrections Revolving Fund \$	Elijah Smith Forest Renewal Fund \$	Carbon Rebate Revolving Fund \$	Region Relief and Recovery Revolving Fund \$	2025 Total \$	2024 Total \$
<hr/>									
Assets									
Accounts receivable	-	-	-	-	-	17,636,319	405,354	18,300,822	843,165
Tangible capital assets	-	-	-	-	-	-	-	47,646,160	47,181,733
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,636,319</u>	<u>405,354</u>	<u>65,946,982</u>	<u>48,024,898</u>
Liabilities									
Accounts payable and accrued liabilities	<u>1,300,680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,489,501</u>	<u>3,081,034</u>	<u>34,026,764</u>	<u>21,189,638</u>
Accumulated surplus (deficit) of the Funds that are included in the Government's accumulated surplus are as follows:									
Accumulated surplus (deficit)	<u>1,552,095</u>	<u>7,151,999</u>	<u>1,258,164</u>	<u>49,072</u>	<u>308,526</u>	<u>-</u>	<u>-</u>	<u>62,186,513</u>	<u>68,183,678</u>

GOVERNMENT OF YUKON

Schedule 7

**Non-Consolidated Schedule of Inventories of Supplies
for the year ended March 31, 2025**

	Garage Parts and Fuel Inventory Fund \$	Central Stores Fund \$	Highway Materials Fund \$	Fire Management Fuel & Retardant Inventory \$	2025 Total \$	2024 Total \$
Opening inventory	3,461,503	-	4,964,582	2,715,304	11,141,389	10,096,684
Add: Purchases	<u>3,916,398</u>	<u>-</u>	<u>6,810,892</u>	<u>2,025,308</u>	<u>12,752,598</u>	<u>12,824,223</u>
	7,377,901	-	11,775,474	4,740,612	23,893,987	22,920,907
Less: Consumption	<u>4,112,923</u>	<u>-</u>	<u>6,513,657</u>	<u>2,375,587</u>	<u>13,002,167</u>	<u>11,779,519</u>
Closing inventory	<u><u>3,264,978</u></u>	<u><u>-</u></u>	<u><u>5,261,817</u></u>	<u><u>2,365,025</u></u>	<u><u>10,891,820</u></u>	<u><u>11,141,389</u></u>

GOVERNMENT OF YUKON

Schedule 8

**Non-Consolidated Schedule of Legislated Grants
for the year ended March 31, 2025**

	Main Estimates \$	Revised Estimates \$	Actual \$	Under (Over) Estimates \$
Community Services				
Comprehensive municipal grants	24,556,000	24,556,000	24,555,927	73
Community recreation assistance grants	818,000	818,000	817,861	139
In-lieu of property taxes	10,548,000	10,842,000	10,841,679	321
Home owner grants	4,446,000	4,446,000	4,288,162	157,838
	40,368,000	40,662,000	40,503,629	158,371
Education				
Post secondary student grants	5,034,000	6,646,000	6,180,665	465,335
Child care subsidies	551,000	751,000	725,504	25,496
Student transportation	116,000	116,000	86,705	29,295
Student accommodation (boarding subsidy)	30,000	30,000	14,235	15,765
	5,731,000	7,543,000	7,007,109	535,891
Finance				
Worker's compensation supplementary benefits	275,000	275,000	178,760	96,240
	275,000	275,000	178,760	96,240
Health and Social Services				
Social assistance - Whitehorse	19,469,000	22,112,000	20,660,374	1,451,626
Social assistance - region	3,293,000	4,122,000	3,806,268	315,732
Medical travel subsidies	5,420,000	6,420,000	4,707,210	1,712,790
Yukon seniors' income supplement	3,513,000	2,713,000	2,310,385	402,615
Pioneer utility grant	2,750,000	3,050,000	2,621,237	428,763
Adoption subsidies	180,000	180,000	12,483	167,517
	34,625,000	38,597,000	34,117,957	4,479,043
Total appropriated	80,999,000	87,077,000	81,807,455	5,269,545
Finance				
Yukon child benefit	1,578,000	1,423,000	1,404,516	18,484
Research and development tax credit	725,000	630,000	755,479	(125,479)
Children's fitness tax credit	58,000	61,000	96,488	(35,488)
Total transfers through the tax system	2,361,000	2,114,000	2,256,483	(142,483)
	83,360,000	89,191,000	84,063,938	5,127,062

GOVERNMENT OF YUKON

Schedule 9

**Non-Consolidated Schedule of Other Government Transfers
for the year ended March 31, 2025**

	Main Estimates \$	Revised Estimates \$		Actual \$
Executive Council Office				
Other transfer payments				
Strategic Corporate Services				
Aboriginal relations				
Implementation initiatives - board and councils	\$ 4,517,000	\$ 3,944,000		\$ 3,581,480
- Yukon Land Use Planning Commission			784,506	
- Yukon Fish and Wildlife Management Board			692,631	
- Dawson Planning Commission			189,817	
- Yukon Heritage Resources Board			265,250	
- Teslin Renewable Resources Council			193,727	
- Dawson District Renewable Resources Council			189,267	
- Mayo District Renewable Resources Council			189,267	
- Alsek Renewable Resources Council			180,982	
- Carcross/Tagish Renewable Resources Council			180,982	
- Carmacks Renewable Resources Council			180,982	
- Dän Keyi Renewable Resources Council			79,000	
- Laberge Renewable Resources Council			180,982	
- Selkirk Renewable Resources Council			93,105	
- Yukon Geographical Place Names Board				
Council for Yukon First Nations	125,000	745,000		805,000
Various First Nations Other	125,000	125,000		11,075
Youth Program Funding	2,057,000	2,057,000		2,088,695
- Bringing Youth Towards Equality Society			384,000	
- Boys and Girls Club of Yukon			479,140	
- Youth of Today Society			381,000	
- Heart of Riverdale Community Centre			378,000	
- Youth Investment Fund			102,000	
- Association franco-yukonnaise			32,860	
- Various youth groups			331,695	
Intergovernmental Relations	100,000	100,000		100,000
- Arctic Inspiration Prize			100,000	
Office of the Commissioner				
- Commissioner's Entertainment Allowance	5,000	5,000		5,000

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$	Actual \$
Executive Council Office			
Various First Nations		190,000	166,757
Various transfer payments less than \$10,000			5,100
Total other government transfers	6,929,000	7,166,000	6,763,107
Community Services			
Funding programs			
Sport	4,518,000	4,876,000	4,982,436
Community recreation/active living	1,827,000	2,027,000	1,989,023
Fire management - FireSmart	850,000	850,000	828,530
Total funding programs	7,195,000	7,753,000	7,799,989
Other transfer payments			
Small Communities Fund	13,013,000	13,013,000	5,093,275
Investing in Canada Infrastructure Program	33,235,000	33,235,000	28,873,454
Community Library Boards	501,000	501,000	461,309
- Watson Lake Library Board			76,925
- Dawson City Library Board			67,016
- Carcross Library Board			40,052
- Haines Junction Library Board			63,219
- Carmacks Library Board			28,052
- Teslin Library Board			40,969
- Mayo Library Board			31,438
- Faro Library Board			21,025
- Beaver Creek Library Board			13,133
- Tagish Library Board			25,646
- Burwash Landing			10,054
- Old Crow Library Board			12,739
- Ross River Library Board			12,823
- Pelly Crossing Library Board			18,218

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$		Actual \$
Community Services				
Municipal ground water monitoring	290,000	290,000		115,657
- Town of Watson Lake			19,000	
- City of Dawson			26,254	
- Village of Carmacks			16,000	
- Town of Faro			12,883	
- Village of Mayo			13,480	
- Village of Haines Junction			12,500	
- Village of Teslin			13,990	
- Other recipients			1,550	
Solid waste - landfill agreements	328,000	490,000		486,540
- Vuntut Gwitchin First Nation			60,000	
- City of Dawson			75,000	
- Village of Mayo			99,840	
- Village of Carmacks			64,600	
- Village of Teslin			69,600	
- Haines Junction			55,900	
- Town of Watson Lake			61,600	
Association of Yukon Communities	100,000	100,000		102,370
Community/Local Advisory Council - operation and maintenance	72,000	72,000		85,468
- Hamlet of Mount Lorne			16,916	
- Marsh Lake Local Advisory Council			19,303	
- South Klondike Local Advisory Council			17,303	
- Tagish Area Advisory Committee			17,303	
- Hamlet of Ibex Valley			14,643	
Volunteer Benevoles Yukon Society	67,000	67,000		67,000
Yukon Search and Rescue				22,982
Recreation/Community Centres - Various	125,000	125,000		176,790
- Selkirk First Nation			25,844	
- Tagish Community Association			30,231	
- Lorne Mountain Community Association			23,097	
- Marsh Lake Community Society			13,371	
- Carcross Recreation Board			22,956	
- Ross River Recreation Society			46,731	
- Ross River Recreation Society			1,084	
- Paddler's Abreast Society			13,476	
Fire Management				
- Research	66,000			175,000
- Beat the Heat Training Camp	4,000	50,000		

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$	Actual \$
Community Services			
- Various First Nations		70,000	70,000
- Various Recipients			52,000
- Training and Capacity	125,000	125,000	
- Emergency Management Assistance Program (EMAP)		294,000	361,380
- Resilient Communities through FireSmart			191,932
Fire Marshall - Various Recipients			38,500
Land Development - City of Whitehorse			54,791
Canada Community Building Fund	2,500,000		
- Curbside Recycling		375,000	
- Free Transit Initiative		330,000	77,110
Total other transfer payments	50,426,000	49,137,000	36,505,558
Total other government transfers	57,621,000	56,890,000	44,305,547
Economic Development			
Funding programs			
Community Development Fund	2,950,000	2,950,000	2,229,730
Economic development fund	1,960,000	1,960,000	1,919,363
Film & Sound incentive programs	1,460,000	1,460,000	1,762,618
Workforce development agreement	816,000	1,416,000	1,483,022
Foundational skills	876,000	876,000	880,899
Community training fund	677,000	677,000	899,418
Labour market development agreement	2,402,000	867,000	1,209,638
Skills for success		800,000	830,000
Employment Incentives	300,000	300,000	5,037
Total funding programs	11,441,000	11,306,000	11,219,725
Other transfer payments			
Yukon First Nations Hockey Association			
- Yukon Native Hockey Tournament 2024 Ice Fees			25,000
Foreign Credential Recognition Program			
- Various recipients			17,838
Media Development	23,000	23,000	5,000
- Whistler Film Festival Society			5,000
Music Yukon	115,000	115,000	115,000
- Operational support			115,000

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$	Actual \$
Economic Development			
Screen Production Yukon Association			
- Operational support	115,000	115,000	116,306
Regional Economic Development	50,000	50,000	52,500
- Royal Canadian Legion 254 - Canada Day, One-Time Support			20,000
- Chu Niikwan Limited Partnership - Project Management Capacity			12,500
- Northern Council for Global Cooperation - UNLEASH 2024-25			20,000
Small Business Flood Recovery			246,937
- Northern Garments Inc			35,692
- Moonlight Mining Ltd			211,245
Business & Industry Support	114,000	114,000	30,000
- Government of Northwest Territories Industry Tourism & Investment Pan-Territorial Resource Investment Marketing Initiative			30,000
Paid Sick Leave Rebate - Employee & Self Employed Phase 4	750,000	750,000	621,292
Yukon Gold Mining Alliance	397,000	397,000	396,223
- Property Tours 2024			276,073
- Mining Investment Conferences & Events			120,150
Yukon Chamber of Mines Operational Support	32,000	32,000	129,000
Yukon First Nations Chamber of Commerce	125,000	125,000	136,250
- Operational Support			125,000
- Canadian Indigenous Investment Summit - London, U.K. April 2025			11,250
Whitehorse Chamber of Commerce	120,000	120,000	169,953
- Operational Support			139,953
- Yuwin Project			30,000
Yukon Chamber of Commerce	75,000	75,000	103,763
- Operational support			100,000
- Community Chambers Travel Allowance			3,763
Dana Naye Ventures	25,000	25,000	25,000
- Micro Loan Program Delivery			25,000
Technology and Innovation Projects	380,000	380,000	277,883
- Mission to London UK - June 2024			67,178
- ECO Canada - Yukon Sustainability Awards 2025			45,000

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$	Actual \$
Economic Development			
- Mitacs Inc - Research/Innovation Internships			80,000
- Yukon Venture Angels Society - Operational Funding			82,000
- Various recipients			3,705
Yukon University			
- Innovation and Entrepreneurship	835,000	835,000	850,000
Yukon Information Technology Industry Society	300,000	300,000	300,000
- Operational Support			300,000
Yukonstruct Society	205,000	205,000	250,000
- Operational Support			250,000
Total other transfer payments	3,661,000	3,661,000	3,867,945
Total other government transfers	15,102,000	14,967,000	15,087,670
Education			
Funding programs			
Labour market development agreement	2,300,000	2,300,000	2,035,032
Workforce development agreement	550,000	550,000	424,554
Universal Child Care	29,690,000	29,698,000	29,157,199
Community training fund	669,000	279,000	271,259
Student training and employment program	366,000	366,000	254,549
Yukon summer program	114,000	114,000	88,591
Total funding programs	33,689,000	33,307,000	32,231,184
Other transfer payments			
Yukon University			
- Yukon University operational funding	27,343,000	27,343,000	27,343,536
- Yukon Research Centre	1,386,000	1,386,000	1,386,000
- Centre for Northern Innovation in Mining	1,200,000	1,200,000	1,200,000
- Licensed Practical Nurse Program	741,000	741,000	740,780
- Youth Exploring Trades	75,000	75,000	75,000
- Northern Institute of Social Justice	450,000	450,000	450,000
- Furniture and Equipment Upgrade	100,000	100,000	100,000
- Campus and Housing Upgrades	300,000	300,000	300,000
- Information Technology Equipment and System	200,000	200,000	200,000
- Early Childhood Development Certificates			185,000

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$	Actual \$
Education			
Yukon First Nation School Board			
- Operations and Maintenance	4,146,000	9,171,000	10,124,970
- Capital	41,000	29,000	
Commission scolaire francophone du Yukon			
- Operations and Maintenance	2,277,000	2,053,000	1,077,921
- Capital repairs	28,000	28,000	27,788
Council of Yukon First Nations			
- Native Language Program	1,195,000	1,195,000	1,194,659
Yukon First Nations Education Directorate			
- Education Initiative	735,000	735,000	735,000
First Nation Education Agreements	1,510,000	1,705,000	1,450,794
Student outcomes	321,000	321,000	448,349
- Taking It Global Youth			199,986
- Yukon Wildlife Preserve			52,051
- Food for Learning			42,000
- Yukon Art Society			32,894
- F.H. Collins Secondary School Trust			21,070
- Big Brothers & Big Sisters of Yukon			20,837
- Yukon Stikine Regional Science			20,495
- Elijah Smith Elementary School Trust			16,850
- Growers of Organic Food Association			12,666
- Robert Service School Council			10,000
- Various recipients			19,500
Remuneration school councils/committees	257,000	257,000	239,701
- Porter Creek Secondary School Council			10,200
- FH Collins SR Secondary School Council			11,800
- Jack Hulland School Council			7,800
- Association of Yukon School Councils Boards & Committees			84,500
- Catholic Education Association of Yukon			28,731
- Various recipients			96,670
Tutor Program	150,000	150,000	172,097
- Learning Disabilities Association of Yukon			85,240
- Skookum Jim Friendship Centre			86,857
Post-secondary student scholarships	119,000	119,000	118,000
- Lester B. Pearson College			68,000
- University of Saskatchewan			50,000
Education related organizations	55,000	57,000	43,799
- Council of Ministers of Education, Canada			43,799

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$		Actual \$
Education				
Yukon Asset Construction Agreement	131,000	131,000		
Attendance initiative	400,000	100,000		101,222
- Victoria Gold Yukon Student			100,000	
- Various recipients			1,222	
French second language support	49,000	49,000		92,011
- FH Collins Senior Secondary School Trust			30,000	
- Whitehorse Elementary School Trust			11,711	
- Various recipients			50,300	
First Nation Education AgreementsFirst Nation				
Elder Program	44,000	44,000		70,000
- Teslin Tlingit Council			60,000	
- Tr'ondëk Hwëch'in			10,000	
School Cultural Activities	97,000	97,000		43,334
- Northern Cultural Expressions Society			43,334	
Apprenticeship initiatives	58,000	58,000		69,477
- Receiver General for Canada			46,752	
- Various recipients			22,725	
Early Learning & Child Care	9,865,000	9,665,000		4,516,662
Child Development Centre				5,347,678
Early Learning & Child Care Infrastructure				
Funding		2,184,000		180,749
Mental Well-Being		165,000		89,185
Association franco-yukonnaise	300,000	702,000		686,188
Total other transfer payments	53,573,000	60,810,000		58,809,900
Total other government transfers	87,262,000	94,117,000		91,041,084
Energy, Mines and Resources				
Funding programs				
Low Carbon Economy Leadership Fund	6,896,000	2,496,000		3,377,598
Energy Rebate Programs	6,387,000	6,387,000		4,001,606
Yukon Mineral Exploration Program	1,400,000	1,400,000		1,344,119
Sustainable Canadian Agricultural Partnership	1,249,000	1,249,000		1,002,189
Total funding programs	15,932,000	11,532,000		9,725,512
Other transfer payments				
Yukon Science Institute	6,000	6,000		6,000

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$		Actual \$
Energy, Mines and Resources				
Successor resource legislation working group				
- Various First Nation	200,000	130,000		
Yukon Wood Products Association	40,000	40,000		90,000
Canadian Council of Forest Ministers	6,000	6,000		15,000
Forest management plans assistance				
- Various recipients	9,000	9,000		5,000
Forestry management research projects	9,000	295,000		136,000
Forest Industry Support Program			120,000	
Liard First Nation			6,000	
Alsek Renewable Resource Council			10,000	
Yukon Agricultural Association - operational funding	140,000	140,000		140,000
Miscellaneous Transfer Payments				280,688
Mineral Resources and Geoscience Services				
Regulatory Projects				
- Ross River Dena Council	35,000	5,000		
Type II mine site reclamation	200,000	200,000		6,363
Geological survey research work	215,000	215,000		176,864
- Boise State University			99,955	
- University of Iowa			29,549	
- Institute National de la Recherche Scientifique			12,000	
- University of Calgary			12,360	
- University of Victoria			23,000	
Klondike Placer Miners' Association	165,000	165,000		165,000
Yukon Chamber of Mines	165,000	165,000		165,000
Mining Legislation	750,000	690,000		882,011
- Various First Nations			878,311	
- Various recipients			3,700	
Land Legislation	500,000	440,000		588,607
- Various First Nations			587,607	
- Various recipients			1,000	
Energy - cost shared projects				
- Various recipients	50,000	50,000		20,751
Geothermal and Petroleum Working Group				
- Various Yukon First Nations	70,000	70,000		70,000
Total other transfer payments	2,560,000	2,626,000		2,747,284
Total other government transfers	18,492,000	14,158,000		12,472,796

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$	Actual \$
Environment			
Other transfer payments			
Environment and Climate Change Canada			
- Hydrology	825,000	825,000	982,178
- Water Resources Projects	198,000	198,000	274,474
Yukon Wildlife Preserve Operating Society			
- Operational Costs	747,000	747,000	765,904
- Swan Haven	17,000	17,000	12,500
Yukon University			
- Climate Change Research	100,000	100,000	66,351
Yukon Conservation Society	50,000	50,000	50,000
Humane Society Yukon - Mae Bachur Animal Shelter	118,000	118,000	175,000
Humane Society Dawson	25,000	25,000	65,000
Yukon Energy Corporation - Whitehorse Fish Hatchery	168,000	168,000	170,000
Yukon Fish and Game Association	60,000	60,000	70,000
Porcupine Caribou Management Board	75,000	75,000	
Inuvialuit Final Agreement			
- Wildlife Management Advisory Council	499,000	499,000	717,710
Centre for Human-Wildlife Conflict Solutions	40,000	40,000	
Yukon Trappers' Association	35,000	35,000	40,000
Animal Protection Program - Various recipients	35,000	35,000	45,300
Livestock Veterinary Services - Various recipients	6,000	6,000	17,582
Fish and Wildlife Cooperative Research Projects			
- Various recipients	18,000	18,000	56,478
Species at Risk			81,100
-University of Alberta			60,000
-Yukon University			21,100
Memorial Universit			
-Wood Bison	89,000	89,000	
Environmental Awareness Fund - various Recipients	30,000	30,000	
Canada Food Inspection Agency			7,500
Canada Yukon Nature Agreement			2,082,109
- Carcross Tagish First Nation			185,000
- Champagne and Aishihik First Nations			10,000

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$	Actual \$
Environment			
- Colorado State University		60,287	
- Council of Yukon First Nations		141,681	
- Gwich'in Tribal Council		110,000	
- Kwanlin Dün First Nation		67,278	
- Liard First Nation		369,098	
- Little Salmon Carmacks First Nation		20,000	
- First Nation of Na-Cho Nyäk Dun		223,715	
- Porcupine Caribou Management Board		86,430	
- Selkirk First Nation		155,000	
- University of Victoria		27,000	
- Vuntut Gwitchin First Nation		177,696	
- White River First Nation		143,012	
- Biodiversity Pathways		227,925	
- Wildlife Management Advisory Council		36,000	
- The Dena Kayeh Institute		6,004	
- Tr'Ondek Hwech'In		35,983	
Carlton University			89,400
Ducks Unlimited			18,000
Government of Northwest Territories			40,000
McGill University			34,000
Northern Alberta Institute of Technology			12,000
University of Victoria			42,039
Vuntut Gwitchin First Nation			26,586
Wildlife Conservation Society Canada			105,000
Wilfred Laurier University			72,780
Yukon Fish and Wildlife Management Board			14,700
Yukon Invasive Species Council			60,000
Miscellaneous transfer payments		20,000	
Various transfer payments less than \$10,000	4,000	4,000	24,449
Total other government transfers	3,139,000	3,159,000	6,218,140
Finance			
Other transfer payments			
Financial Operations and Revenue Services			
- Rural Community Banking	450,000	450,000	536,740
Total other government transfers	450,000	450,000	536,740

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$		Actual \$
French Language Services Directorate				
Other transfer payments				
Yukon Hospital Corporation	350,000	350,000		350,000
Association franco-yukonnaise	130,000	130,000		160,960
- French Language Training			155,960	
- Yukon Francophonie Day			5,000	
Quebec - Yukon Intergovernmental Cooperation Program	50,000	50,000		22,378
- Musée Ambulant			10,000	
- Various recipients			12,378	
Ministers' Council on the Canadian Francophonie Corporation	10,000	10,000		10,000
French Language Community Support				
- Various recipients				7,725
Total other government transfers	540,000	540,000		551,063
Health and Social Services				
Funding programs				
Child Welfare Programming and Support	8,488,000	9,221,000		7,990,083
Parents of Children with Disabilities	718,000	718,000		2,264,569
Canada Prenatal Nutrition Program	677,000	677,000		816,310
- Council of Yukon First Nations			140,000	
- Watson Lake Creative Playgroup			132,255	
- Carcross/Tagish First Nation			39,000	
- Dawson Shelter Society, The			122,440	
- Victoria Faulkner Women's Centre, The			117,100	
- Les Essentielles			37,195	
- Skookum Jim Friendship Centre			121,000	
- Teslin Tlingit Council			39,000	
- TPC Child Care Society			68,320	
Employment Incentives	90,000	90,000		
Employment Supports	305,000			
Total funding programs	10,278,000	10,706,000		11,070,962
Other transfer payments				
Yukon Hospital Corporation				
- Operational Funding	103,159,000	115,069,000		124,196,958
- First Nations Health	1,200,000	1,200,000		1,500,000

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$		Actual \$
Health and Social Services				
- Laboratory Services	725,000	725,000		725,000
- Yukon Hospital Foundation	93,000	93,000		93,000
- Orthopedic Program	3,649,000	3,649,000		
- 1Health Yukon	1,587,000	1,587,000		78,839
- MoreOB	113,000	113,000		
- First Nation Patient Navigation				26,854
- Health System Transformation				1,700,208
Yukon Hospital Insurance Services	43,762,000	75,562,000		58,468,402
- Province of British Columbia			45,465,469	
- Yukon Hospital Corporation - Whitehorse			4,810,139	
- Province of Alberta			3,735,922	
- Reimbursements to Individuals and Insurance Companies			3,207,966	
- Contributions to Various Health Agencies			30,570	
- Canadian Blood Services			749,951	
- Other Provinces and Territories			<u>468,385</u>	
Yukon Medical Association				
- Physician Recruitment/Retention Initiatives	6,431,000	4,616,000		4,466,641
- Medical Practice Insurance	554,000	554,000		427,000
- Physician Locum Recruitment Initiatives				210,000
- Education	318,000	318,000		368,000
- Medical Student Bursaries	125,000	125,000		75,000
- Electronic Medical Record contract support				15,000
Opportunities Yukon Society				
- 6-Plex	761,000	761,000		1,214,524
- Bridges Café	67,000	67,000		
- Cornerstone Project	727,000	727,000		727,140
- Granger House	761,000	2,746,000		3,194,657
- Operating	349,000	349,000		
Yukon Women's Transition Home Society	1,919,000	1,919,000		1,572,516
Connective Support Society	5,973,000	7,962,000		10,046,275
- Operational funding			6,682,937	
- Housing First			2,642,497	
- Yukon Review Board Residential Resource Program			<u>720,841</u>	
Safe at Home Society		1,043,000		643,725
Canadian Mental Health Association, Yukon Division				1,695,150
- Operational Funding	886,000	1,465,000	1,449,000	

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$		Actual \$
Health and Social Services				
- Peer Support Line	150,000	150,000	<u>246,150</u>	
Options for Independence Society				1,332,548
- Semi-independent Housing Supports	676,000	676,000	696,674	
- Aurora Group Home	521,000	521,000	<u>635,874</u>	
Teegatha'Oh Zheh				1,389,669
- Operational Funding	1,271,000	1,271,000	1,349,839	
- Specialized Services	74,000	74,000	<u>39,830</u>	
FASD Inter-agency Committee	500,000	500,000		392,578
- Council of Yukon First Nations Justice Program			135,525	
- Fetal Alcohol Syndrome Society of Yukon			<u>257,053</u>	
Blood Ties Four Directions Centre Society				2,061,711
- Operational Funding	312,000	312,000	458,898	
- Supervised Consumption Site	1,067,000	1,067,000	1,201,165	
- After Hour Support	87,000	87,000	178,648	
- Peer Support Group	15,000	15,000	15,000	
- Education and prevention initiatives	208,000	208,000	<u>208,000</u>	
Inclusion Yukon Society				677,224
- Inclusion Funding	235,000	235,000	438,224	
- Operating	239,000	239,000	<u>239,000</u>	
Skookum Jim Friendship Centre	851,000	851,000		869,977
- Operational funding			821,977	
- Youth Support Worker			<u>48,000</u>	
Help & Hope for Families Society	875,000	875,000		904,000
Fetal Alcohol Syndrome Society of Yukon	728,000	728,000		771,330
Kwanlin Dün First Nation				350,000
- Jackson Lake Healing Camp	400,000	400,000	200,000	
- Circle and Culture Coordinator			<u>150,000</u>	
Emergency Medical Services				
- Volunteer Awards Fund	110,000	110,000		75,302
Dawson Shelter Society	559,000	686,000		860,420
British Columbia Centre for Disease Control	150,000	150,000		316,309
- Harm Reduction Supplies			111,309	
- TB Control Program			150,000	
- Poison Information Management			<u>55,000</u>	
Cultural Connections				1,593,744
- Council of Yukon First Nations			1,336,630	
- Kwanlin Dün First Nation			47,114	
- Selkirk First Nation			35,000	

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$		Actual \$
Health and Social Services				
- Ross River Dena Council			27,500	
- Carcross/Tagish First Nation			25,000	
- Vuntut Gwitchin First Nation			25,000	
- Liard First Nation			20,000	
- Kluane First Nation			10,000	
- Teslin Tlingit Council			17,500	
- Little Salmon/Carmacks First Nation			17,500	
- Champagne and Aishihik First Nations			12,500	
- First Nation of Na-cho Nyäk Dun			10,000	
- Tr'ondëk Hwëch'in			10,000	
Hospice Yukon Society	322,000	322,000		370,985
Miscellaneous Transfer Payments	962,000	1,219,000		
City of Whitehorse - Handy Bus	255,000	255,000		378,226
Tr'ondëk Hwëch'in				280,525
- Emergency Shelter	258,000	258,000	250,000	
- Community Health Patient Navigation			30,525	
Sport Yukon - Kids Recreation Fund	214,000			
First Nations Health Partnership	165,000	165,000		165,142
Services for Inquest Ceremonies				32,000
- Vuntut Gwitchin First Nation			22,000	
- Various recipients			10,000	
Yukon Registered Nurses Association	150,000	150,000		125,933
Individual Respite Agreements	1,125,000	2,157,000		575,363
Council of Yukon First Nations				1,136,136
- Family Reunification Housing Pilot			45,946	
- Health Transformation			834,001	
- Community Wellness Plans			197,189	
- Cultural programming for youth			10,000	
- Cultural training module for caregivers			49,000	
Land-based Healing Fund	4,347,000	4,609,000		4,576,728
- Council of Yukon First Nations			4,379,853	
- Shawthan Nazhi: Healing with The Land Society			196,875	
Learning Disabilities Association of Yukon	155,000	155,000		157,500
Yukon Food for Learning Association	132,000	132,000		164,999
HealthLink British Columbia				200,000
Autism Yukon	85,000	85,000		221,990
Public Works and Government Services Canada	79,000	79,000		95,029
All Genders Yukon	110,000	110,000		

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$		Actual \$
Health and Social Services				
Canadian Cancer Society				80,014
- Cancer Lodges	65,000	65,000	65,250	
- Health Services	14,000	14,000	<u>14,764</u>	
Yukon Anti-Poverty Coalition	84,000	84,000		141,700
- Operating			95,000	
- Basic Income Research Project			<u>46,700</u>	
Yukon Council on Aging	75,000	75,000		76,289
Nursing Education Bursaries	24,000	24,000		57,500
Canadian Institute for Health Information	43,000	43,000		
Health Investment Fund	50,000	50,000		50,000
Line of Life Association of the Yukon	64,000	64,000		65,544
Alberta Health Services - Emergency Medical Services	34,000	34,000		12,493
Victoria Faulkner Women's Centre, The - accommodation	44,000	44,000		42,891
Canadian Red Cross Society	36,000	36,000		315,100
Canadian National Institute for the Blind	33,000	33,000		
Government of Manitoba - Healthy Child	30,000	30,000		31,500
St. Elias Seniors Society	35,000	35,000		38,646
United Way British Columbia				80,402
United Way Society of Yukon				17,500
Healthy Eating	26,000	26,000		
Health Professional Bursary	40,000	40,000		75,000
Rick Hansen Foundation	20,000	20,000		
Queer Yukon Society				154,899
Big Brothers and Big Sisters of Yukon	13,000	13,000		12,000
Network for Health Early Human Development Yukon				175,000
Recreation and Parks Association of the Yukon	8,000	8,000		
Joint Consortium for School Health	2,000	2,000		2,000
Options for Sexual Health	1,000	1,000		1,000
Rural End of Life	204,000	204,000		
Home Care Self Management Funding				339,025
Signpost Seniors Association	57,000	57,000		114,302
Professional Development Fund	25,000	25,000		25,000
Health Education Bursaries	25,000	25,000		22,500
British Columbia Cancer Registry	17,000	17,000		
Foster Parent Association	15,000	15,000		

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$		Actual \$
Health and Social Services				
Education and prevention	10,000	10,000		
Yukon Hospital Corporation- Capital				12,427,895
- Mental Wellness Unit	5,071,000	9,824,000	9,823,895	
- 1Health (Meditech)		2,604,000	<u>2,604,000</u>	
Alzheimer Society of BC				165,000
Golden Age Society				67,500
Adult Group Homes	2,000,000			
Northern Council for Global Cooperation				6,250
Pathways Patient Referral Association				53,000
Vision Loss Rehabilitation Canada				36,826
Youth of Today Society				20,000
Thay K'i Anint'i Centre - Indigenous Led Recovery Coaching				80,000
Association Franco-Yukonnaise				18,188
University of New Brunswick LPN to RN Bridging Program				63,375
Yukon Northern Wellness Fund				31,698
Technology for Living Society				38,916
British Columbia Ministry of Finance				26,525
Yukon College				370,000
- Strategy for Patient-Oriented Research			73,000	
- Medical Assistant Program and SW Degree Program			<u>297,000</u>	
Council of Yukon First Nations		220,000		220,000
Youth Program Funding		100,000		72,106
Little Salmon Carmacks First Nation				210,000
Various transfer payments less than \$10,000				16,538
Total other transfer payments	<u>198,711,000</u>	<u>253,343,000</u>		<u>247,374,379</u>
Total other government transfers	<u>208,989,000</u>	<u>264,049,000</u>		<u>258,445,341</u>

Highways and Public Works**Other transfer payments**

Yukon Resource Gateway Project				
- Little Salmon Carmacks First Nation	1,000,000	462,000		39,268
City of Whitehorse				5,000
Champagne and Aishihik First Nations	75,000	35,000		35,000
Council of Yukon First Nations	750,000	257,000		120,485

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$	Actual \$
Highways and Public Works			
Institut National De La			24,384
Yukon First Nation Chamber of Commerce			227,208
Yukon University			52,000
Yukon Contractors Association	43,000	43,000	57,000
Teslin Tlingit Council			86,460
Canadian Standards Association			7,250
Canadian Permafrost Association			25,000
Yukon Transportation Museum Society	12,000	12,000	
Various transfer payments less than \$10,000		5,000	5,000
Total other government transfers	1,880,000	814,000	684,055
Justice			
Other transfer payments			
Yukon Legal Services Society (Legal Aid)			
- Legal Services	3,258,000	3,427,000	3,457,820
- Community Justice and Public Safety	35,000	35,000	100,000
Yukon Public Legal Education Association	163,000	263,000	263,000
Human Rights Commission	913,000	913,000	1,073,928
Community Supervisory Housing			
- Connective Support Society (Men)	808,000	808,000	827,920
- Connective Support Society (Women)	370,000	370,000	369,756
Community Consultative Group	50,000	50,000	10,500
Community Safety Planning	700,000	700,000	276,369
- Liard First Nation			4,731
- Ross River Dena Council			149,600
- Vuntut Gwitchin First Nation			122,038
Yukon Aboriginal Women's Council-FILU	70,000	70,000	
CYFN - Gladue project	223,000	223,000	166,086
Indigenous Courtworker Program	798,000	798,000	723,199
- Carcross Tagish First Nation			48,201
- Carcross Tagish First Nation (Prior year funding)			5,356
- Champagne and Aishihik First Nations			48,201
- Champagne and Aishihik First Nations (prior year funding)			5,356
- First Nation of Na-cho Nyäk Dun			48,201

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$	Actual \$
Justice			
- First Nation of Na-cho Nyäk Dun (Prior year funding)			45,612
- Kluane First Nation			48,201
- Kluane First Nation (prior year funding)			(3,184)
- Kwanlin Dün First Nation			139,208
- Kwanlin Dün First Nation (prior year funding)			7,337
- Liard First Nation			85,153
- Liard First Nation (Prior year funding)			9,461
- Little Salmon/Carmacks First Nation			48,201
- Little Salmon/Carmacks First Nation (prior year funding)			5,356
- Ross River Dena Council			12,050
- Selkirk First Nation			36,151
- Selkirk First Nation (prior year funding)			24,101
- Tr'ondëk Hwëch'in			48,201
- Tr'ondëk Hwëch'in (Prior Year funding)			5,523
- Vuntut Gwitchin First Nation			48,201
- Vuntut Gwitchin First Nation (prior year funding)			8,312
Community Safety Officer	1,734,000	1,734,000	655,151
- KDFN			187,452
- SFN			187,451
- CTFN			92,796
- TTC			187,452
Yukon Workers' Safety & Compensation Board	330,000	330,000	329,500
Community Justice Projects	307,000	307,000	226,456
- Carcross/Tagish First Nation			20,925
- Carcross/Tagish First Nation (prior year funding)			2,326
- Champagne and Aishihik First Nations			22,183
- Champagne and Aishihik First Nations (prior year funding)			3,160
- Kwanlin Dün First Nation			27,737
- Liard First Nation			51,100
- Liard First Nation (Prior year funding)			21,900
- Ross River Dena Council			8,150
- Teslin Tlingit Council (prior year funding)			13,687
- Tr'ondëk Hwëch'in			22,500

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$		Actual \$
Justice				
- Tr'ondëk Hwëch'in (prior year funding)			8,144	
- Vuntut Gwitchin First Nation			17,251	
- Vuntut Gwitchin First Nation (prior year funding)			7,393	
RCMP				122,890
- Police Board Funding	5,000	5,000		
- Biology Caseworks & Auxiliary Police Program	136,000	136,000	122,890	
Community Impact Statements		101,000		100,620
SART Agreement	170,000	310,000		143,800
- Yukon Women's Transition Home Society			123,800	
- Transportation			20,000	
Gender Based Violence				46,311
- Law Navigator	50,000	50,000		
- Primary Prevention Initiatives			46,311	
Downtown Whitehorse Safety Response Action Plan		100,000		99,219
Yukon Community Crime Stopper Association - Program	10,000	10,000		10,000
Drug impaired driving program				102,500
- Yukon community Crime Stopper Association DID		58,000	20,000	
- Boys and Girls Club of Yukon DID			82,500	
Guns & Gangs Funding Program				47,771
- Centre for Safer Communities			34,440	
- Boys and Girls Club of Yukon			13,331	
Total other government transfers	10,130,000	10,798,000		9,152,796

Tourism and Culture**Funding programs**

Community Tourism Destination Development Fund	1,600,000	1,600,000		2,130,806
Arts operating funds	825,000	1,043,000		907,500
Tourism Cooperative Marketing Fund	700,000	700,000		695,601
Arts fund	500,000	500,000		534,620
Advanced artist award	150,000	150,000		150,491

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$		Actual \$
Tourism and Culture				
Creative and cultural career advancement fund	150,000	150,000		176,000
Express micro grant	150,000	150,000		173,544
Indigenous Artist and Cultural Carriers	150,000	150,000		154,759
Touring Artist fund	100,000	100,000		102,980
Spark Micro Grant	75,000	75,000		110,538
New Canadians event fund	45,000	45,000		62,092
	<u>4,445,000</u>	<u>4,663,000</u>		<u>5,198,931</u>
Other transfer payments				
Yukon Arts Centre Corporation				
- Operations and Maintenance	892,000	892,000		946,233
- Old Fire Hall Programming	175,000	175,000		175,000
Museums - General Operation, Maintenance, and Training Support	842,000	842,000		1,127,207
- MacBride Museum Society			384,942	
- Dawson City Museum Society			150,103	
- Yukon Transportation Museum Society, The			150,103	
- Yukon Church Heritage Society			92,371	
- Keno Community Club			80,767	
- Kluane Museum of History Society			60,333	
- Teslin Historical & Museum Society			70,030	
- Town of Faro - Campbell Region Interpretive Centre			46,186	
- Town of Watson Lake - Northern Lights Centre			46,186	
- Village of Mayo - Binet House			46,186	
First Nations Cultural Centres	800,000	800,000		923,711
- Carcross/Tagish First Nation			150,103	
- Champagne and Aishihik First Nations			150,103	
- Kwanlin Dün Cultural Society			150,103	
- Teslin Tlingit Council			150,103	
- Tr'ondëk Hwëch'in			150,103	
- Little Salmon/Carmacks First Nation			57,732	
- Selkirk First Nation			57,732	
- Vuntut Gwitchin First Nation			57,732	

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$		Actual \$
Tourism and Culture				
Yukon Historical & Museums Association				
- Operations and maintenance	74,000	74,000		80,000
Dawson City Arts Society				
- Operations and Maintenance	425,000	425,000		459,000
On Yukon Time - Arts Themed Events	19,000	19,000		
Yukon Tourism Development Strategy Implementation				
- Yukon First Nation Culture and Tourism Association	300,000	300,000		200,000
- Experience development	175,000	175,000		309,157
- Cabin Fever Adventures			82,500	
- Resort Development Group (Yukon) Inc			75,000	
- Shannon Mallory o/a Little Atlin Lodge			50,000	
- Friends of Mount Sima Society			26,365	
- Husky Bus Transportation and Tours Inc o/a The Klondike Experience			25,420	
- Sport Yukon			19,872	
- Ann Chapman & Ante Tokic o/a La Bicicletta			10,000	
- Champagne Aishihik First Nation			10,000	
- Various Recipients			10,000	
Northern Cultural Expressions Society	345,000	345,000		351,900
Museums - Assistance	348,000	348,000		250,765
- Dawson City Museum Society			40,000	
- The Yukon Transportation Museum Society			40,000	
- Yukon Church Heritage Society			20,650	
- Kwanlin Dūn Cultural Society			20,000	
- Kluane Museum of History Society			20,000	
- Keno Community Club			11,020	
- Carcross/Tagish First Nation			27,180	
- MacBride Museum Society			35,000	
- Teslin Historical & Museum Society			30,240	
- Various Recipients			6,675	
Wilderness Tourism Association of the Yukon				
- Operations and maintenance	264,000	264,000		264,000
Tourism Industry Association of the Yukon				252,500
- Marketing partnership	240,000	240,000	240,000	
- Tourism inventory project			12,500	
Yukon Convention Bureau Society	200,000	200,000		250,000

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$		Actual \$
Tourism and Culture				
Yukon First Nations Culture and Tourism				
Association	160,000	160,000		130,000
Culture Quest	157,000	157,000		162,612
- Various recipients			<u>162,612</u>	
Yukon Quest International Association (Canada)	150,000	150,000		150,000
Selkirk First Nation - Fort Selkirk	147,000	147,000		147,000
Air North Charter & Training Ltd	75,000	75,000		75,000
Yukon Arts Society - Artist in the School	100,000	100,000		100,000
Historic Properties Assistance Program	116,000	116,000		57,238
- Porter Creek Substance Free Graduation Society			10,000	
- Yukon Historic Resource Fund			32,000	
- Dawson City Arts Society			10,000	
- Various recipients			<u>5,238</u>	
Yukon Sourdough Rendezvous	100,000	100,000		117,000
Tr'ondëk Hwëch'in				95,000
- Forty Mile	95,000	95,000	<u>95,000</u>	
Council of Yukon First Nations	137,000	137,000		140,000
Creative and Cultural Industries Strategy				20,000
- Yukon Art Society			11,000	
- Various Recipients			<u>9,000</u>	
Yukon Council of Archives - YCA Community Archivist Project	75,000	75,000		94,500
Vuntut Gwitchin First Nation - Rampart House	120,000	120,000		120,000
Sport Yukon - Sport Tourism	115,000	115,000		180,000
Yukon Convention Bureau Society - Convention Centre				195,858
Friends of Yukon Permanent Art Collection Society				
- Visual Arts Acquisitions	4,000	4,000		60,000
Association Franco-Yukonnaise	25,000	25,000		25,000
Carcross/Tagish First Nation - Conrad Historic Site	20,000	20,000		32,000
Yukon Conservation Society - Canyon City	18,000	18,000		18,000
Heritage Sites Projects	55,000	55,000		50,512
- City of Dawson			20,000	
- Carleton University			<u>30,512</u>	

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$		Actual \$
Tourism and Culture				
Historic Sites, Inventory, Design, and Public Programming	60,000	60,000		42,500
- Tr'ondëk Hwëch'in			32,500	
- City of Dawson			10,000	
Canadian Tourism Commission	39,000	39,000		147,955
Heritage Trails - Teslin Tlingit Council	20,000	20,000		10,000
The Yukon Science Institute	20,000	20,000		20,000
National Research Project	20,000	20,000		10,000
Kwanlin Dün Cultural Society				10,000
125 prize				191,472
- Lien, Matthew			106,000	
- Tedd Tucker			69,375	
- John Serjeantson			16,097	
Klondike Visitors Association				93,671
- Seasonal Accommodation Project			50,600	
- Klondike Region Marketing Campaign			43,071	
Harper Street Publishing Inc o/a North of Ordinary Media				15,000
Yukon Heritage Resources Board				10,000
Various transfer payments less than \$10,000	15,000	15,000		34,247
Total other transfer payments	6,942,000	6,942,000		8,144,038
Total other government transfers	11,387,000	11,605,000		13,342,969

Women and Gender Equity Directorate**Other transfer payments**

Indigenous women's equality fund	600,000	600,000		600,000
- Yukon Aboriginal Women's Council			200,000	
- Liard Aboriginal Women's Society			200,000	
- Whitehorse Aboriginal Women's Circle			200,000	
Yukon Aboriginal Women's Council				
- Missing and Murdered Indigenous Women, Girls and Two-Spirit Forums				
- Forums	116,000	141,000		116,000
- Sally and Sisters	168,000	168,000		168,000
Women's equality fund	207,000	207,000		207,000
- Victoria Faulkner Women's Centre, The			57,500	
- Yukon Status of Women's Council			51,500	

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$	Actual \$
Women and Gender Equity Directorate			
- Women in Trades and Technology Association			51,500
- Les EssentiElles			<u>46,500</u>
Victoria Faulkner Women's Centre, The			
- Women's Advocate	100,000	100,000	111,000
- A Safe Place	95,000	95,000	105,000
The Prevention of Violence against Aboriginal Women's Initiative	200,000		
Skookum Jim Friendship Centre			
- Women's Legal Advocate Services	93,000	93,000	103,000
Yukon Anti-Poverty Coalition			
- Whitehorse affordable family housing complex	77,000	77,000	76,500
Yukon Women's Transition Home Society			
- Sexualized assault support line	60,000		
Queer Yukon Society	200,000	375,000	375,000
Crisis Hotline	150,000	150,000	150,000
- Canadian Mental Health Association, Yukon Division			37,500
- Dawson Shelter Society, The			37,500
- Yukon Women's Transition Home Society			37,500
- Help & Hope for Families Society			<u>37,500</u>
National action plan to end Gender-Based Violence - Prevention Fund	620,000	943,000	1,043,835
- Yukon Anti-Poverty Coalition			72,204
- Whitehorse Aboriginal Women's Circle			78,346
- Women in Trades and Technology Association			71,910
- Les EssentiElles			53,229
- Liard Aboriginal Women's Society			95,346
- Queer Yukon Society			63,000
- Skookum Jim Friendship Centre			104,400
- Victoria Faulkner Women's Centre			63,000
- Yukon Aboriginal Women's Council			104,400
- Yukon Status of Women Council			63,000
- Teslin Tlingit Council			100,000
- Kwanlin Dun First Nation			100,000
- Kluane First Nation			<u>75,000</u>

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$		Actual \$
Women and Gender Equity Directorate				
National Action Plan to end Gender-Based Violence - Victim Support Fund	620,000	880,000		637,827
- Yukon Anti-Poverty Coalition			80,389	
- Whitehorse Aboriginal Women's Circle			43,517	
- Les EssentiElles			62,617	
- Liard Aboriginal Women's Society			63,000	
- Queer Yukon Society			89,380	
- Skookum Jim Friendship Centre			63,000	
- Victoria Faulkner Women's Centre, The			63,000	
- Yukon Aboriginal Women's Council			104,400	
- Yukon Status of Women Council, The			68,524	
National Action Plan to end Gender-Based Violence - Women's Coalition	60,000	334,000		333,618
Other				
- House of Wolf & Associates Inc				50,000
- Youth of Today Society				11,520
Total other government transfers	3,366,000	4,163,000		4,088,300
Yukon Development Corporation				
Other transfer payments				
Interim electrical rebate	3,500,000	3,500,000		3,497,334
Mayo B rate payer support	2,625,000	2,625,000		2,625,000
Innovative renewable energy initiative	2,500,000	2,500,000		2,300,951
Arctic energy fund	7,905,000	5,629,000		5,428,463
Investing in Canada infrastructure program	5,618,000	5,626,000		3,028,529
Total other government transfers	22,148,000	19,880,000		16,880,277
Yukon Housing Corporation				
Other transfer payments				
Operations and maintenance	803,000	803,000		9,019,781
Capital	18,351,000	20,478,000		31,708,385
Total other government transfers	19,154,000	21,281,000		40,728,166

GOVERNMENT OF YUKON

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2025

	Main Estimates \$	Revised Estimates \$		Actual \$
Restricted Funds				
Other transfer payments				
Carbon amounts distributed	<u>31,420,000</u>	<u>31,420,000</u>		<u>56,346,052</u>
Total other government transfers	<u>31,420,000</u>	<u>31,420,000</u>		<u>56,346,052</u>
Totals				
Funding programs	82,980,000	79,267,000		77,246,303
Other government transfers	<u>415,029,000</u>	<u>476,190,000</u>		<u>499,397,800</u>
	<u><u>498,009,000</u></u>	<u><u>555,457,000</u></u>		<u><u>576,644,103</u></u>

GOVERNMENT OF YUKON

Schedule 10

**Non-Consolidated Schedule of Bad Debt Write-offs
for the year ended March 31, 2025**

Department	Number of Accounts	Total \$
		NIL
		-

Note: No bad debts were reported as write-off by virtue of the section 35 of the *Financial Administration Act* ended March 31, 2025.

GOVERNMENT OF YUKON

Schedule 11

**Schedule of Special Warrants
for the year ended March 31, 2025**

Warrant Number		Purpose	Amount \$
			(thousands of dollars)
No. 1	O&M	Energy, Mines and Resources	51,820
		Highways and Public Works	<u>8,403</u>
			60,223
	Capital	Community Services	<u>10,000</u>
			<u><u>70,223</u></u>

The special warrant authorized spending for the purpose of financing government operations for the period January 23, 2025 to March 31, 2025, under OIC 2025/11 of the *Financial Administration Act*.

SECTION III

SUPPLEMENTARY FINANCIAL STATEMENTS

(audited)

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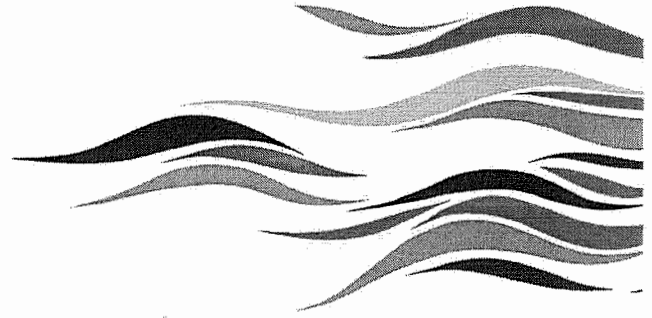
YUKON DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

December 31, 2024

(audited)

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June 19, 2025

Management's Responsibility for Financial Reporting

Management is responsible for the preparation of these consolidated financial statements in conformity with International Financial Reporting Standards and all other financial information relating to the Corporation contained in this annual report. These consolidated financial statements have been prepared by management using methods appropriate for the industry in which the Corporation operates and necessarily include some amounts that are based on judgements and best estimates of management. The financial information contained elsewhere in this annual report is consistent with that in the consolidated financial statements. The Auditor General of Canada is the external auditor of the Corporation.

Management has established internal accounting control systems to meet its responsibilities for reliable and accurate reporting. These systems include policies and procedures, the careful selection and training of qualified personnel and an organizational structure that provides for the appropriate delegation of authority and segregation of responsibilities.

The Board of Directors, through its Audit Committee, oversees management's responsibilities for financial reporting. The Audit Committee meets regularly with management and the independent auditor to discuss auditing and financial matters to ensure that management is carrying out its responsibilities and to review the consolidated financial statements. The auditors have full and free access to the Audit Committee and management.

Gary Gazankas
President and CEO

Kaitlyn Bouvier
Chief Financial Officer



INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Yukon Development Corporation

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Yukon Development Corporation and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of operations and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we

conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the consolidated financial statements, we have audited transactions of the Yukon Development Corporation coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Financial Administration Act* of Yukon and regulations, the *Yukon Development Corporation Act* and regulations, the *Public Utilities Act* and regulations, the *Business Corporations Act* and regulations, and the articles and by-laws of the Yukon Development Corporation.

In our opinion, the transactions of the Yukon Development Corporation that came to our notice during the audit of the consolidated financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Yukon Development Corporation Act*, we report that, in our opinion, the accounting principles in IFRS Accounting Standards as issued by the IASB have been applied on a basis consistent with that of the preceding year. In addition, in our opinion, proper books of account have been kept by the Yukon Development Corporation and the consolidated financial statements are in agreement therewith.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Yukon Development Corporation's compliance with the specified authorities named above, and for such internal control as management determines is

necessary to enable the Yukon Development Corporation to comply with the specified authorities.

Auditor's Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the consolidated financial statements are in compliance with the specified authorities referred to above.

A handwritten signature in dark ink, appearing to read "David Irving".

David Irving, CPA, CA
Principal
for the Auditor General of Canada

Edmonton, Canada
19 June 2025

Yukon Development Corporation

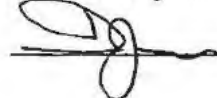
Consolidated Statement of Financial Position (in thousands of Canadian dollars)

December 31,	2024	2023
Assets		
Current		
Cash	\$ 16,529	\$ 10,888
Accounts receivable (Note 5)	34,009	24,980
Inventories (Note 6)	5,221	5,072
Prepaid expenses	1,726	1,708
	57,485	42,648
Non-current		
Right-of-use assets (Note 7)	1,550	1,776
Property, plant and equipment (Note 9)	597,748	565,862
Intangible assets (Note 10)	29,269	27,342
Post-employment benefits assets (Note 15)	676	-
Derivative related asset (Note 26)	655	2,405
Total assets	687,383	640,033
Regulatory debit balances (Note 11(a) and 28)	54,096	39,318
Total assets and regulatory debit balances	\$ 741,479	\$ 679,351
Liabilities		
Current		
Bank indebtedness (Note 12)	\$ 78,004	\$ 44,457
Accounts payable and accrued liabilities (Note 13)	27,622	25,141
Current portion of deferred revenue (Note 17)	2,484	1,851
Current portion of lease liability (Note 7)	175	160
Current portion of long-term debt (Note 14)	5,133	4,440
	113,418	76,049
Non-current		
Post-employment benefits (Note 15)	635	964
Contributions in aid of construction (Note 16)	104,728	103,600
Deferred revenue (Note 17)	17,589	17,615
Lease liability (Note 7)	520	695
Long-term debt (Note 14)	243,825	221,651
Total liabilities	480,715	420,574
Equity		
Contributed capital	41,501	41,501
Retained earnings	185,751	182,896
Total equity	227,252	224,397
Total liabilities and equity	707,967	644,971
Regulatory credit balances (Note 11(b) and 28)	33,512	34,380
Total liabilities, equity and regulatory credit balances	\$ 741,479	\$ 679,351

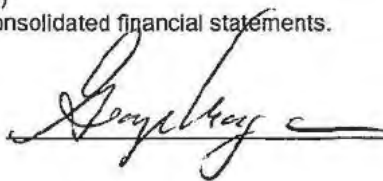
Commitments and Contingencies (Notes 23 and 24)

The accompanying notes are an integral part of the consolidated financial statements.

Approved by the Board:



Chair



Director

Yukon Development Corporation

Consolidated Statement of Operations and Other Comprehensive Income (in thousands of Canadian dollars)

For the year ended December 31,	2024	2023
Revenues		
Sales of power (Note 18)	\$ 85,464	\$ 77,627
Yukon Government contributions (Note 22)	10,406	13,836
Other (Note 19)	2,348	6,306
	98,218	97,769
Operating expenses		
Operations and maintenance (Note 20)	58,951	36,934
Administration (Note 21)	19,375	19,913
Depreciation and amortization (Notes 7, 9 and 10)	15,068	14,277
	93,394	71,124
Income before other income and other expenses	4,824	26,645
Other income		
Allowance for funds used during construction	2,434	1,836
Amortization of contributions in aid of construction (Note 16)	1,842	1,618
Interest income	812	426
	5,088	3,880
Other expenses		
Interest expenses	14,494	10,265
Interim electrical rebate program subsidies (Note 1)	3,246	3,099
Innovative renewable energy initiative program subsidies (Note 1)	1,854	1,556
Unrealized loss on interest rate swaps (Note 26)	1,750	2,503
Atlin Hydroelectric expansion project subsidies (Note 1)	1,250	750
Inflation relief rebate program subsidies (Note 1)	973	4,922
BC-Yukon Grid Interconnection	154	-
Yukon Hospital Corporation loan forgiveness (Note 8)	-	85
	23,721	23,180
Net (loss) income for the year before net movement in regulatory balances	(13,809)	7,345
Net movement in regulatory balances related to net income (Note 11(d))	15,643	(4,739)
Net income for the year after net movement in regulatory account balances	1,834	2,606
Other comprehensive income		
Item that will not be reclassified to net income in subsequent periods		
Remeasurement of defined benefit pension plans (Note 15)	1,021	(262)
Total comprehensive income for the year	\$ 2,855	\$ 2,344

The accompanying notes are an integral part of the consolidated financial statements.

Yukon Development Corporation

Consolidated Statement of Changes in Equity (in thousands of Canadian dollars)

	Contributed Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance at December 31, 2022	\$ 41,501	\$ 180,552	\$ -	\$ 222,053
Net income for the year and net movement in regulatory account balances	-	2,606	-	2,606
Other comprehensive income	-	-	(262)	(262)
Transfer of remeasurement of defined benefit pension plans to retained earnings	-	(262)	262	-
Balance at December 31, 2023	\$ 41,501	\$ 182,896	\$ -	\$ 224,397
Net income for the year and net movement in regulatory account balances	-	1,834	-	1,834
Other comprehensive income	-	-	1,021	1,021
Transfer of remeasurement of defined benefit pension plans to retained earnings	-	1,021	(1,021)	-
Balance at December 31, 2024	\$ 41,501	\$ 185,751	\$ -	\$ 227,252

The accompanying notes are an integral part of the consolidated financial statements.

Yukon Development Corporation

Consolidated Statement of Cash Flows (In thousands of Canadian dollars)

For the year ended December 31,	2024	2023
Operating activities		
Cash receipts from customers	\$ 78,798	\$ 78,045
Cash receipts from Yukon Government	12,512	19,563
Cash receipts from contributions in aid of construction	1,833	7,167
Cash paid to suppliers and for subsidies	(60,364)	(46,355)
Cash paid to employees	(18,216)	(15,905)
Interest paid	(14,192)	(9,483)
Cash receipts from insurance claim settlement	113	4,387
Cash refund paid to customers	(643)	-
Interest received	813	431
Cash provided by operating activities	654	37,850
Financing activities		
Net advances from line of credit	33,800	33,491
Proceeds from long-term debt	27,254	7,425
Repayment of long-term debt	(4,439)	(4,228)
Lease payments	(205)	(178)
Cash provided by financing activities	56,410	36,510
Investing activities		
Additions to property, plant and equipment	(47,463)	(59,596)
Additions to intangible assets	(3,707)	(6,876)
Cash used in investing activities	(51,170)	(66,472)
Net increase in cash	5,894	7,888
Cash, beginning of year	14,106	6,218
Cash, end of year (Note 12)	\$ 20,000	\$ 14,106

The accompanying notes are an integral part of the consolidated financial statements.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

1. Nature of operations

a) General

Yukon Development Corporation was originally established under the *Yukon Development Corporation Act* to participate with the private sector in the economic development of the Yukon, to make strategic investments to the benefit of the territory and to acquire and operate the assets of Northern Canada Power Commission in the Yukon. In 1993, the Yukon Development Corporation's mandate was changed to restrict its new initiatives to energy-related activities designed to promote the economic development of the Yukon. The Yukon Development Corporation's principal place of business is located at 303 Alexander Street, Whitehorse, YT, Y1A 2L5.

Yukon Development Corporation's wholly-owned subsidiary, Yukon Energy Corporation (the "Utility") is incorporated under the *Yukon Business Corporations Act*. The Utility generates, purchases, transmits, distributes and sells electrical energy in the Yukon. The Utility's principal place of business is located at #2 Miles Canyon Road, Whitehorse, YT, Y1A 6S7.

The Utility is subject to overall regulation by the Yukon Utilities Board ("YUB") and specific regulation by the Yukon Water Board. Both boards are consolidated by the Yukon Government and as such are considered to be related parties for accounting purposes to the Yukon Development Corporation and the Utility. Management has assessed that these boards operate independently from the Yukon Development Corporation and the Utility from a rate setting and operating perspective.

Yukon Development Corporation and the Utility are not subject to income taxes.

Yukon Development Corporation consolidates the financial statements of its subsidiary, the Utility. All intercompany transactions, balances, income and expenses are eliminated on consolidation. References in these consolidated financial statements to "Corporation" refer to the consolidated entity.

b) Rate regulation

The operations of the Corporation are regulated by the YUB pursuant to the *Public Utilities Act*. The Corporation is subject to a cost of service regulatory mechanism under which the YUB establishes the revenues required (i) to recover the forecast operating costs, including depreciation and amortization, of providing the regulated service, and (ii) to provide a fair and reasonable return on Corporation investment in rate base. There is no minimum requirement for the Corporation to appear before the YUB to review rates. However, the Corporation is not permitted to charge any rate for the supply of power that is not approved by an Order of the YUB. As actual operating conditions may vary from forecast, actual returns achieved will differ from approved returns.

The regulatory hearing process used to establish or change rates typically begins when the Corporation files a General Rate Application ("GRA") for its proposed electricity rate changes over the next one or two forecast years. The YUB must ensure that its decision, which fixes electricity rates, complies with appropriate principles of rate making, all relevant legislation including the *Public Utilities Act* and directives issued by Yukon Government through Orders-In-Council ("OIC") that specify how the interests of the customer and Corporation are to be balanced.

The YUB typically follows a two-stage decision process. In the first stage, the total costs that the Corporation expects it will incur to provide electricity to its customers over the forecast years are reviewed and approved. The approval of these costs determines the total revenues the Corporation is allowed to collect from its customers.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

1. Nature of operations - continued

b) Rate regulation - continued

It is the responsibility of the YUB to examine the legitimacy of three classes of costs:

- the costs to the Corporation to run its operations and maintain its property, plant and equipment (personnel and materials);
- the cost associated with the depreciation and amortization of all property, plant and equipment, right-of-use assets and intangible assets; and
- the return on rate base (the costs related to borrowing that portion of rate base which is financed with debt, plus the costs to provide a reasonable rate of return on that portion of rate base which is financed with equity).

The YUB assesses the prudence of costs added to rate base, which includes an allowance for funds used during construction ("AFUDC") charged to capital projects. The YUB also reviews the appropriateness of property, plant and equipment depreciation rates, which are periodically updated by the Corporation through depreciation studies.

In the second stage, the YUB approves how the revenue will be raised. This stage essentially determines the electricity rates for the various customer classes in the Yukon: wholesale, general service, industrial, residential, sentinel and street lights and secondary sales. This process is guided mainly by requirements of OIC 1995/90 and can include a cost-of-service study which allocates the Corporation's overall cost of service to the various customer classes on the basis of appropriate costing principles.

In August 2023, the Corporation filed a GRA for the years 2023 and 2024 requesting approval of revenue requirement and related rate increases of 6.25% for 2023 and 7.40% for 2024. The YUB issued an order in July 2024 requiring the Corporation to make changes and complete a compliance filing. The Corporation submitted the compliance filing in August 2024. The YUB approved the compliance filing submitted in September 2024 resulting in a rate increase of 7.23% for 2023 and 6.39% for 2024.

Refer to Note 4 regulatory account balances.

c) Water regulation

The Yukon Water Board ("YWB"), pursuant to the *Yukon Waters Act*, decides if and for how long the Corporation will have water licences for the purposes of operating hydro generation stations in the Yukon. The licences will also indicate terms and conditions for the operation of these facilities. The current water licenses have the following terms:

Aishihik Generating Station	December 31, 2027
Mayo Generating Station	December 31, 2025
Whitehorse Generating Station	May 31, 2025

d) Capital structure

The Utility's policy which has been reviewed and approved by the YUB is to maintain a capital structure of approximately 60% debt and 40% equity (Note 27).

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

1. Nature of operations - continued

e) Yukon Government

The Corporation and the Yukon Government signed a Memorandum of Understanding for the accounting period starting April 1, 2011 to March 31, 2042 regarding the Mayo B and Carmacks-Stewart Transmission line projects. The Yukon Government will assist in funding the repayment of a portion of the bond interest costs of up to \$2.625 million annually, subject to the Corporation meeting specified terms set out in the agreement.

The Corporation signed an agreement with the Yukon Government for the period from January 1, 2018 to March 31, 2021 for total funding of up to \$1.5 million annually to conduct Innovative Renewable Energy Initiative programs throughout the Yukon. The program is intended to encourage the development of small-scale, community-based renewable energy generation capacity. This agreement was extended for the period from April 1, 2021 to March 31, 2025, with funding of up to \$2.5 million annually.

In March 2024, the Yukon Government authorized the continuation of the Interim Electrical Rebate program (the "rebate") for 12 months to March 31, 2025. The rebate provides subsidies to non-government residential and municipal customers. It was implemented in 1998 after the Faro mine closed to protect customers from significant bill increases that would have resulted from that shutdown. The Yukon Government is providing funding for the monthly rebate based on \$0.02262/kwh applied to residential customers to a maximum of \$3.5 million annually.

The Corporation signed an agreement with the Yukon Government for the period from November 1, 2023 to January 31, 2024 for the continuation of the Inflation Relief Rebate program. The rebate provides subsidies to non-government residential and commercial customers. The Yukon Government is providing funding for the monthly rebate based on \$50.00 per customer per month for six months total to a maximum of \$3.246 million for the period November 1, 2023 to January 31, 2024.

The Corporation signed an agreement with the Yukon Government for the period from April 1, 2023 to March 31, 2024 for total funding of up to \$2.0 million to support the Atlin Hydroelectric expansion project. Funding subsidizes costs related to geotechnical analysis required to finalize project design and refine total project cost estimate.

2. Basis of presentation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS").

These consolidated financial statements were authorized for issue by the Board of Directors on June 19, 2025.

b) Basis of measurement

The financial information included in the consolidated financial statements has been prepared on a historical cost basis, except where otherwise indicated.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

3. Material accounting policy information

a) Revenue recognition

The Corporation recognizes revenue from contracts where the right to consideration from a customer corresponds directly with the value to the customer of the Corporation's performance completed to date.

The majority of the Corporation's revenues from contracts with customers are derived from the generation, purchase, transmission, distribution, and sales of electricity under the *Public Utilities Act*. The Corporation evaluates whether the contracts it enters into meet the definition of a contract with a customer at the inception of the contract and on an ongoing basis if there is an indication of a significant change in facts and circumstances.

Revenue is measured based on the transaction price specified in a contract with a customer. Revenue is recognized when control over a promised good or service is transferred to the customer and the Corporation is entitled to consideration as a result of completion of the performance obligation.

Deferred revenue is recognized when the Corporation receives consideration before the performance obligations have been satisfied. A contract asset is recorded when the Corporation has rights to consideration for the completion of a performance obligation when that right is conditional on something other than the passage of time. The Corporation recognizes unconditional rights to consideration separately as a trade receivable. Contract assets are evaluated at each reporting period to determine whether there is any objective evidence that they are impaired.

The Corporation receives amounts from customers for connection to the grid. The customer contributions related to the provision of on-going access to electricity are recognized into revenue over the useful life of the asset to which the contribution relates. The amounts received from Independent Power Producers ("IPPs") in accordance with an Electricity Purchase Agreement ("EPA") are recognized into revenue as the Corporation provides the construction activities of the related connection or if applicable over the useful life of the asset to which the contribution relates.

Electricity sales contracts are deemed to have a single performance obligation as the promise to transfer individual goods or services is not separately identifiable from other obligations in the contracts and therefore not distinct. These performance obligations are considered to be satisfied over time as electricity is delivered because of the continuous transfer of control to the customer. The method of revenue recognition for the electricity is an output method, which is based on the volume delivered to the customer.

The Corporation's electricity sales are calculated based on the customer's usage of electricity during the period at the applicable published rates for each customer class. Electricity rates in the Yukon are set by the YUB. Electricity sales include an estimate of electricity deliveries not yet billed at period-end. The estimated unbilled revenue is based on estimated consumption and applicable rates for the period between the last billing date and the end of the period.

Payment for Sales of Power are due within the month following service.

The Corporation receives amounts from Yukon Government for the reimbursement of costs from electricity rebates, bond interest, the Innovative Renewable Energy Initiative program, and the Atlin Hydroelectric expansion project. The Yukon Government contributions related to these costs are recognized into revenue as the Corporation incurs the related costs.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

3. Material accounting policy information - continued

b) Translation of foreign currencies

The functional currency of the Corporation is the Canadian Dollar. Revenue and expense items denominated in foreign currencies are translated at exchange rates prevailing during the period. Monetary assets and liabilities denominated in foreign currencies are translated at period-end exchange rates. Non-monetary assets and liabilities are translated at exchange rates in effect when the assets are acquired or the obligations are incurred. Foreign exchange gains and losses are reflected in net income for the period.

c) Allowance for funds used during construction

The cost of the Corporation's property, plant and equipment and intangible assets includes an allowance for funds used during construction ("AFUDC"). The AFUDC rate is based on the Corporation's weighted average cost of debt.

d) Cash

Cash is comprised of bank account balances (net of outstanding cheques).

e) Inventories

Inventories consist of materials and supplies, diesel fuel and liquefied natural gas. Inventories are carried at the lesser of weighted average cost and net realizable value. Cost includes all expenditures incurred in acquiring the items and bringing them to their existing condition and location. Critical spare parts are recognized in the Corporation's property, plant and equipment.

The recoverable value of inventory considers its net realizable value, including required processing costs, and is impacted by estimates and assumptions on price, quality, recovery and exchange rates. Obsolete materials and supplies are recorded at salvage value in the period when obsolescence is determined.

f) Financial instruments

Financial assets and financial liabilities are recognized on the Corporation's Consolidated Statement of Financial Position when the Corporation becomes party to the contractual provisions of the instrument.

i) Financial assets

Cash and accounts receivable, plus any transaction costs that are directly attributable to the acquisition of the financial asset, are initially measured at fair value. Subsequent to initial recognition, cash is measured at amortized cost and accounts receivable are measured at amortized cost using the effective interest rate method less any impairment. The Corporation's business model is to hold these assets to collect contractual cash flows.

A provision for impairment of accounts receivable is established applying the expected credit loss model based on all possible default events over the expected life of the financial asset. For trade accounts receivable, the Corporation applies the simplified approach which requires expected lifetime losses to be recognized from initial recognition of the receivables. For the other receivables, at the reporting date, if credit risk has increased significantly since initial recognition, the Corporation measures the loss allowance at an amount equal to the lifetime expected credit losses, otherwise, if the credit risk has not increased significantly since initial recognition, the Corporation measures the loss allowance at an amount equal to 12-month expected credit losses.

Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or require financial reorganization, and default or delinquency in payments are considered indicators that the related accounts receivable are impaired.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

3. Material accounting policy information - continued

f) Financial instruments - continued

The accounts receivable carrying amount is reduced through the use of an allowance account and the loss is recognized in net income. A financial asset is derecognized when the rights to receive cash flows from the asset have expired, or the Corporation has transferred its rights to receive cash flows from the asset and has transferred substantially all of the risk and rewards of the asset.

Derivative financial instruments are financial contracts that derive their value from changes in an underlying variable. The Corporation has entered into interest rate swaps to manage interest rate risk. The Corporation's interest rate swaps are classified as fair value through profit and loss and are thus recognized at fair value on the date the contract has been entered into with any subsequent realized and unrealized gains and losses recognized in net income during the period in which the fair value movement occurred.

The fair value of the derivative related asset is calculated using market implied forward rates and discount factors, such as those for a Canadian dollar index, and which are specific to the credit risk and term to maturity of the asset. As the derivative related asset is fair valued using observable market data other than quoted prices for the asset, these inputs and the asset are categorized as level 2 in the fair value hierarchy.

ii) Financial liabilities

Bank indebtedness, accounts payable and accrued liabilities, long-term debt and lease liabilities are initially measured at fair value less any transaction costs that are directly attributable to the issuance of the financial liability. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest rate method. A financial liability is derecognized when the obligation is discharged or cancelled, or expires.

Transaction costs are presented as a reduction from the carrying value of the related debt and are amortized using the effective interest rate method over the terms of the debts to which they relate. Transaction costs include fees paid to agents, brokers and advisors but exclude debt discounts and lender financing costs.

The fair value of the long-term debt is calculated using the net present value of principal and interest cash flows. The discount rates used in the present value calculation are obtained from the issuing banking institutions, and are specific to the credit risk and term to maturity associated with the long-term debt. As these discount rates are based on unobservable data, they are categorized as level 3 inputs in the fair value hierarchy.

g) Property, plant and equipment

Property, plant and equipment are carried at cost, less accumulated depreciation and any asset impairment charges. Cost includes the direct costs of acquisition and materials, direct labour, and, if applicable, an allocation of directly attributable overhead costs, AFUDC and any asset retirement costs associated with the property, plant and equipment.

AFUDC is applied to actual costs in work-in-progress less any contributions in aid of construction. For items of property, plant and equipment acquired prior to January 1, 2011, the AFUDC rate also included a regulatory cost of equity component as allowed by the YUB. Capitalization of AFUDC ceases when the asset being constructed is substantially ready for its intended purpose.

Assets under construction are recognized as construction work-in-progress until they are operational and available for use, at which time they are transferred to the applicable component of property, plant and equipment.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

3. Material accounting policy information - continued

g) Property, plant and equipment - continued

Depreciation is recognized in net income based on the straight-line method over the estimated useful life of each major component of property, plant and equipment.

The range of estimated useful lives of the major classes and subclasses of property, plant and equipment is as follows:

Generation:	
Hydroelectric plants	20 to 103 years
Thermal plants	12 to 72 years
Transmission	12 to 65 years
Distribution	16 to 55 years
Land	No Depreciation
Buildings	20 to 55 years
Transportation	8 to 25 years
Other equipment	5 to 20 years

Depreciation commences when an asset is available for use. The estimated useful lives of the assets are based upon depreciation studies conducted periodically by the Corporation and any changes in the estimated useful life are accounted for prospectively.

Major overhaul costs are capitalized and depreciated on a straight-line basis over the period of the expected useful life (until the next major overhaul) which varies from 2 to 10 years. Repairs and maintenance costs of property, plant and equipment are expensed as incurred unless they meet the criteria of a betterment.

h) Intangible assets

Intangible assets are carried at cost less accumulated amortization and any asset impairment charges. Cost includes the direct costs of acquisition and materials, direct labour, and, if applicable, an allocation of directly attributable overhead costs and AFUDC.

Amortization commences when an asset is available for use. Licenses are available for use when the license period commences. Amortization is recognized in net income on a straight-line basis over the estimated useful lives as follows:

Software	5 years
Financial software	10 years
Water licensing:	
Aishihik	5 years
Other hydro generation	17 to 25 years
Thermal permit	3 years
Other intangibles	5 years

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

3. Material accounting policy information - continued

i) Leases

At inception of a contract, the Corporation assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset. The Corporation assesses whether:

- (i) The contract involves the use of an identified asset;
- (ii) The Corporation has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- (iii) The Corporation has the right to direct the use of the asset.

At inception, the Corporation allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices.

The Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability and any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The Corporation elected to exclude short-term leases with a term of twelve months or less as well as leases of low value assets, and accounts for the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. Right-of-use assets are tested for impairment in accordance with IAS 36, *Impairment of Assets*, and impairments are recorded in net income.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Corporation's incremental borrowing rate. Generally, the Corporation uses its incremental borrowing rate as the discount rate. Subsequent to recognition, the lease liability is measured at amortized cost using the effective interest rate method. A lease liability is remeasured when there is a change in future lease payments arising mainly from a change in an index or rate, or if the Corporation changes its assessment of whether it will exercise a renewal or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in net income if the carrying amount of the right-of-use assets has been reduced to zero.

j) Impairment of non-financial assets

Property, plant and equipment, and intangible assets with finite lives are reviewed for impairment on an annual basis if there is an indication that the carrying amount may not be recoverable. Impairment is assessed at the level of cash-generating units, which are identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

When an impairment review is undertaken, the recoverable amount is assessed by reference to the higher of value in use and fair value less costs to sell ("FVLCS").

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

3. Material accounting policy information - continued

j) Impairment of non-financial assets - continued

Value in use is the net present value of expected future cash flows of the relevant cash-generating unit in its current condition. The best evidence of FVLCS is the value obtained from an active market or binding sale agreement. Where neither exists, FVLCS is based on the best information available to reflect the amount the Corporation could receive for the cash-generating unit in an arm's length transaction.

This is often estimated using discounted cash flow techniques and where unobservable inputs are material to the measurement of the recoverable amount, the measurement is classified as level 3 in the fair value hierarchy. The cash flow forecasts for FVLCS purposes are based on management's best estimates of expected future revenues and costs, including the future cash costs of production, capital expenditure, closure, restoration and environmental cleanup. For regulatory debit balances the impairment review focuses on whether the amount is considered collectible based on the expected cash flows from the rates approved by the YUB.

These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period. Changes in these assumptions may alter the results of impairment testing, impairment charges recognized in net income and the resulting carrying amounts of the assets.

k) Rate regulated accounting policies

Regulatory deferral accounts

Regulatory deferral accounts in these consolidated financial statements are accounted for differently than they would be in the absence of rate regulation; these are referred to throughout the statements as Regulatory Accounts. The Corporation defers certain costs or revenues as regulatory debit balances or regulatory credit balances on the Consolidated Statement of Financial Position and recognizes changes in the regulatory account balances in the net movement in regulatory account balances in the Consolidated Statement of Operations and Other Comprehensive Income. The amounts recognized as regulatory account balances are expected to be recovered or refunded in future rates, based on approvals by the YUB. The recovery or settlement of regulatory balances through future rates is impacted by demand risk and regulatory risks (e.g. potential future decisions of the YUB which could result in material adjustments to these regulatory debit balances and regulatory credit balances as described in Note 1(b)).

i) Regulatory debit balances

Regulatory debit balances represent costs which are expected to be recovered from customers in future periods through the rate-setting process. In the absence of rate regulation and the Corporation's adoption of IFRS 14, *Regulatory Deferral Accounts*, such costs would be expensed as incurred.

ii) Regulatory credit balances

Regulatory credit balances represent future reductions or limitations of increases in revenues associated with amounts that are expected to be refunded to customers as a result of the rate-setting process. In the absence of rate regulation and the Corporation's adoption of IFRS 14, such amounts would be recorded in income as performance obligations are met.

Note 11 describes the individual regulatory debits and credits, the Corporation's related regulatory deferral and amortization policies and describes the related account activity in the relevant periods.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

3. Material accounting policy information - continued

l) Provision for asset retirement obligations

The Corporation has legal obligations related to the closure and restoration of property, plant and equipment, which includes the costs of dismantling, demolition of infrastructure and the removal of residual materials and remediation of the disturbed areas.

Where a reliable estimate of the present value of these obligations can be determined, the total retirement costs are recognized as a provision in the accounting period when the obligation arises. There is also a corresponding increase to property, plant and equipment upon recognition of the obligation.

Management estimates its costs based on feasibility and engineering studies and assessments using current restoration standards and techniques.

m) Provision for environmental liabilities

Environmental liabilities consist of the estimated costs related to the remediation of environmentally contaminated sites. The Corporation will accrue a provision when it has a present obligation as a result of a past event to remediate the contaminated site, it is expected that future economic benefits will be given up to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

If the likelihood of the Corporation's obligation to incur these costs is either not determinable or the amount of the obligation cannot be reliably estimated, the contingency is disclosed in the notes to the consolidated financial statements.

The Corporation reviews its provision for environmental liabilities on an ongoing basis and any changes are recognized in net income for the current period.

n) Contributions in aid of construction

Certain property, plant and equipment additions are made with financial assistance from the Yukon Government or the Government of Canada. These contributions are deferred upon receipt and amortized to income on the same basis as the assets to which they relate.

o) Post-employment benefits and other comprehensive income

The Corporation sponsors an employee defined benefit pension plan for employees joining the Corporation before January 1, 2002. The Corporation also sponsors an executive defined benefit pension plan and supplemental executive retirement plan for a former executive. Benefits provided are calculated based on length of pensionable service, pensionable salary at retirement age and negotiated rates. The Corporation contributes amounts to the pension plans as recommended by an independent actuary.

For the defined benefit pension plans, the cost of pension benefits is actuarially determined using the projected benefits method, prorated on service, and reflects management's best estimates of investment returns, wage and salary increases, and age at retirement. Remeasurements of the net defined benefit liability, including actuarial gains and losses and return on plan assets, are recognized in other comprehensive income ("OCI") and are not reclassified to net income in a subsequent period.

The Corporation's policy is to immediately transfer actuarial gains and losses recognized in OCI to retained earnings. The expected return on plan assets is based on the fair value of these assets.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

3. Material accounting policy information - continued

o) Post-employment benefits and other comprehensive income - continued

Employees joining the Corporation after January 1, 2002 are eligible for a defined contribution retirement plan and are not eligible to participate in the defined benefit pension plan. The Corporation has no legal or constructive obligation to pay further contributions with respect to this plan. Contributions are recognized as an expense in the year when employees have rendered service and represents the obligation of the Corporation.

p) Future application of changes in accounting standards

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in Financial Statements (IFRS 18), which replaces the guidance in IAS 1, Presentation of Financial Statements and sets out requirements for presentation and disclosure of information, focusing on providing relevant information to users of the financial statements. IFRS 18 introduces changes to the structure of the statement of profit or loss, aggregation and disaggregation of financial information, and management-defined performance measures to be disclosed in the notes to the financial statements. It will be effective for the Corporation's annual period beginning January 1, 2027. Early application is permitted. The standard will be applied retrospectively with restatement of comparatives. The Corporation is currently assessing the impact of adopting this standard.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

4. Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires the use of judgment in applying accounting policies and in making critical accounting estimates that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of any contingent assets and liabilities. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ from the amounts included in the consolidated financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future periods affected. Information about such judgments and estimates is contained in the accounting policies and/or the notes to the consolidated financial statements, and the key areas are summarized below. Areas of significant judgments and estimates made by management in preparing these consolidated financial statements include:

Impairment of financial assets – Note 3(f)(i)

An evaluation of whether or not an asset is impaired involves consideration of whether indicators of impairment exist. Management continually monitors the Corporation's operations and makes judgments and assessments about conditions and events in order to conclude whether possible impairment exists.

Impairment of non-financial assets - Note 3(j)

An evaluation of whether or not an asset is impaired involves consideration of whether indicators of impairment exist. Management continually monitors the Corporation's operations and makes judgments and assessments about conditions and events in order to conclude whether possible impairment exists.

Asset retirement obligations - Notes 3(l) and 24

In determining the present value of the obligation, the Corporation must estimate the amount and timing of the future cash payments and then apply an appropriate risk-free interest rate. Any change to the anticipated amounts or timing of future payments or risk-free interest rate can result in a change to the obligation.

Depreciation - Notes 3(g), 7 and 9

Significant components of property, plant and equipment are depreciated straight line over their estimated useful lives. Useful lives are determined based on current facts and past experience and the results of depreciation studies.

While these useful life estimates are reviewed on a regular basis and depreciation calculations are revised accordingly, actual lives may differ from the estimates. As such, assets may continue in use after being fully depreciated, or may be retired or disposed of before being fully depreciated. The latter could result in additional depreciation expense in the period of disposition.

Intangible assets - Notes 3(h) and 10

In determining whether to recognize costs as intangible assets, management makes judgments about when the criteria for recognition are met. Management also makes judgments about which costs in work-in-progress pertain to a particular new license because licensing activities occur on a continuing basis. Changes to management's judgments would affect the carrying amount of the Corporation's intangible assets and amortization recognition.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

4. Significant accounting judgments, estimates and assumptions - continued

Post-employment benefits - Notes 3(o) and 15

The Corporation accrues for its obligations under defined benefit pension plans using actuarial valuation methods and other assumptions to estimate the projected benefit obligation and the associated expense related to the current period. The key assumptions utilized include the long-term rate of inflation, rates of future compensation, liability discount rates and the expected return on plan assets. The Corporation consults with qualified actuaries when setting the assumptions used to estimate benefit obligations. Actual rates could vary significantly from the assumptions and estimates used.

Revenue - Note 3(a), 11(a)(viii), 18 and 19

In years where the Corporation has submitted a General Rate Application and the decision from the Yukon Utilities Board is outstanding, the Corporation estimates the recovery amount of the GRA revenue requested.

The Corporation estimates usage not yet billed at year end, which is included in revenues from sales of power. This accrual is based on an assessment of unbilled electricity supplied to customers between the date of the last meter reading and the year end. Management applies judgment to the measurement of the estimated consumption. Significant judgments have also been made in determining the nature of the Corporation's performance obligations, the appropriate measurement and the contract terms to be used in recognizing the related revenue.

Provisions and contingencies - Notes 3(m), 24 and 25

Management is required to make judgments to assess if the criteria for recognition of provisions and contingencies are met, in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.

Key judgments are whether a present obligation exists and the probability of an outflow being required to settle that obligation. Key assumptions in measuring recognized provisions include the timing and amount of future payments and the discount rate applied.

Where the Corporation is defending certain lawsuits management must make judgments, estimates and assumptions about the final outcome, timing of trial activities and future costs as at the period end date. Management will obtain the advice of its external counsel in determining the likely outcome and estimating the expected obligations associated with these lawsuits; however, the ultimate outcome or settlement costs may differ from management's estimates.

Financial instruments - Notes 3(f) and 26

The Corporation enters into financial instrument arrangements which may require management to make judgments to determine if such arrangements are derivative instruments in their entirety or contain embedded derivatives, in accordance with IFRS 9, *Financial Instruments*. Key judgments are whether certain non-financial items are readily convertible to cash, whether similar contracts are routinely settled net in cash or delivery of the underlying commodity taken and then resold within a short period, and whether the value of a contract changes in response to a change in an underlying rate, price, index or other variable.

Regulatory account balances - Notes 1(b), 3(k) and 11

The Corporation accounts for its regulatory accounts in accordance with IFRS 14 and the decisions of the YUB. As discussed in Note 1(b) the recovery of these balances will be determined by the YUB as part of the regulatory proceeding to approve the GRA. Management is required to make judgments about the extent that the Corporation will be permitted to incorporate deferred amounts in future rates.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

5. Accounts receivable

	2024	2023
Trade accounts receivable:		
Retail energy sales	\$ 11,219	\$ 6,281
Wholesale energy sales	11,545	5,061
Due from related parties (Note 22)	9,300	11,137
Other	1,945	2,501
	\$ 34,009	\$ 24,980

Included in Accounts receivable - Other is an amount of \$926,000 (2023 - \$831,000) related to GST ITC receivable.

At December 31, 2024, the aging of accounts receivable is as follows:

	Current	31 - 90 Days	Over 90 Days	Total
Accounts receivable	\$ 24,935	\$ 3,607	\$ 5,477	\$ 34,019
Allowance for doubtful accounts	-	-	(10)	(10)
	\$ 24,935	\$ 3,607	\$ 5,467	\$ 34,009

At December 31, 2023, the aging of accounts receivable is as follows:

	Current	31 - 90 Days	Over 90 Days	Total
Accounts receivable	\$ 16,135	\$ 5,713	\$ 4,642	\$ 26,490
Allowance for doubtful accounts	-	-	(1,510)	(1,510)
	\$ 16,135	\$ 5,713	\$ 3,132	\$ 24,980

A reconciliation of the beginning and ending amount of allowance for doubtful accounts is as follows:

	2024	2023
Allowance for doubtful accounts at beginning of year	\$ (1,510)	\$ (10)
Allowance reversed during the year (Notes 21 and 26)	1,500	-
Additions to allowance for doubtful accounts (Notes 21 and 26)	-	(1,500)
Allowance for doubtful accounts at end of year	\$ (10)	\$ (1,510)

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

6. Inventories

	2024	2023
Materials and supplies	\$ 4,094	\$ 3,777
Diesel fuel	885	1,192
Liquefied natural gas	242	103
	\$ 5,221	\$ 5,072

7. Leases

The Corporation leases industrial land and building facilities. During the year, the Corporation had two existing land leases and one existing building lease. In 2023, the Corporation renewed a building lease for a term of five years.

Right-of-use assets consist of land of \$988,000 (2023 - \$1,063,000) and building of \$562,000 (2023 - \$713,000).

	2024	2023
Right-of-use assets		
As at January 1	\$ 1,776	\$ 1,231
Additions	-	750
Depreciation expense	(226)	(205)
At December 31	\$ 1,550	\$ 1,776

Lease liabilities		
Lease liabilities	\$ 695	\$ 855
Less: current portion	175	180
Non-current portion	\$ 520	\$ 695

Amounts recognized in net income		
Depreciation expense on right-of-use assets	\$ 226	\$ 205
Interest expense on lease liabilities	\$ 45	\$ 18
Expense relating to short-term leases	\$ 5,279	\$ 3,595

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

8. Direct financing lease

In 2003, the Corporation financed an electric boiler system for the Yukon Hospital Corporation at a cost of \$595,898. The repayment terms on this lease stipulate that one half of the realized energy cost savings resulting from the boiler usage during the year will be repaid against the investment. Interest on this investment is earned at the rate of 7.5% per annum and recognized as interest income.

As per the terms of the financing lease agreement, any remaining balance at April 1, 2023 will be forgiven by the Corporation. Therefore, the remainder of this finance lease was forgiven in 2023.

9. Property, plant and equipment

A reconciliation of the changes in the carrying amount of property, plant and equipment is as follows:

	Generation	Transmission & Distribution	Land	Buildings & Other Equipment	Transportation	Construction Work in Progress	Total
Costs:							
At December 31, 2022	\$ 330,097	\$ 231,058	\$ 1,615	\$ 19,867	\$ 5,800	\$ 29,063	\$ 617,500
Additions				12		63,621	63,633
Transfers	10,622	15,686		1,618	1,052	(28,978)	
Disposals	(3,467)	(140)		(112)	(27)		(3,746)
At December 31, 2023	\$ 337,252	\$ 246,604	\$ 1,615	\$ 21,385	\$ 6,825	\$ 63,706	\$ 677,387
Additions						45,953	45,953
Transfers	6,977	3,193		7,102	1,884	(19,156)	
Disposals	(1,208)			(438)	(543)		(2,189)
At December 31, 2024	\$ 343,021	\$ 249,797	\$ 1,615	\$ 28,049	\$ 8,166	\$ 90,503	\$ 721,151
Accumulated depreciation:							
At December 31, 2022	\$ 51,173	\$ 41,724	\$	\$ 5,977	\$ 2,878	\$	\$ 101,752
Depreciation	6,809	4,491		737	490		12,527
Disposals	(2,521)	(95)		(111)	(27)		(2,754)
At December 31, 2023	\$ 55,461	\$ 46,120	\$	\$ 6,603	\$ 3,341	\$	\$ 111,525
Depreciation	7,154	4,753		829	529		13,265
Disposals	(616)			(235)	(536)		(1,387)
At December 31, 2024	\$ 61,999	\$ 50,873	\$	\$ 7,197	\$ 3,334	\$	\$ 123,403
Net Book Value:							
At December 31, 2023	\$ 281,791	\$ 200,484	\$ 1,615	\$ 14,782	\$ 3,484	\$ 63,706	\$ 565,862
At December 31, 2024	\$ 281,022	\$ 198,924	\$ 1,615	\$ 20,852	\$ 4,832	\$ 90,503	\$ 597,748

The total AFUDC charged to property, plant and equipment during 2024 was \$2,048,000 (2023 - \$1,836,000). The AFUDC rate for 2024 was 2.88% (2023 - 2.77%).

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

10. Intangible assets

A reconciliation of the changes in the carrying amount of intangible assets is as follows:

	Software	Deferred Service Costs	Financial Software	Water Licensing	Thermal Permit	Other Intangibles	Work in Progress	Total
Costs:								
At December 31, 2022	\$ 1,185	\$ 443	\$ 6,955	\$ 483	\$ -	\$ -	\$ 17,076	\$ 26,142
Additions	-	-	-	-	-	-	7,247	11,150
Transfers	258	-	-	3,903	-	-	(4,161)	-
Disposals	(259)	-	-	(147)	-	-	-	(406)
At December 31, 2023	\$ 1,184	\$ 443	\$ 6,955	\$ 4,239	-	-	\$ 20,162	\$ 32,983
Additions	-	-	-	-	-	-	5,917	5,917
Transfers	244	-	-	755	216	260	(1,475)	-
Disposals	-	-	-	(118)	-	-	(2,404)	(2,522)
At December 31, 2024	\$ 1,428	\$ 443	\$ 6,955	\$ 4,876	\$ 216	\$ 260	\$ 22,200	\$ 36,378
Accumulated amortization:								
At December 31, 2022	\$ 496	\$ 443	\$ 3,168	\$ 364	\$ -	\$ -	\$ -	\$ 4,471
Amortization	233	-	492	820	-	-	-	1,545
Disposals	(228)	-	-	(147)	-	-	-	(375)
At December 31, 2023	\$ 501	\$ 443	\$ 3,660	\$ 1,037	\$ -	\$ -	\$ -	\$ 5,641
Amortization	280	-	456	812	-	38	-	1,586
Disposals	-	-	-	(118)	-	-	-	(118)
At December 31, 2024	\$ 781	\$ 443	\$ 4,116	\$ 1,731	\$ -	\$ 38	\$ -	\$ 7,109
Net Book Value:								
At December 31, 2023	\$ 683	\$ -	\$ 3,295	\$ 3,202	\$ -	\$ -	\$ 20,162	\$ 27,342
At December 31, 2024	\$ 647	\$ -	\$ 2,839	\$ 3,145	\$ 216	\$ 222	\$ 22,200	\$ 29,269

Additions to Financial Software, Water Licensing, Thermal permit and Other Intangibles were almost exclusively internally generated. Additions to Software was almost exclusively externally purchased.

Work in Progress consists of Software \$434,000 (2023 - \$64,000), Financial Software \$0 (2023 - \$118,000), Water Licensing \$21,221,000 (2023 - \$19,576,000), Thermal Permit \$23,000 (2023 - \$138,000) and Other Intangibles \$520,000 (2023 - \$266,000). Work in progress disposals of \$2,404,000 (2023 - \$0) are included in regulatory account expenses (Note 20).

The total AFUDC charged to intangible assets during 2024 was \$304,000 (2023 - \$404,000). The AFUDC rate for 2024 was 2.88% (2023 - 2.77%).

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

11. Regulatory accounts

a) Regulatory debit balances

	Feasibility Studies (i)	Regulatory Costs (ii)	Dam Safety (iii)	Deferred Overhauls (iv)	Uninsured Losses (v)	Fuel Price Adjustment (vi)	Subtotal see next page
Cost:							
At December 31, 2022	\$ 15,807	\$ 5,384	\$ 255	\$ 1,399	\$ 4,801	\$ 3,185	\$ 34,811
Costs incurred	1,510	3,363	-	-	555	-	5,428
Regulatory provision	-	(413)	-	(88)	(411)	2,193	1,271
Disposals	650	(423)	-	-	-	(2,112)	(1,885)
Contributions received	-	(453)	-	-	-	-	(453)
At December 31, 2023	\$ 18,967	\$ 10,458	\$ 255	\$ 1,301	\$ 4,745	\$ 3,248	\$ 38,972
Costs incurred	4,148	2,153	20	-	9,581	-	15,900
Regulatory provision	-	(170)	-	89	(411)	(1,584)	(2,147)
Disposals	(428)	-	-	-	-	(48)	(472)
Contributions received	(232)	(458)	-	-	-	-	(690)
At December 31, 2024	\$ 22,455	\$ 11,983	\$ 275	\$ 1,389	\$ 13,915	\$ 1,536	\$ 51,553
Accumulated amortization:							
At December 31, 2022	\$ 3,039	\$ 1,167	\$ 76	\$ 110	\$ 1,257	\$ -	\$ 5,648
Amortization	1,074	321	51	138	205	-	1,789
Disposals	650	(248)	-	-	-	-	301
At December 31, 2023	\$ 4,763	\$ 1,139	\$ 127	\$ 248	\$ 1,462	\$ -	\$ 7,739
Amortization	3,484	904	61	387	205	-	5,041
Disposals	(266)	-	-	-	-	-	(266)
At December 31, 2024	\$ 7,981	\$ 2,043	\$ 178	\$ 645	\$ 1,667	\$ -	\$ 12,514
Net book value:							
At December 31, 2023	\$ 14,204	\$ 9,319	\$ 128	\$ 1,053	\$ 3,283	\$ 3,248	\$ 31,233
At December 31, 2024	\$ 14,474	\$ 9,940	\$ 97	\$ 754	\$ 12,248	\$ 1,536	\$ 38,049
Work in progress included in cost and net book value, not yet being amortized.							
At December 31, 2023	\$ 10,519	\$ 2,258			\$ 58		
At December 31, 2024	\$ 1,860	\$ 3,140			\$ 9,151		
Net increase (decrease) in regulatory debit balances (which are recognized in the net movement in regulatory balances related to net income on the Consolidated Statement of Operations and Other Comprehensive Income):							
December 31, 2023	\$ 436	\$ 2,102	\$ (51)	\$ (236)	\$ (81)	\$ 81	\$ 2,271
December 31, 2024	\$ 270	\$ 821	\$ (31)	\$ (298)	\$ 8,955	\$ (1,710)	\$ 7,816
Remaining recovery years							
At December 31, 2023	1 to 5 years	1 to 30 years	3 years	3 years	Indeterminate	1 year	
At December 31, 2024	1 to 5 years	1 to 29 years	2 years	2 years	Indeterminate	1 year	
Absent rate regulation, net income for the year and net movement in regulatory balances on the Consolidated Statement of Operations and Other Comprehensive Income would increase (decrease) by:							
December 31, 2023	\$ (436)	\$ (2,102)	\$ 51	\$ 236	\$ 81	\$ (81)	\$ (2,271)
December 31, 2024	\$ (270)	\$ (821)	\$ 31	\$ 298	\$ (8,955)	\$ 1,710	\$ (7,816)

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

11. Regulatory accounts - continued

a) Regulatory debt balances - continued

	Carry Forward	Vegetation Management (vii)	2023/24 GRA (viii)	2021 GRA (ix)	IFP Purchase Costs (x)	Hearing Reserve (ix) (Note 28)	Total (Note 28)
Cost:							
At December 31, 2022	\$ 34,611	\$ 2,216	\$ -	\$ 2,639	\$ 26	\$ 881	\$ 40,373
Costs incurred	5,428	-	-	-	-	-	5,428
Regulatory provision	1,271	-	5,667	-	-	166	7,104
Disposals	(1,885)	-	-	(1,957)	-	-	(3,842)
Contributions received	(453)	-	-	-	-	-	(453)
At December 31, 2023	\$ 38,972	\$ 2,216	\$ 5,667	\$ 682	\$ 26	\$ 1,047	\$ 48,610
Cost incurred	15,900	-	-	-	41	-	15,941
Regulatory provision	(2,147)	-	20,358	-	-	(81)	18,130
Disposals	(472)	-	(12,454)	(682)	-	-	(13,608)
Contributions received	(690)	-	-	-	-	-	(690)
At December 31, 2024	\$ 51,563	\$ 2,216	\$ 13,571	\$ -	\$ 67	\$ 966	\$ 68,383
Accumulated amortization:							
At December 31, 2022	\$ 5,649	\$ 1,330	\$ -	\$ -	\$ -	\$ -	\$ 6,979
Amortization	1,789	222	-	1,957	-	-	3,968
Disposals	301	-	-	(1,957)	-	-	(1,656)
At December 31, 2023	\$ 7,739	\$ 1,552	\$ -	\$ -	\$ -	\$ -	\$ 9,291
Amortization	5,041	221	12,454	682	-	-	18,398
Disposals	(266)	-	(12,454)	(682)	-	-	(13,402)
At December 31, 2024	\$ 12,514	\$ 1,773	\$ -	\$ -	\$ -	\$ -	\$ 14,287
Net book value:							
At December 31, 2023	\$ 31,233	\$ 664	\$ 5,667	\$ 682	\$ 26	\$ 1,047	\$ 39,319
At December 31, 2024	\$ 39,049	\$ 443	\$ 13,571	\$ -	\$ 67	\$ 966	\$ 54,096
Net increase (decrease) in regulatory debt balances (which are recognized in the net movement in regulatory account balances on the Consolidated Statement of Operations and Other Comprehensive Income):							
December 31, 2023	\$ 2,271	\$ (222)	\$ 5,667	\$ (1,957)	\$ -	\$ 166	\$ 5,925
December 31, 2024	\$ 7,816	\$ (221)	\$ 7,904	\$ (682)	\$ 41	\$ (81)	\$ 14,777
Remaining recovery years							
At December 31, 2023		3 years	2 years	1 year	Indeterminate	Indeterminate	
At December 31, 2024		2 years	1 year	0 year	Indeterminate	Indeterminate	
Absent rate regulation, net income for the year and net movement in regulatory account balances on the Consolidated Statement of Operations and Other Comprehensive Income would increase (decrease) by:							
December 31, 2023	\$ (2,271)	\$ 222	\$ (5,667)	\$ 1,957	\$ -	\$ (166)	\$ (5,925)
December 31, 2024	\$ (7,816)	\$ 221	\$ (7,904)	\$ 682	\$ (41)	\$ 81	\$ (14,777)

(i) Feasibility studies and infrastructure planning

The Corporation undertakes certain studies to determine the feasibility of a range of projects and infrastructure proposals. While in progress, the costs of these studies are deferred within this account. The Corporation is directed to defer and amortize the costs over terms (between five and ten years) at the discretion of the YUB. In the absence of rate regulation, IFRS requires these costs to be expensed as incurred.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

11. Regulatory accounts - continued

a) Regulatory debit balances - continued

(ii) Regulatory costs

These costs are associated with the YUB regulatory proceedings. The costs consist primarily of various rate and project review proceedings but also include resource plans and demand side management costs. The Corporation is directed to defer and amortize the costs over terms at the discretion of the YUB. During the year, \$170,000 (2023 - \$413,000) was transferred to the regulatory debit balance class hearing reserve (Note 11(a)(ix)) and disallowed costs of \$0 (2023- \$423,000) were derecognized. In the absence of rate regulation, IFRS requires these costs to be expensed as incurred.

(iii) Dam safety review

The Corporation has a program of conducting safety reviews of its dams in accordance with standards set by the Canadian Dam Association. External consultants are hired every five years with intermittent costs incurred in the interim periods. These costs are being amortized over five years. In the absence of rate regulation, IFRS requires these costs to be expensed as incurred.

(iv) Deferred overhauls

YUB Order 2013-01 restricted inclusion of property, plant and equipment overhaul depreciation expense in rates charged to customers until the Corporation comes before the YUB for a prudence review. As such, starting in 2013 the Corporation deferred depreciation expense related to overhauls. In 2017, the Corporation came before the YUB for a prudence review and began to recognize these deferred depreciation amounts. In the absence of rate regulation, IFRS requires these costs to be expensed as incurred.

(v) Uninsured losses

Uninsured losses is an account maintained to address uninsured and uninsurable losses as well as the deductible portion of insured losses. The account is maintained through an annual provision and collected through customer rates. There is an annual regulatory provision of \$411,000 and amortization of the forecast 2020 accumulated balance of \$2,048,000 over ten years (\$205,000 per year). In the absence of rate regulation, IFRS requires these costs to be expensed as incurred.

(vi) Fuel price adjustment

OIC 1995/90 directs the YUB to permit the Corporation to adjust electricity rates to reflect fluctuations in the price of diesel fuel. The amount by which actual fuel prices vary from the long-term average prices is deferred and recovered from or refunded to customers in a future period through Rider F. As part of the 2023/24 GRA, the balance as at September 30, 2024 of \$2,658,000 was transferred to the regulatory debit balance class 2023/24 GRA (Note 11(a)(vii)). For the period January 1, 2023 through December 31, 2023 the charge was 0.865 cents per kWh. For the period January 1, 2024 to October 31, 2024, the charge was reduced to 0.000 cents per kWh. Effective November 1, 2024, the charge was decreased to 0.289 cents per kWh. The Rider F charge(refund) was effective until March 31, 2024 at which time it changed back to 0.000 cents per kWh. In the absence of rate regulation, IFRS requires these costs to be expensed as incurred and revenues be recognized as earned.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

11. Regulatory accounts - continued

a) Regulatory debit balances - continued

(vii) Vegetation management

Prior to 2017, the Corporation was deferring annual brushing costs in excess of a prescribed maximum annual amount based on a review of prior year brushing costs. In 2017, the Corporation established a vegetation management policy and as a result of expected annual costs, deferral is no longer required.

The Corporation completes a full cycle of all its brushing requirements every 10 years and is amortizing previously deferred costs over a 10 year period. In the absence of rate regulation, IFRS requires these costs to be expensed as incurred.

(viii) 2023/24 GRA

The Corporation recognizes a regulatory debit balance when the Corporation has the right, as a result of the actual or expected actions of the rate regulator, to increase rates in future periods in order to recover its allowable costs plus return on rate base, as described in Note 1(b). The amount recognized represents management's best estimates of revenues for rates to be approved by the YUB less amounts received from customers. As part of the 2023/24 GRA, \$5,667,000 was recognized for increase in revenue requirement. In 2023, the final decision by the YUB approved \$7,717,000 for 2023. The increase of \$2,050,000 has been included in the regulatory provision line in 2024. The 2024 provision also includes the 2024 YUB approved amount of \$15,805,000 and \$2,658,000 transferred from the regulatory debit balance class fuel price adjustment ((Note 11(a)(vi)). The ending balance at December 31 comprises the Corporation's remaining revenue shortfall to be collected from customers in future years.

(ix) 2021 GRA

The Corporation recognizes a regulatory debit balance when the Corporation has the right, as a result of the actual or expected actions of the rate regulator, to increase rates in future periods in order to recover its allowable costs plus return on rate base, as described in Note 1(b). The amount recognized represents the amount approved by the YUB in February 2023, less amounts received from customers. The amount was fully collected during 2024.

(x) IPP purchase costs

OIC 2019/25 directs that in setting rates that the Corporation is permitted to charge, it is able to recover the costs of purchasing electricity under an electricity purchase agreement with Independent Power Producers ("IPP's"). As such, starting in 2022 the Corporation deferred costs to be charged to ratepayers in future years. In the absence of rate regulation, IFRS requires these costs to be expensed as incurred.

(xi) Hearing reserve

The Corporation has established a deferral account for regulatory hearing costs to be recovered from or paid to ratepayers in the future. The regulatory provision for the year reflects an annual provision of \$250,000 less \$170,000 (2023 - \$416,000) of approved costs transferred from Regulatory Costs (See Note 11(a)(ii)). In the absence of rate regulation, IFRS requires these costs to be expensed as incurred and revenues be recognized as earned.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

11. Regulatory accounts - continued

b) Regulatory credit balances

	Deferred Insurance Proceeds (i)	Low Water Reserve Fund (ii)	Future Removal and Site Restoration (iii)	Contracts with Customers (iv)	McQuesten Substation (v)	Defined Benefit Pension (vi)	Total (Note 28)
Cost:							
At December 31, 2022 \$	11,122	\$ 9,896	\$ 2,690	\$ 5,060	\$ 2,526	\$ 63	\$ 31,357
Costs incurred	-	-	(853)	-	-	-	(853)
Regulatory provision	4,500	5,791	-	(96)	1,348	23	11,566
Disposals	-	-	-	-	-	-	-
Contributions received	-	-	-	-	-	-	-
At December 31, 2023 \$	15,622	\$ 15,687	\$ 2,037	\$ 4,964	\$ 3,874	\$ 86	\$ 42,270
Costs incurred	-	-	-	-	-	-	-
Regulatory provision	-	(3,067)	-	(96)	1,002	(22)	(2,183)
Interest	-	1,641	-	-	-	-	1,641
Contributions received	-	(79)	-	-	-	-	(79)
At December 31, 2024 \$	15,622	\$ 14,182	\$ 2,037	\$ 4,868	\$ 4,876	\$ 64	\$ 41,649
Accumulated amortization:							
At December 31, 2022 \$	7,640	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,640
Amortization	249	-	-	-	-	-	249
At December 31, 2023 \$	7,889	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,889
Amortization	248	-	-	-	-	-	248
At December 31, 2024 \$	8,137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,137
Net book value:							
At December 31, 2023 \$	7,733	\$ 15,687	\$ 2,037	\$ 4,964	\$ 3,874	\$ 86	\$ 34,381
At December 31, 2024 \$	7,485	\$ 14,182	\$ 2,037	\$ 4,868	\$ 4,876	\$ 64	\$ 33,512
Net (increase) decrease in regulatory credit balances (which are recognized in the net movement of regulatory balances related to net income on the Consolidated Statement of Operations and Other Comprehensive Income):							
December 31, 2023 \$	(4,251)	\$ (5,791)	\$ 653	\$ 96	\$ (1,348)	\$ (23)	\$ (10,664)
December 31, 2024 \$	248	\$ 1,505	\$ -	\$ 96	\$ (1,002)	\$ 22	\$ 869
Remaining recovery years							
At December 31, 2023	13 years	Indeterminate	Indeterminate	44 years	50 years	Indeterminate	
At December 31, 2024	12 years	Indeterminate	Indeterminate	43 years	49 years	Indeterminate	
Absent rate regulation, net income for the year and net movement in regulatory balances on the Consolidated Statement of Operations and Other Comprehensive Income would increase (decrease) by:							
December 31, 2023 \$	4,251	\$ 5,791	\$ (653)	\$ (96)	\$ 1,348	\$ 23	\$ 10,664
December 31, 2024 \$	(248)	\$ (1,505)	\$ -	\$ (96)	\$ 1,002	\$ (22)	\$ (869)

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

11. Regulatory accounts - continued

b) Regulatory credit balances - continued

(i) Deferred insurance proceeds

The deferred insurance proceeds represents a gain on fire insurance proceeds related to a fire at the Whitehorse Rapids Generating Station in 1997 which is being amortized to income at the same rate as depreciation of the related replacement assets, and a gain on insurance proceeds related to damage to the Lewes River Boat lock in 2021 which is not yet being amortized as it has not yet received regulatory approval. In the absence of rate regulation, IFRS requires the gain to have been fully recognized as income in the year received.

(ii) Low Water Reserve Fund

The Low Water Reserve Fund ("LWRF") was established by YUB Order 2018-10. The LWRF is used to protect the Corporation and ratepayers for costs associated with variability in thermal generation required when there is a thermal cost variance due solely to water-related hydro generation variances from YUB approved GRA forecasts. The Corporation is required to file annual reports with the YUB on the LWRF's activity.

In accordance with YUB Order 2015-01, the Corporation defers recognition of the additional amounts collected from rate payers when the cost of thermal consumed in the period is less than the long-term average thermal requirements estimated for the actual annual generation load. These deferred amounts are recognized as revenue in the period when the cost of thermal incurred for the period is greater than the long-term average thermal requirements and the reason for the shortfall is a shortage of water in the hydro system. There is a cap of +/- \$16 million for the LWRF. If the balance falls outside of this range, the Corporation is to make an application to the YUB requesting recovery or a refund to customers. YUB Order 2019-02 set the refund rider to 0.00 cents/kWh effective April 1, 2019. YUB order 2024-15 set the refund rider to 0.128 cents/kWh effective for the period November 1, 2024 to March 31, 2025.

In the absence of rate regulation, IFRS would require any amounts earned or incurred related to the LWRF to be included in the Corporation's net income in the year incurred.

(iii) Future removal and site restoration costs

The Corporation maintains a regulatory provision for future removal and site restoration costs related to property, plant and equipment, which is incremental to that required to be recognized as an asset retirement provision under IAS 37. The reserve has been established through amortization rates based upon depreciation studies conducted periodically by the Corporation. As a result of the YUB Order 2005-12, effective January 1, 2005, the provision is not to exceed the cumulative value of the provision at December 31, 2004 of \$5,757,000.

Costs of dismantling capital assets, including site remediation, will be applied to this regulatory credit balance if they do not otherwise relate to an asset retirement provision. The period over which the provision will be reduced is dependent on the timing of future costs of demolishing, dismantling, tearing down, site restoration or otherwise disposing of the asset net of actual recoveries, and is therefore indeterminate. In the absence of rate regulation, IFRS requires these costs to be expensed or included in the gain or loss on disposal of the related property, plant and equipment, as applicable.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

11. Regulatory accounts - continued

(iv) Contracts with customers

Effective January 1, 2018 the Corporation adopted IFRS 15, *Revenue from Contracts with Customers*. As a result of the impacts of IFRS 15, certain revenues are recognized in net income over a shorter period than allowed by the YUB for rate-setting purposes. The timing difference is reflected as a regulatory credit balance.

(v) McQuesten Substation

YUB Order 2022-03 required the Corporation to create a separate asset class for certain assets constructed at the McQuesten Substation relating to the Victoria Gold connection. These assets were required to be amortized over the mine life as opposed to the useful life of the assets. The timing difference is reflected as a regulatory credit balance.

(vi) Defined benefit pension

The Corporation has established a deferral account to accumulate differences from approved pension funding versus actual funding requirements. The regulatory provision will be determined through a future regulatory proceeding. In the absence of rate regulation, IFRS requires these costs to be expensed as incurred.

(c) Regulatory account expenses

Regulatory account expenses represent costs incurred related to regulatory account debit balances of \$15,491,000 (2023 - \$5,428,000) and regulatory account credit balances of \$0 (2023 - \$653,000).

(d) Net movement in regulatory balances related to net income

Net movement in regulatory balances related to net income is \$15,643,000 (2023 - (\$4,739,000)) and represents the adjustment to net income for the year before net movement in regulatory balances for the effects of rate regulation in accordance with IFRS 14. The net movement figure is comprised of an increase of \$14,777,000 for regulatory account debit balances and a decrease of \$869,000 for regulatory account credit balances for rate regulation compared to the amounts that are recorded under IFRS. The net movement figure for 2023 is comprised of an increase of \$5,925,000 (Note 28) for regulatory account debit balances and an increase of \$10,664,000 (Note 28) for regulatory account credit balances respectively for rate regulation compared to the amounts that would be recorded under IFRS absent rate regulation.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

12. Bank indebtedness

The Corporation has access to lines of credit. Effective December 18, 2023, the lines of credit were increased temporarily to \$115.0 million. Effective May 15, 2024, the lines of credit were reduced to \$107.5 million and effective December 20, 2024, the lines of credit were reduced to \$100.0 million. The remaining temporary increase expires December 31, 2025. The lines of credit accrue interest on withdrawals at prime rate minus 0.75% per annum.

In 2023, \$107.5 million of the lines of credit accrued interest on withdrawals at prime rate minus 0.75% per annum. The remaining \$7.5 million accrued interest on withdrawals at prime rate minus 0.85% per annum.

One of the Corporation's financial institutions has a legally enforceable right to set off the outstanding balance under one of the lines of credit with cash balances in other accounts with the same financial institution. The amount outstanding on the line of credit balance at year end was \$81.5 million (2023 - \$47.7 million). The Corporation has cash balances with the same financial institution of \$3.5 million (2023 - \$3.2 million). The Corporation's bank indebtedness is comprised of:

	2024	2023
Bank balance	\$ 3,471	\$ 3,218
Lines of credit	(81,475)	(47,675)
	\$ (78,004)	\$ (44,457)

For the purposes of the consolidated statement of cash flows, the above line of credit is not part of the Corporation's cash management and instead is classified as financing activities. In the consolidated statement of cash flows, cash is comprised of:

	2024	2023
Cash	\$ 16,529	\$ 10,888
Bank balance	\$ 3,471	\$ 3,218
	\$ 20,000	\$ 14,106

13. Accounts payable and accrued liabilities

	2024	2023
Trade payables	\$ 24,631	\$ 22,592
Employee compensation	1,385	1,009
Due to related parties (Note 22)	1,479	1,408
Other	127	132
	\$ 27,622	\$ 25,141

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

14. Long-term debt

The Corporation's long-term debt is unsecured and summarized as follows:

	2024	2023
Bond		
The Corporation issued a bond at a fixed interest rate of 5.00% per annum. Interest is payable semi-annually. Principal payment is due when the bond expires on June 29, 2040 (i).	\$ 98,719	\$ 98,666
The Toronto Dominion Bank		
The Corporation entered into an interest rate swap to convert the interest rate on the Bankers' Acceptances amounts from a variable interest rate based on the Bankers' Acceptances rates to a fixed rate of 2.06% per annum. Payable in monthly installments of \$47,918 interest and principal with the balance due on September 28, 2035 (ii).	6,552	6,987
The Toronto Dominion Bank		
The Corporation entered into an interest rate swap to convert the interest rate on the Bankers' Acceptances amounts from a variable interest rate based on the Bankers' Acceptances rates to a fixed rate of 3.40% per annum. Payable in monthly installments of \$117,095 interest and principal with the balance due on August 23, 2043 (iii).	19,403	20,135
The Toronto Dominion Bank		
The Corporation entered into an interest rate swap to convert the interest rate on the Bankers' Acceptances amounts from a variable interest rate based on the Bankers' Acceptances rates to a fixed rate of 2.64% per annum. Payable in monthly installments of \$30,868 interest and principal with the balance due on July 14, 2044 (iv).	5,659	5,877
The Toronto Dominion Bank		
The Corporation entered into an interest rate swap to convert the interest rate on the Bankers' Acceptances amounts from a variable interest rate based on the Bankers' Acceptances rates to a fixed rate of 2.06% per annum. Payable in monthly instalments of \$20,478 interest and principal with the balance due on November 4, 2045 (v).	4,175	4,333
The Toronto Dominion Bank		
The Corporation entered into an interest rate swap to convert the interest rate on the Bankers' Acceptances amounts from a variable interest rate based on the Bankers' Acceptances rates to a fixed rate of 2.88% per annum. Payable in monthly instalments of \$35,853 interest and principal with the balance due on April 30, 2046 (vi).	6,850	7,079

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

14. Long-term debt - continued

	2024	2023
The Toronto Dominion Bank The Corporation entered into an interest rate swap to convert the interest rate on the Bankers' Acceptances amounts from a variable interest rate based on the Bankers' Acceptances rates to a fixed rate of 4.07% per annum. Payable in monthly instalments of \$86,661 interest and principal with the balance due on September 1, 2052 (vii).	17,269	17,598
The Toronto Dominion Bank The Corporation entered into an interest rate swap to convert the interest rate on the Bankers' Acceptances amounts from a variable interest rate based on the Bankers' Acceptances rates to a fixed rate of 4.10% per annum. Payable in quarterly instalments of \$103,009 interest and principal with the balance due on December 21, 2048 (viii).	6,274	6,425
The Toronto Dominion Bank The Corporation entered into an interest rate swap to convert the interest rate on the Bankers' Acceptances amounts from a variable interest rate based on the Bankers' Acceptances rates to a fixed rate of 4.30% per annum. Payable in quarterly instalments of \$446,114 interest and principal with the balance due on October 12, 2049 (ix).	27,254	-
Yukon Government The Corporation entered into a refinance agreement for construction financing. Annual principal payments of \$1,000,000 and interest are due on March 31. The balance is due on March 31, 2028. The interest rate is adjusted annually on April 1. The interest rate of 5.69% (2023 - 5.15%) is the CORRA rate at April 1 plus Yukon Government's borrowing premium.	33,200	34,200
Tr'ondek Hwech'in First Nation loan The loan from the First Nation is related to the construction of the Mayo Dawson Transmission Line and is repayable in equal annual principal repayments of \$125,000 and interest with the final payment due in 2049. The interest rate at 6.74% (2023 - 7.79%) is a blended rate based on the cost of debt and the actual rate of return earned by the Utility.	3,125	3,250
Na-Cho Nyak Dun First Nation loan The loan from the First Nation is related to the construction of the Mayo B project and is repayable in equal annual principal repayments of \$43,264 and interest with the final payment due in 2094. The interest rate of 7.02% (2023 - 9.66%) is based on the actual rate of return earned by the Utility.	3,028	3,072

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

14. Long-term debt - continued

	2024	2023
Chu Niiikwan Limited Partnership loan		
The loan from the First Nation is related to the construction of the Liquid Natural Gas generation equipment and is repayable in equal annual principal repayments of \$1,019,320 and interest with the final payment due in 2040. The interest rate of 4.70% (2023 - 5.60%) is based on a blended rate based on the cost of debt and the actual rate of return earned by the Utility.	16,309	17,328
Carmacks Stewart First Nation liability		
Long-term liability payable to several First Nations related to the construction of the Carmacks Stewart Transmission Line. These are non-interest bearing, repayment terms not yet established.	141	141
Champagne and Aishihik First Nations		
On July 21, 2023, the Corporation entered into \$1,000,000 long-term debt associated with the installation of the third hydro turbine at the Aishihik Hydroelectric Generating Station (AGS) and due on July 31, 2048. The interest rate is the Utility's rate of return on equity and interest is payable annually (x).	1,000	1,000
Total	248,958	226,091
Less: current portion	5,133	4,440
	\$ 243,825	\$ 221,651

(i) Bond

The Corporation issued a bond in 2010 for the face value of \$100 million. The interest rate is 5% and the bond matures June 29, 2040. There are no principal payments due until the bond matures and interest is payable semi-annually. The bond was issued at a discount of \$0.7 million which is being amortized over the period of the related debt using the effective interest rate. Transaction costs were \$1.2 million and include fees paid to agents and advisors and are presented as a reduction from the carrying value of the related debt and are amortized over the period of the related debt using the effective interest rate.

(ii) Toronto Dominion Bank Loan and 2.06% Interest Rate Swap

On December 28, 2012, the Corporation entered into a loan and interest rate swap with Toronto Dominion Bank to arrange financing for the purpose of continuing to develop the electrical infrastructure in the Yukon. On September 11, 2020, the loan and interest rate swap was amended. The amendment changed the interest rate from 2.69% to 2.06% and the termination date from December 28, 2022 to September 28, 2035.

(iii) Toronto Dominion Bank Loan and 3.40% Interest Rate Swap

On August 23, 2018, the Corporation entered into a loan and interest rate swap with Toronto Dominion Bank to arrange financing for the purpose of continuing to develop the electrical infrastructure in the Yukon. On September 11, 2020, the loan and interest rate swap was amended. The amendment changed the interest rate from 3.67% to 3.40% and the termination date from August 23, 2038 to August 23, 2043.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

14. Long-term debt - continued

(iv) **Toronto Dominion Bank Loan and 2.64% Interest Rate Swap**

On July 15, 2019, the Corporation entered into a loan and interest rate swap with Toronto Dominion Bank to arrange financing for the purpose of continuing to develop the electrical infrastructure in the Yukon. On September 11, 2020, the loan and interest rate swap was amended. The amendment changed the interest rate from 2.90% to 2.64% and the termination date from July 14, 2039 to July 14, 2044.

(v) **Toronto Dominion Bank Loan and 2.06% Interest Rate Swap**

On November 4, 2020, the Corporation entered into a loan and interest rate swap with Toronto Dominion Bank to arrange financing for the purpose of continuing to develop the electrical infrastructure in the Yukon. The loan matures November 4, 2045.

(vi) **Toronto Dominion Bank Loan and 2.88% Interest Rate Swap**

On April 26, 2021, the Corporation entered into a loan and interest rate swap with Toronto Dominion Bank to arrange financing for the purpose of continuing to develop the electrical infrastructure in the Yukon. The loan matures April 30, 2046.

(vii) **Toronto Dominion Bank Loan and 4.07% Interest Rate Swap**

On August 29, 2022, the Corporation entered into a loan and interest rate swap with Toronto Dominion Bank to arrange financing for the purpose of continuing to develop the electrical infrastructure in the Yukon. The loan matures September 1, 2052.

(viii) **Toronto Dominion Bank Loan and 4.10% Interest Rate Swap**

On December 21, 2023, the Corporation entered into a loan and interest rate swap with Toronto Dominion Bank to arrange financing for the purpose of continuing to develop the electrical infrastructure in the Yukon and to maintain the required regulatory debt ratio in the Utility of 60%. The loan matures December 21, 2048.

(ix) **Toronto Dominion Bank Loan and 4.10% Interest Rate Swap**

On October 9, 2024, the Corporation entered into a loan and interest rate swap with Toronto Dominion Bank to arrange financing for the purpose of continuing to develop the electrical infrastructure in the Yukon and to maintain the required regulatory debt ratio in the Utility of 60%. The loan matures October 12, 2049.

(x) **Champagne and Aishihik First Nations debt**

On July 21, 2023, the Corporation entered into a long-term debt agreement with Champagne and Aishihik First Nation associated with the installation of the third hydro turbine at the AGS. The debt matures July 31, 2048. The per annum interest rate is the actual final rate of return on equity for the Utility's regulatory income for the actual year most recently filed with the YUB under section 25(1) of the *Public Utilities Act*.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

14. Long-term debt - continued

Long-term debt repayment

Scheduled principal repayments for all long-term debt are as follows:

2024	\$	5,133
2025		5,232
2026		5,335
2027		34,642
2028		4,553
Thereafter		194,063
	\$	248,958

The change in long-term debt arising from financing activities during the year related to principal repayment of \$4,439,000 (2023 - \$4,176,000) and the issuance of additional debt in the amount of \$27,254,000 (2023 - \$7,425,000).

Fair value

The fair value of long-term debt at December 31, 2024 is \$265 million (December 31, 2023 - \$237 million). The fair value for all long-term debt including current portions was estimated using discounted cash flows based on an estimate of the Corporation's current borrowing rate for similar borrowing arrangements.

On May 16, 2022, Refinitiv Benchmark Services (UK) Limited (RBSL) announced the decision to cease the publication of Canadian Dollar Offered Rate (CDOR) after June 28, 2024. The impacted derivatives include all interest rate swap agreements with TD Bank. The impacted non-derivatives include the long-term debt held with TD Bank and others who had yet to transition, as well as the Minto Decommissioning Fund.

For the TD Bank derivatives, and most long-term debt, the banks providing the Corporation with fair value percentages transitioned from the CDOR 1-month to the Canadian Overnight Repo Rate Average (CORRA). The transition resulted in no significant impact on the fair value amount of the interest rate swaps and the long-term debt as the CORRA rates were not significantly different from the CDOR rates which were previously used to calculate fair value.

For the decommissioning fund held at CIBC, interest was based on the CDOR 3-month rate. Subsequent to the transition, interest is now based on the CORRA on the first day of the calendar quarter. The transition had no significant impact on cash and deferred revenue related to the fund as CORRA rates were not significantly different from the CDOR rates which were previously used to calculate cash flows.

The interest rate benchmark reform has not resulted in changes to the Corporation's risk management strategy.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

15. Post-employment benefits

Characteristics of benefit plans

The defined benefit pension plan for employees is regulated by the Office of the Superintendent of Financial Institutions ("OSFI") through the *Pension Benefits Standards Act* and regulations. This Act and accompanying regulations impose, among other things, minimum funding requirements. The executive defined benefit pension plan and supplemental executive retirement plan are not registered with OSFI and are not subject to minimum funding requirements of the Act.

These minimum funding requirements require the Corporation to make special payments as prescribed by the OSFI to repay any unfunded liability or solvency deficit that may exist. For the employee defined benefit pension plan the Corporation is currently not required to make any special payments.

A committee of the Utility's Board of Directors oversees these plans and is responsible for the investment policy with regard to the assets of these funds.

Employees joining the Corporation after January 1, 2002 are not eligible to participate in the employee defined benefit pension plan. The Corporation makes contributions to a Registered Retirement Savings Plan ("RRSP") on behalf of these employees and employees hired before January 1, 2002 who belonged to the employee defined benefit pension plan and elected to opt out of that plan. The RRSP is a defined contribution retirement plan. The costs recognized for the period are equal to the Corporation's contribution to the plan. During 2024, these were \$836,000 (2023 - \$673,000).

Risks associated with defined benefit plans

The defined benefit pension plans expose the Corporation to risk such as investment risk and actuarial risk. Investment risk is the risk that the assets invested will be insufficient to meet expected benefits. Actuarial risk is the risk that benefits paid will be more than expected. There are no particular unusual, entity-specific or plan specific risks or any significant concentration of risk.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

15. Post-employment benefits - continued

Net defined benefit liability (asset):

	2024	2023
Present value of benefit obligations		
Balance, beginning of year	\$ 23,894	\$ 22,536
Employee contributions	21	45
Current service cost	88	120
Interest cost	1,077	1,131
Benefits paid	(1,143)	(1,022)
Actuarial gains on experience	(233)	(583)
Actuarial gains on demographic assumptions	(5)	(48)
Actuarial losses on financial assumptions	82	1,715
Balance, end of year	\$ 23,781	\$ 23,894
Fair value of plan assets		
Balance, beginning of year	23,006	21,785
Interest income on plan assets	1,035	1,093
Gains on plan assets	879	818
Employee contributions	21	45
Employer contributions	191	357
Benefits paid	(1,143)	(1,022)
Administrative costs	(76)	(70)
Balance, end of year	23,913	23,006
Effect of asset ceiling	(91)	(76)
Net defined benefit liability (asset)	\$ (41)	\$ 964

The net defined liability (asset) includes a post-employment benefits asset of \$676 (2023 - \$0) and a post-employment benefits liability of \$635 (2023 - \$964).

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

15. Post-employment benefits - continued

Components of benefit plan cost:

	2024	2023
Current service cost	\$ 88	\$ 120
Interest cost	1,077	1,131
Interest income on plan assets	(1,035)	(1,093)
Administrative costs	76	70
Interest cost on effect of asset ceiling	4	4
Defined benefit expense in Consolidated Statement of Operations	210	232
Defined contribution expense	836	673
Total benefit expense in Consolidated Statement of Operations	\$ 1,046	\$ 905
Actuarial (gains) losses on obligation	(156)	1,084
Gains on plan assets	(879)	(818)
Effect of asset ceiling	14	(4)
Total remeasurement included in Other Comprehensive Income	(1,021)	262
Total benefit cost recognized in the Consolidated Statement of Operations and Other Comprehensive Income	\$ 25	\$ 1,167

Distribution of plan assets of defined benefit pension plans

In October 2024 an annuity buy-in was purchased for the retired members of the Plan with a liability assumption date of January 1, 2025. Assets of \$15.152 million were redeemed to facilitate the purchase.

The fair values of the defined benefit pension plans' equity and fixed income assets are based on market values as reported by the defined benefit pension plans' custodians as at each applicable Consolidated Statement of Financial Position date. The value of the annuity buy-in is valued by present valuing expected future cash inflows at year-end using the discount rate for the accrued benefit obligation.

The distribution of assets by major asset class is as follows:

	December 31, 2024	December 31, 2023
Equities	14.9%	40.7%
Fixed income securities	14.1%	40.5%
Real estate	7.0%	18.8%
Annuity buy-in	64.0%	- %

Significant assumptions:

	December 31, 2024	December 31, 2023
Discount rate - accrued benefit obligation	4.70%	4.60%
Assumed rate of compensation increase	3.00%	3.10%
Pension growth	2.00%	2.00%

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

15. Post-employment benefits - continued

Sensitivity analysis of the defined benefit pension plans:

The sensitivities of each key assumption used in measuring accrued benefit obligations at each Consolidated Statement of Financial Position date have been calculated independently of changes in other key assumptions. Actual experience may result in changes in a number of assumptions simultaneously. The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period. The mortality assumptions are based on the 2014 Canadian Pensioner Mortality Private Table projected with full generational mortality improvements using scale MI-2017.

At December 31, 2024, assumptions and sensitivity to the recognized post-employment benefits liability is as follows:

	+1%	-1%	+1%	-1%
Discount rate	-11%	13%	\$(2,528)	\$3,071
Salary growth	0.2%	-0.2%	48	(46)
Pension growth	13%	-11%	3,017	(2,530)
Life expectancy (1 year movement)	3%	-3%	613	(623)

At December 31, 2023, assumptions and sensitivity to the recognized post-employment benefits liability is as follows:

	+1%	-1%	+1%	-1%
Discount rate	-11%	13%	\$(2,605)	\$3,173
Salary growth	0.3%	-0.3%	67	(65)
Pension growth	13%	-11%	3,053	(2,612)
Life expectancy (1 year movement)	3%	-3%	607	(618)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same that is applied in calculating the defined benefit obligation liability recognized in the Consolidated Statement of Financial Position.

The Corporation pays the balance of the cost of the employee benefit plan over the employee contributions, as determined by the actuary. Members are required to contribute 3.5% of earnings up to the Year's Maximum Pensionable Earnings ("YMPE") plus 5% of earnings above the YMPE. Permanent part-time members will have required contributions as above multiplied by their permanent part-time service ratio. Employees can make additional contributions to purchase ancillary benefits. Members choose the ancillary benefit on termination of service or on retirement.

The average duration of the benefit obligation is 11.9 years (2023 - 12.3 years). The Corporation expects to make payments of \$202,800 (2023 - \$209,000) to the defined benefit pension plans during the next financial year.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

16. Contributions in aid of construction

	Government of Canada	Yukon Government since 1998	Pre - 1998 contributions	Total
Cost:				
At December 31, 2022	\$ 99,741	\$ 16,896	\$ 1,739	\$ 118,376
Additions	3,843	524	-	4,367
At December 31, 2023	103,584	17,420	1,739	122,743
Additions	2,970	-	-	2,970
At December 31, 2024	\$ 106,554	\$ 17,420	\$ 1,739	\$ 125,713
Accumulated amortization:				
At December 31, 2022	\$ 11,814	\$ 4,315	\$ 1,596	\$ 17,525
Amortization	1,249	328	43	1,618
At December 31, 2023	12,863	4,641	1,639	19,143
Amortization	1,467	330	45	1,842
At December 31, 2024	\$ 14,330	\$ 4,971	\$ 1,684	\$ 20,985
Net book value:				
At December 31, 2023	\$ 90,721	\$ 12,779	\$ 100	\$ 103,600
At December 31, 2024	\$ 92,224	\$ 12,449	\$ 55	\$ 104,728

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

17. Deferred revenue

	Decommissioning Fund	Customer Contributions	IPP Contracts	Total
At December 31, 2022	\$ 2,875	\$ 15,548	\$ 276	\$ 18,699
Additions	154	459	1,822	2,435
Revenue recognized in Sales of Power and Other Revenue	-	(1,303)	(365)	(1,668)
At December 31, 2023	\$ 3,029	\$ 14,704	\$ 1,733	\$ 19,466
Additions	153	1,670	(66)	1,757
Revenue recognized in Sales of Power and Other Revenue	-	(1,210)	60	(1,150)
At December 31, 2024	\$ 3,182	\$ 15,164	\$ 1,727	\$ 20,073

The decommissioning fund represents monies paid in advance by an industrial customer to decommission the spur line that connects its operation to the Corporation's grid. This money accrues interest at the rate of the Canadian Overnight Repo Rate Average ("CORRA"). This amount will be recognized to revenue when uncertainty associated with its recognition is satisfied.

The following table includes revenue expected to be recognized in the future related to performance obligations that are unsatisfied as at December 31, 2024:

	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Decommissioning fund	\$ -	\$ -	\$ 3,182	\$ 3,182
Customer contracts	2,176	7,502	5,486	15,164
IPP contracts	308	215	1,204	1,727
	\$ 2,484	\$ 7,717	\$ 9,872	\$ 20,073

At December 31, 2023, the current portion of deferred revenue of \$1,851,000 consisted of customer contracts (\$1,295,000) and IPP contracts (\$556,000).

Yukon Development Corporation**Notes to Consolidated Financial Statements**

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

18. Sales of power

	2024	2023
Wholesale	\$ 54,572	\$ 46,665
Industrial	13,305	16,576
General service	12,206	10,242
Residential	4,723	3,804
Secondary sales	495	227
Sentinel and street lights	163	113
	\$ 85,464	\$ 77,627

19. Other revenue

Included in other revenue, the Corporation recognized \$60,000 (2023 - \$365,000) in other revenue related to IPP contracts (Note 17), \$0 (2023 - \$4,500,000) related to a gain on insurance proceeds, and \$1,500,000 (2023 - \$0) related to the reversal of an allowance provision (Note 5 and 26).

20. Operations and maintenance expenses

	2024	2023
Fuel	\$ 19,754	\$ 11,138
Regulatory account expenses (Note 11 (c))	15,941	6,081
Wages and benefits	9,030	7,285
Rent	6,779	5,242
Contractors	3,886	3,825
Materials and consumables	2,219	1,713
Loss on asset disposals	762	1,024
Travel	479	533
Communication	101	93
	\$ 58,951	\$ 36,934

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

21. Administration expenses

	2024	2023
Wages and benefits	\$ 9,575	\$ 8,350
Insurance and taxes	3,367	3,072
External labour	3,300	2,854
Licences and fees	1,371	1,027
Materials, consumables and general	1,330	4,069
Travel	290	370
Board fees	142	171
	\$ 19,375	\$ 19,913

Included in materials, consumables and general is an impairment loss of \$nil (2023 - \$1,500,000) (Note 5 and 26).

22. Related party transactions

The Corporation is related in terms of common ownership to all Yukon Government departments, agencies and Territorial Corporations. Transactions are entered into in the normal course of operations with these entities. All sales of power transactions are recorded at the rates approved by the YUB.

The following table summarizes the Corporation's related party transactions with the Yukon Government for the year:

	2024	2023
Revenues		
Contributions for Interim Electrical Rebate program	3,516	3,380
Contributions for bond interest expense	2,625	2,428
Contributions for Innovative Energy Renewable Initiatives	2,104	1,805
Contributions for Atlin Hydroelectric expansion project subsidies	1,250	750
Contributions for Inflation Relief Rebate program	\$ 911	\$ 5,473
	\$ 10,406	\$ 13,836

During 2024, the Corporation utilized office space provided by the Government of Yukon at no cost to the Corporation.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

22. Related party transactions - continued

At the end of the year, the amounts receivable from and due to the Yukon Government are as follows:

	2024	2023
Balances		
Long-term debt	\$ 33,200	\$ 34,200
Accounts receivable	\$ 9,300	\$ 11,137
Accounts payable	\$ 1,479	\$ 1,408

Included in accounts receivable is an amount of \$5,605,000 for capital projects funded by Yukon Government and the federal government (2023 - \$3,384,000) as well as an amount of \$2,497,000 related to the Interim Electrical Rebate (2023 - \$694,000) and \$0 related to the Inflation Relief Rebate (2023 - \$4,391,000). These balances are non-interest bearing and payable on demand except for long-term debt.

Transactions with Key Management Personnel

The Corporation's key management personnel comprise of 12 members of senior management and 16 members of the Boards of Directors, a total of 28 individuals (2023 - 28 individuals). Key management personnel compensation is as follows:

Year ended December 31,	2024	2023
Short-term employee benefits	\$ 2,244	\$ 2,128
Post-employment benefits	134	110
	\$ 2,378	\$ 2,238

23. Commitments

Contractual obligations

The Corporation has entered into contracts to purchase products or services for which the liability has not been incurred as at December 31, 2024 as the product or service had not been provided. The following table summarizes the nature of the commitments:

	2024	2023
Property, plant and equipment	\$ 30,096	\$ 44,353
Other products or services	13,424	10,266
Intangible assets	814	1,747
	\$ 44,334	\$ 56,366

The Corporation expects to fulfill contractual obligations of \$42,834,000 in 2025 and \$1,500,000 in 2026.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

24. Contingencies

Asset retirement obligations

The Corporation has not recognized a provision for the closure and restoration obligations for certain generation, transmission and distribution assets which the Corporation anticipates maintaining and operating for an indefinite period, making the date of retirements of these assets indeterminate. A provision will be recognized when the timing of the retirement of these assets can be reasonably estimated.

25. Provision for environmental liabilities

The Corporation's activities are subject to various federal and territorial laws and regulations governing the protection of the environment or to minimize any adverse impact thereon. The Corporation conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations.

The Corporation has conducted environmental site assessments at all its diesel plant sites. No significant environmental contamination was found. As at December 31, 2024 no significant provisions for environmental liabilities, for which a legal obligation exists to remediate, have been identified by the Corporation. The Corporation has its Environmental Management System to monitor and assess previous and potential existing environmental liabilities on an ongoing basis. The Corporation does not have a provision for environmental liabilities as there is no significant present obligation to remediate.

26. Risk management and financial instruments

At December 31, 2024, the Corporation's financial instruments included cash, accounts receivable, bank indebtedness, accounts payable and accrued liabilities, long-term debt, interest rate swaps and lease liabilities. The fair values of cash, accounts receivable, bank indebtedness, and accounts payable and accrued liabilities approximate their carrying values due to the immediate or short-term maturity of these financial instruments.

Interest rate swaps are financial contracts that derive their value from changes in an underlying variable. The fair value of the interest rate swaps is estimated using standard market valuation techniques and is provided to the Corporation by the financial institution that is the counterparty to the transactions.

Interest rate risk

Interest rate risk is the risk that future cash flows or fair value of a financial instrument will fluctuate due to changes in market interest rates. The Corporation's future cash flows are not exposed to significant interest rate risk due to its long-term debt having fixed interest rates, with the exception of the Bankers' Acceptances from the Toronto Dominion Bank. The Bankers' Acceptances have had the variable rate converted to a fixed rate using an interest rate swap to eliminate the interest rate risk.

The fair value of the interest rate swap agreements on December 31, 2024 was an asset of \$655,000 (2023 - asset of \$2,405,000). The decrease in the fair value in 2024 of \$1,750,000 (2023 - decrease of \$2,503,000) is recognized on the Consolidated Statement of Operations and Other Comprehensive Income as an unrealized loss. A 100 basis point increase or decrease in the interest rate assumption would have resulted in an increase/decrease in the interest rate swap agreements fair value of \$5,930,000 (2023 - \$5,844,000).

The Corporation has access to a line of credit as described in Note 12 and a lease liability as described in Note 7.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

26. Risk management and financial instruments - continued

Credit risk

Credit risk is the risk of failure of a debtor or counterparty to honour its contractual obligations resulting in financial loss to the Corporation.

The following table illustrates the maximum credit exposure to the Corporation if all counterparties defaulted:

	2024	2023
Cash	\$ 16,529	\$ 10,888
Accounts receivable	34,009	24,980
	\$ 50,538	\$ 35,868

Credit risk on cash is considered minimal as the Corporation's cash deposits are held by Canadian Schedule 1 Chartered banks.

Credit risk on accounts receivable is generally considered minimal as the Corporation has experienced insignificant bad debt in prior years. Its primary customer is a rate regulated utility that purchases power from the Corporation for resale and as such these receivables are considered fully collectible. Included in the accounts receivable past due at December 31, 2024 is \$9,084,000 (2023 - \$10,355,000) of which \$4,015,000 (2023 - \$4,015,000) pertains to one customer. This customer is currently in receivership and working on asset liquidation. The recovery of any amount owing will not occur until after the liquidation is completed. The timing and certainty of a full recovery is unknown, and a wide range of outcomes are possible. However, based on amounts collected after year-end, other assets held, the nature of the receivables, and management's judgment and assessment, as at December 31, 2024, this amount is considered fully collectible. Therefore, no allowance provision (2023 - \$1,500,000) has been recognized.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation manages liquidity risk through regular monitoring of cash and currency requirements by preparing cash flow forecasts to identify financing requirements. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation.

The Corporation's largest current liability is bank indebtedness. The Corporation uses a line of credit for construction purposes. When a project is completed, financing is transitioned to long-term debt and equity. In addition, rate regulation assists the Corporation with liquidity management by providing consistent revenues and a consistent debt to equity ratio.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

26. Risk management and financial instruments - continued

Undiscounted cash flows of financial liabilities

	Less than 1 year or on demand	Between 1 and 5 years	More than 5 years
Bank indebtedness - line of credit	\$ 85,304	\$ -	\$ -
Accounts payable and accrued liabilities	27,622	-	-
Lease liability	210	562	-
Long-term debt	16,611	90,531	290,416
	\$ 129,747	\$ 91,093	\$ 290,416

Fair values

The following table illustrates the fair value hierarchy of the Corporation's financial instruments as at December 31, 2024:

	Quoted prices in active markets (Level 1)	Other observable inputs (Level 2)	Unobservable inputs (Level 3)	Total
Derivative related asset	-	\$655	-	\$655
Long-term debt	-	-	\$265,427	\$265,427

The following table illustrates the fair value hierarchy of the Corporation's financial instruments as at December 31, 2023:

	Quoted prices in active markets (Level 1)	Other observable inputs (Level 2)	Unobservable inputs (Level 3)	Total
Derivative related asset	-	\$2,405	-	\$2,405
Long-term debt	-	-	\$236,975	\$236,975

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

27. Capital management

The Utility's capital is its shareholder's equity which is comprised of share capital, contributed surplus and retained earnings. The Utility manages its equity by managing revenues, expenses, assets and liabilities to ensure the Utility effectively achieves its objectives while remaining a going concern.

The Utility has a policy which defines its regulatory capital structure at a ratio of approximately 60% debt and 40% equity. This capital structure ratio has been reviewed and accepted by the YUB for rate setting purposes.

The Utility monitors its capital on the basis of the ratio of total debt to total capitalization. Debt is calculated as total borrowings, which is comprised of long-term debt, including the portion of long-term debt due within one year, as well as the decommissioning fund (Note 17). Short-term debt related to assets under construction at the Statement of Financial Position date is excluded from the calculation of total debt, as the assets are similarly excluded from the determination of rate base.

Total capitalization is calculated as total debt plus total shareholder's equity as shown on the Utility's Statement of Financial Position. The Utility maintains a balance in retained earnings as an indicator of the Utility's equity position.

The table below summarizes the Utility's total debt to total capitalization position:

	2024	2023
Long-term debt due within one year	\$ 11,764	\$ 62,733
Long-term debt	193,854	122,743
Total debt	205,618	185,476
Add decommissioning fund (Note 17)	3,182	3,029
Total debt to include in the calculation	\$ 208,800	\$ 188,505
Share capital	\$ 39,000	\$ 39,000
Contributed surplus	26,568	15,968
Retained earnings	76,592	74,289
Total shareholder's equity	142,160	129,257
Total capitalization	\$ 350,960	\$ 317,762
Total debt to total capitalization	59 %	59 %

There were no changes in the Utility's approach to capital management during the period. The Utility paid dividends of \$0 (2023 - \$27.260 million) to Yukon Development Corporation. The Utility received a shareholder contribution of \$10.600 million (2023 - \$0) through a non-cash settlement of construction financing.

Yukon Development Corporation

Notes to Consolidated Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

28. Comparative information

Comparative figures for certain financial statement line items have been reclassified to conform to the current year's presentation. The changes made relate to the regulatory deferral accounts (Note 11). The hearing reserve account has been reclassified from a regulatory credit balance to a regulatory debit balance on the Consolidated Statement of Financial Position.

The change in classification was done as experience has shown that the deferral account transactions are different than originally anticipated and that a change would result in more appropriate presentation. The reclassification results in the hearing reserve being a positive debit. It is anticipated that the hearing reserve will maintain a positive debit balance in the future.

	Previously reported 2023	Reclassification	After reclassification 2023
Regulatory debit balances	\$38,272	\$1,046	\$39,318
Regulatory credit balances	\$33,334	\$1,046	\$34,380

29. Subsequent events

On February 14, 2025, the Corporation signed an agreement with the Government of Canada to March 31, 2030 for total funding of up to \$39.9 million to support the Yukon-British Columbia Grid Connect project. Funding subsidizes up to 75% of costs related to pre-feasibility activities to advance a direct current transmission line network that would connect the Yukon electrical grid to the North American grid in British Columbia.

30. Non-consolidated financial information

The nature and size of operations of the non-consolidated Yukon Development Corporation and its wholly-owned subsidiary, Yukon Energy Corporation differ substantially. Unaudited non-consolidated financial statements of the Yukon Development Corporation and audited financial statements of Yukon Energy Corporation for the year ended December 31, 2024 are also prepared.

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YUKON HOSPITAL CORPORATION

FINANCIAL STATEMENTS

March 31, 2025

(audited)

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Yukon Hospital Corporation

Management Responsibility Statement

The accompanying consolidated financial statements of the Yukon Hospital Corporation are the responsibility of management and have been approved by the Board of Trustees.

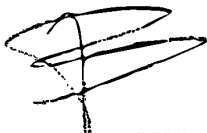
These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The consolidated financial statements include some amounts that are necessarily based on management's best estimates and judgement. Management has determined such amounts on a reasonable basis.

Management maintains a system of internal accounting and administrative controls designed to provide reasonable assurance as to the reliability of financial information and the safeguarding of assets.

The Board of Trustees of the Yukon Hospital Corporation is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls. The Board of Trustees exercises this responsibility for financial reporting through approval of the consolidated financial statements upon review and recommendation by the Executive Committee, which consists of four non-management members. The Executive Committee meets regularly with management and with the external auditors to review the scope, results of the annual audit, and to review and recommend approval to the Board of Trustees for the consolidated financial statements and related financial reporting matters.

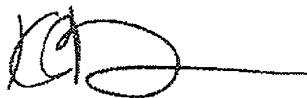
These consolidated financial statements have been independently audited by the Auditor General of Canada, and her report is included with these consolidated financial statements.

Tiffany Boyd
Chief Executive Officer



July 30, 2025

Katherine Davidson
Director of Finance



July 30, 2025



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the Yukon Hospital Corporation

Opinion

We have audited the consolidated financial statements of the Yukon Hospital Corporation and its controlled entity (the Group), which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of operations, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2025, and the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.


Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in cursive script that reads "Lana Dar".

Lana Dar, CPA, CA
Principal
for the Auditor General of Canada

Vancouver, Canada
30 July 2025

Yukon Hospital Corporation

Consolidated Statement of Financial Position

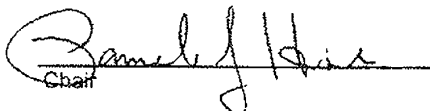
As at March 31
(in thousands of dollars)

	2025 \$	2024 \$
ASSETS		
Current assets		
Cash (note 4)	7,355	6,082
Accounts receivable (note 19)	12,816	14,416
Inventory (note 3)	4,290	3,895
Prepaid expenses	1,000	877
Short-term contributions receivable (note 7)	5,204	5,001
	<u>30,665</u>	<u>30,271</u>
Non-current assets		
Accrued pension benefit (note 5)	72,243	69,499
Capital assets (note 6)	171,612	167,159
Long-term contributions receivable (note 7)	8,599	13,803
	<u>252,454</u>	<u>250,461</u>
	<u>283,119</u>	<u>280,732</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 19)	18,031	16,902
Accrued payroll and benefits (note 19)	5,841	5,300
Short-term debt (note 8)	13,803	21,867
Deferred revenue (note 9)	264	1,103
	<u>37,939</u>	<u>45,172</u>
Non-current liabilities		
Long-term debt (note 10)	-	85
Employee future benefits other than pensions (note 11)	2,800	3,369
Deferred capital contributions (note 12)	169,335	166,260
Asset retirement obligation (note 13)	1,182	1,174
	<u>173,317</u>	<u>170,888</u>
	<u>211,256</u>	<u>216,060</u>
NET ASSETS		
Investment in capital assets (note 14)	2,571	1,221
Restricted for First Nations Health Program, external (note 15)	81	(28)
Restricted for capital purchases, internal (note 20)	850	1,320
Restricted for pension, internal (note 5)	72,243	69,499
Unrestricted	(3,882)	(7,340)
	<u>71,863</u>	<u>64,672</u>
	<u>283,119</u>	<u>280,732</u>

Contractual obligations and contingencies (note 18)

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

On behalf of the Board of Trustees,


Chair


Director

Yukon Hospital Corporation

Consolidated Statement of Operations

For the year ended March 31

(in thousands of dollars)

	2025 \$	2024 \$
Revenues		
Government of Yukon contribution (note 17)	124,475	121,630
Amortization of deferred capital contributions (note 12)	8,693	9,050
Patients	6,739	6,245
Other government contracts (note 17)	3,116	4,471
Other	1,162	1,292
Fundraising	985	763
Interest	984	643
Cafeteria	368	302
	<u>146,522</u>	<u>144,396</u>
Expenses		
Compensation and benefits	82,167	71,232
Supplies	22,389	21,744
Contracted services	11,267	11,187
Amortization of capital assets (note 6)	9,706	10,552
Other (note 16)	9,672	8,881
Equipment and building services	4,937	4,278
Interest on short-term debt	1,075	1,272
Fundraising	383	375
Asset retirement obligation accretion (note 13)	40	39
Loss on disposal of capital assets	-	32
Pension benefits cost (note 5)	(2,305)	(513)
	<u>139,331</u>	<u>129,079</u>
Surplus of revenues over expenses	<u>7,191</u>	<u>15,317</u>

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

Yukon Hospital Corporation

Consolidated Statement of Changes in Net Assets

For the year ended March 31
(In thousands of dollars)

	Investment in Capital Assets (note 14) \$	Restricted for First Nations Health Program (note 15) \$	Restricted for Capital Purchases Internal (note 20) \$	Restricted for Pension (note 5 and 20) \$	Unrestricted (note 20) \$	2025 Total \$	2024 Total \$
Balance, beginning of year	1,221	(28)	1,320	69,489	(7,340)	64,672	49,355
Surplus (Deficiency) of revenues over expenses	(1,013)	109	(470)	2,744	5,821	7,191	15,317
Net change in investment in capital assets (note 14 c)	2,363				(2,363)	-	-
Balance, end of year	2,571	81	850	72,243	(3,882)	71,863	64,672

The accompanying notes are an integral part of the consolidated financial statements.

Yukon Hospital Corporation

Consolidated Statement of Cash Flows

For the year ended March 31
(in thousands of dollars)

	2025 \$	2024 \$
Operating Activities		
Surplus of revenues over expenses	7,191	15,317
Items not involving cash		
Amortization of capital assets (note 6)	9,706	10,552
Loss on disposal of capital assets	-	32
Asset retirement obligation accretion (note 13)	40	39
Amortization of deferred capital contributions (note 12)	(8,693)	(9,050)
Bad debt expense (note 16)	816	849
Increase in prepaid expenses	(123)	(126)
Increase in accrued pension benefit	(2,744)	(6,373)
Decrease (Increase) in non-cash working capital	227	(6,095)
Forgiveness of short-term debt (note 8)	(3,063)	-
Forgiveness of long-term debt (note 10)	(85)	-
Cash generated in operating activities	3,272	5,145
Capital Activities		
Purchases of capital assets	(13,767)	(15,086)
Cash used in capital activities	(13,767)	(15,086)
Financing Activities		
Repayment of short-term debt	(5,001)	(4,808)
Cash received for capital purchases	16,769	18,110
Cash generated through financing activities	11,768	13,302
Increase in cash	1,273	3,361
Cash, beginning of year	6,082	2,721
Cash, end of year	7,355	6,082
Interest paid	1,075	1,272
Interest received	984	643

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

Yukon Hospital Corporation

Notes to the Consolidated Financial Statements

March 31, 2025

(in thousands of dollars)

1. Purpose

- a) The Yukon Hospital Corporation ("Corporation") is a charitable organization established under the *Hospital Act* of the Yukon. The Corporation operates hospitals in Whitehorse, Watson Lake and Dawson City. The objectives of the Corporation are to provide hospital and medical services to meet the needs of people in the Yukon. The Corporation is a registered charity and accordingly is exempt from income taxes, provided certain requirements of the *Federal Income Tax Act* are met. The Corporation has historically been dependent on the Government of Yukon to maintain its operations and meet its liabilities. It is expected that the ongoing operations of the Corporation will depend on continued financial support from the Government of Yukon.
- b) The Yukon Hospital Foundation ("Foundation") is a society incorporated under the *Societies Act* of the Yukon. The purpose of the Foundation is to promote health of people in the Yukon and to raise money for hospital and medical care and services, supervised residential care and continuing care, and rehabilitative care and services. The Foundation also grants funds and provides equipment, services and facilities to health facilities in the Yukon, and in particular to the Corporation.

2. Significant Accounting Policies

- a) **Basis of Accounting**
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The Corporation has elected to apply the Section 4200 series for government not-for-profit organizations.
- b) **Basis of Consolidation**
The consolidated financial statements include the accounts of the Corporation and its controlled entity, the Foundation. All significant inter-company transactions and balances have been eliminated on consolidation.
- c) **Cash**
Cash includes cash held in Canadian bank accounts including amounts designated for the First Nations Health Program ("FNHP") and externally restricted funds. The FNHP is administered by the Corporation.
- d) **Inventory**
Inventories are comprised of pharmacy, medical and general operating supplies, and are valued at the lower of cost and net realizable value. Inventories are determined on a first in/first out and cost basis.
- e) **Capital Assets**
Capital assets are recorded at cost except for contributed capital assets which are recorded at fair market value at the date of contribution. The cost of a capital asset includes the cost to acquire, construct, develop or better the capital asset and includes all costs directly attributable to the acquisition, construction, development or betterment of the capital asset including the cost of installation and overhead costs. Except for land, all capital assets are recorded net of accumulated amortization.

Interest on loans during construction of capital assets is capitalized. Amortization is calculated by the straight line method over the assets' expected useful lives. Construction in progress costs are capitalized as incurred. They are transferred to various categories of capital assets and are amortized on a basis consistent with similar assets, once the assets are placed in service.

Yukon Hospital Corporation
Notes to the Consolidated Financial Statements
March 31, 2025
(in thousands of dollars)

2. Significant Accounting Policies (continued)

e) Capital Assets (continued)

Capital Asset	Estimated Useful Life
Computer hardware & systems development	2-10 years
Equipment & vehicles	5-15 years
Buildings	10-40 years
Building improvements	10-20 years
Land improvements	8-20 years

When a capital asset no longer has any long-term service potential to the Corporation, the excess of its net carrying amount over any residual value is recognized as an expense in the Consolidated Statement of Operations. Write-downs are not reversed.

f) Revenue Recognition

The Corporation follows the deferral method of accounting for Government of Yukon contribution. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase and construction of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from transactions with performance obligations occur when there is an enforceable promise to transfer goods or services directly to a payor in return for promised consideration. These revenues are recognized when control of the benefits associated with the goods or services have transferred and there is no unfulfilled performance obligation. Where consideration is received from a payor prior to the provision of goods or services, these amounts are initially included in unearned revenue provided the definition of a liability is met. They are subsequently recognized as revenue as performance obligations are met.

Patient revenue is comprised of fees earned for specific medical services provided by the Corporation. Each service provided is a separate performance obligation that is satisfied at a point in time.

Other government contracts revenue is comprised of fees earned for goods or services provided under contract with other parties. Each good or service provided is a separate performance obligation. Revenue under these contracts is recognized at a point in time as each performance obligation is satisfied.

There is no revenue from transactions without performance obligations presented in these consolidated financial statements.

There is no significant revenue from non-recurring activities presented in these consolidated financial statements.

Interest income is recorded on an accrual basis and is recognized as revenue when earned.

Yukon Hospital Corporation

Notes to the Consolidated Financial Statements

March 31, 2025

(in thousands of dollars)

2. Significant Accounting Policies (continued)

g) Inter-entity Transactions

The Corporation is related in terms of common ownership to all Government of Yukon departments, corporations, and agencies. Inter-entity transactions are those occurring between commonly controlled entities.

The Corporation records inter-entity transactions undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length and inter-entity cost allocation and recovery transactions at the exchange amount.

The exchange amount is the amount of consideration given for the item transferred or service provided as established and agreed to by the related parties.

Inter-entity transfers of assets or liabilities for nominal or no consideration are measured at the carrying amount by the Corporation, as transferor, and at the carrying amount or fair value by the Corporation, as transferee. As transferor, any difference between the exchange amount and the carrying amount of the transferred asset or liability results in the recognition of a gain or loss in the Consolidated Statement of Operations.

h) Donated Services

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, these donated services are not recognized in the consolidated financial statements.

i) Short-Term Debt

Short-term debt includes embedded interest rate swap derivatives. These embedded derivatives are not separated from the short-term debt agreement and are not accounted for as a standalone derivative instrument as management believes that the economic characteristics and risks associated with these embedded derivatives are closely related to those of the short-term debt agreements. Therefore, they are included in the measurement of the short-term debt.

Short-term debt includes a demand loan with the Government of Yukon. The loan is repayable in full at the end of the term of the loan. Interest compounds on a semi-annual basis and is accrued within accounts payable and accrued liabilities on the Consolidated Statement of Financial Position.

j) Financial Instruments

The Corporation's financial instruments include cash, accounts receivable, contributions receivable, accounts payable and accrued liabilities, accrued payroll and benefits and short and long-term debt. The carrying values of cash, accounts receivable, accounts payable and accrued liabilities, accrued payroll and benefits approximate their fair values due to the short-term nature of these financial assets and liabilities.

The following is a list of the Corporation's financial instruments and their related measurement basis as at March 31, 2025.

Financial Assets
Cash
Accounts receivable
Contributions receivable

Measurement Basis
Cost
Cost
Cost

Yukon Hospital Corporation
Notes to the Consolidated Financial Statements
 March 31, 2025
 (in thousands of dollars)

2. Significant Accounting Policies (continued)

j) Financial Instruments (continued)

Financial Liabilities	Measurement Basis
Accounts payable and accrued liabilities	Cost
Accrued payroll and benefits	Cost
Short-term debt	Amortized Cost
Long-term debt	Amortized Cost

As all financial instruments are measured at cost or amortized cost, there have been no re-measurement gains or losses. Therefore, the Consolidated Statement of Re-measurement Gains and Losses has been excluded.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the Consolidated Statement of Operations.

Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability. Transaction costs are added to the carrying value of the instruments when they are initially recognized.

k) Contingent Liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably determined.

l) Pensions

Eligible employees of the Corporation participate in the Yukon Hospital Corporation Employees' Pension Plan, a defined benefit plan administered by the Corporation's Board of Trustees. Contributions to the plan are required from both the employees and the Corporation.

In general, pensions are based on 2% of the best five years of continuous service minus any adjustments required by the Canada Pension Plan and provisions under the Special Reciprocal Transfer Agreement. The plan members can accumulate up to 30 years of continuous service. Cost of living increases are provided annually to pensioners, as well as upon retirement for deferred pensions.

The expected return on plan assets is based on the fair value of plan assets at the beginning of each fiscal year. Cumulative unrecognized actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service lifetime ("EARSLS") of active employees expected to receive benefits under the plan. Past service credits and costs arising from retroactive plan amendments are recognized in the year of plan amendments.

m) Employee Future Benefits Other Than Pensions

Employees earn specified severances, sick leave and special leave benefits as provided for under union contracts and conditions of employment. The benefits are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. The cost of the benefits has been determined based on management's best estimates using expected compensation levels and employee leave credits.

Yukon Hospital Corporation

Notes to the Consolidated Financial Statements

March 31, 2025

(in thousands of dollars)

2. Significant Accounting Policies (continued)

n) Asset Retirement Obligation

A liability for an asset retirement obligation (ARO) is recognized at the best estimate of the amount required to retire a capital asset at the financial statement date when there is a legal obligation for the Corporation to incur retirement costs, a past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods. The discount rate used reflects the Government of Yukon's cost of borrowing, associated with the estimated number of years to complete the retirement or remediation.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related capital asset and amortized over the asset's estimated useful life. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period. An asset retirement obligation may arise in connection with a capital asset that is not recognized or no longer in productive use. In this case, the asset retirement cost would be expensed.

At each financial reporting date, the carrying amount of the liability is reviewed. The Corporation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related capital asset. Once the related capital asset is no longer in productive use, changes to the liability are recognized as an expense in the period they are incurred. The Corporation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

o) Use of Estimates and Measurement Uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards applicable for government not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. By their nature, these estimates and assumptions are subject to measurement uncertainty. Significant areas requiring the use of management estimates relate to the estimated asset retirement obligations, useful lives of capital assets, determination of the defined benefit pension plan obligation, deferred capital contributions and actuarial gains or losses, and the liabilities for accrued severance, special leave, retirements and sick leave benefits. Financial results as determined by actual events could differ significantly from these estimates.

Yukon Hospital Corporation
Notes to the Consolidated Financial Statements

March 31, 2025

(in thousands of dollars)

3. Inventory

	2025	2024
	\$	\$
Operating Room	1,557	1,470
Pharmacy	1,405	1,116
Material Management	920	925
Laboratory	408	384
Total Inventory	<u>4,290</u>	<u>3,895</u>

4. Restricted Funds

Included in cash are the following amounts:

	2025	2024
	\$	\$
Externally restricted – capital	295	322
Externally restricted – other	<u>221</u>	<u>263</u>
	<u>516</u>	<u>585</u>

a) Externally Restricted for Capital

The Corporation has control over restricted funds which have been contributed for specific capital purchases. The balance in the fund represents the difference between restricted contributions received for capital assets and the funds spent thus far based on the restrictions attached to the contributions.

	2025	2024
	\$	\$
Balance, beginning of year	322	278
Contributions received during the year	137	44
Amounts used for capital purchases during the year	<u>(164)</u>	<u>-</u>
Balance, end of year	<u>295</u>	<u>322</u>

b) Externally Restricted for Other

The Corporation has control over restricted funds which have been contributed for specific disbursements to eligible Yukon residents. The balance in the fund represents the difference between restricted contributions received and the funds disbursed thus far based on the restrictions attached to the contributions.

	2025	2024
	\$	\$
Balance, beginning of year	263	276
Contributions received during the year	26	51
Amounts disbursed during the year	<u>(68)</u>	<u>(64)</u>
Balance, end of year	<u>221</u>	<u>263</u>

Yukon Hospital Corporation

Notes to the Consolidated Financial Statements

March 31, 2025

(in thousands of dollars)

5. Pension Costs and Obligations

The Corporation sponsors a defined benefit pension plan. The Corporation contributes amounts as prescribed by an independent actuary. Effective January 1, 2015 changes to the pension plan outlined below divides the Corporation's employees into two groups. In calendar 2025, Group 1 members were required to contribute to the plan at a rate of 6.00% (calendar 2024 – 6.50%) of annualized earnings up to the Year's Maximum Pensionable Earnings ("YMPE") plus 8.00% (calendar 2024 – 8.50%) of annualized earnings in excess of YMPE. Group 2 members were required to contribute to the plan at a rate of 4.90% (calendar 2024 – 5.40%) of annualized earnings up to the YMPE plus 6.90% (calendar 2024 – 7.40%) of annualized earnings in excess of YMPE.

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. Pension fund assets are invested in balanced pooled funds of the investment manager. The market value of plan assets was \$210,770 as at March 31, 2025 (2024 - \$198,197).

An actuarial valuation for accounting purposes was performed as at December 31, 2024 using the projected benefits method prorated on services to March 31, 2025. The actuarial valuation included services rendered by members under the Yukon Hospital Corporation Employees' Pension Plan since the inception of the plan in 1993, as well as service credits in respect of pre-1993 service transferred to the Yukon Hospital Corporation Employees' Pension Plan from the Public Service Pension Plan under the Special Reciprocal Transfer Agreement dated June 1995. The next actuarial valuation for accounting purposes will be performed as at March 31, 2026.

The Corporation has made changes to the Yukon Hospital Corporation Employees' Pension Plan to be consistent with changes made to the Public Service Superannuation Plan in January 2013. These changes affect all employees who are employed by the Corporation after January 1, 2015, with exception of the 50/50 cost sharing that will affect all employees enrolled in the pension plan. Changes include an increase to the early retirement age and the age of eligibility for an unreduced pension as well as a gradual change in cost sharing of contributions to the plan.

Increases to the age of eligibility for an unreduced pension

The normal retirement age for all members is age 65. Existing plan members as of December 31, 2014 may retire with an unreduced pension at age 60, or after having completed 30 years of continuous service. Plan members who join the Corporation on or after January 1, 2015, will be able to retire with an unreduced pension at age 65, or after having completed 30 years of continuous service.

Yukon Hospital Corporation

Notes to the Consolidated Financial Statements

March 31, 2025

(In thousands of dollars)

5. Pension Costs and Obligations (continued)

Increases to the early retirement age

Existing plan members as of December 31, 2014 may retire as early as age 50 with a reduced pension, if they have two years of continuous employment service. Plan members who join the Corporation on or after January 1, 2015, will be able to retire early with a reduced pension at age 55, if they have two years of continuous employment service.

Contributions

As of March 31, 2019, employee and employer contributions to the Plan are at a 50/50 cost-sharing rate.

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases, employee turnover and mortality. The assumptions used reflect management's best estimate of these future events. Key assumptions are summarized below:

	2025	2024
Weighted Average Assumptions for Net Period Pension Cost for Fiscal Year		
Discount rate	6.75%	6.75%
Expected long-term rate of return on plan assets	6.75%	6.75%
Rate of compensation increase (exclusive of seniority, merit)	2.50%	2.50%
Expected average remaining service lifetime (EARSL)	9.3	9.2
Inflation rate	2.00%	2.00%

	2025	2024
Weighted Average Assumptions for Benefit Obligation at Fiscal Year		
Discount rate	6.75%	6.75%
Rate of compensation increase (exclusive of seniority, merit)	2.50%	2.50%
Expected average remaining service lifetime (EARSL)	9.3	9.2

As at March 31, 2025, pension fund assets are valued at market value. No adjustment is made for benefits payable or contributions receivable.

	2025	2024
	\$	\$
Change in Accrued Benefit Obligation		
Accrued benefit obligation, beginning of year	122,937	111,847
Current period benefit cost (employee and employer), excludes provision for non-investment expenses	5,104	4,688
Interest cost	8,277	7,504
Benefits paid	(5,745)	(6,029)
Actuarial losses	604	4,927
Accrued benefit obligation, end of year	131,177	122,937

Yukon Hospital Corporation

Notes to the Consolidated Financial Statements

March 31, 2025

(in thousands of dollars)

5. Pension Costs and Obligations (continued)

	2025	2024
	\$	\$
Change in Plan Assets		
Fair value of plan assets, beginning of year	198,197	173,606
Actual return on plan assets	16,309	22,407
Employer contributions	439	5,860
Employee contributions	2,125	2,605
Benefits paid	(5,745)	(6,029)
Actual plan expenses	(555)	(252)
Fair value of plan assets, end of year	210,770	198,197

Reconciliation of Funded Status

Accrued benefit obligation	131,177	122,937
Fair value of plan assets	(210,770)	(198,197)
Funded surplus	(79,593)	(75,260)
Unamortized actuarial gains	7,350	5,761
Accrued pension benefit asset	(72,243)	(69,499)

	2025	2024
Pension Benefits Cost		
Current period benefit cost, includes provision for non-investment expenses	5,169	5,087
Amortization of actuarial losses	(374)	1,293
Employee contributions	(2,125)	(2,805)
Benefit expense	2,670	3,775
Interest on expected average accrued benefit obligation	8,277	7,504
Expected return on plan assets	(13,252)	(11,792)
Pension benefits cost	(2,305)	(513)

As at December 31, 2024 the pension plan had a solvency surplus of \$22,468 (December 31, 2023 – surplus of \$16,491) if valued on the basis that the pension plan were terminated/wound up as at December 31, 2024. The solvency ratio of the plan is 111% (109% in 2023). In accordance with the *Pension Benefits Standards Act, 1985*, the Corporation is required to make special payments when applicable to address the pension solvency requirements. The Corporation is permitted to cover up to a specified maximum with a conforming letter of credit. As at March 31, 2025 the Corporation has a conforming letter of credit totaling \$19,450 (2024 - \$27,992). Starting June 1, 2024, the Corporation has taken a contribution holiday in accordance with the *Federal Income Tax Act*.

Yukon Hospital Corporation
Notes to the Consolidated Financial Statements

March 31, 2025

(in thousands of dollars)

6. Capital Assets

	Land	Land Improvements	Buildings	Building Improvements	Equipment & Vehicles	Computer Hardware & Systems Development	Construction & Work In Progress	2025 Total	2024 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	1,751	1,480	195,123	7,552	30,592	25,977	17,270	279,745	264,907
Acquisitions	-	171	(32)	63	974	311	12,672	14,159	15,926
Disposals	-	-	-	-	(148)	-	-	(148)	(1,088)
Cost, end of year	1,751	1,651	195,091	7,615	31,418	26,288	29,942	293,756	279,745
Accumulated amortization, beginning of year	-	967	74,787	4,270	21,425	11,137	-	112,586	103,090
Amortization expense	-	145	4,749	501	2,254	2,057	-	9,706	10,552
Disposals	-	-	-	-	(148)	-	-	(148)	(1,058)
Accumulated amortization, end of year	-	1,112	79,536	4,771	23,531	13,194	-	122,144	112,586
Net book value	1,751	539	115,555	2,844	7,887	13,094	29,942	171,612	167,159

Yukon Hospital Corporation **Notes to the Consolidated Financial Statements**

March 31, 2025

(in thousands of dollars)

7. Contributions Receivable

The Corporation received financing from CIBC for the construction of the Crocus Ridge building, Watson Lake Hospital, and Dawson City Hospital, as well as for the (note 8) calendar 2023 Pension Solvency obligation. The Government of Yukon has committed funds to repay these loans. As a result, the Corporation has recognized a contribution receivable for the amount committed by the Government of Yukon as outlined in the following tables.

	Commitment	Principal Payment	Total
	\$	\$	\$
March 31, 2025			
Crocus Ridge building	5,080	(1,172)	3,908
Watson Lake Hospital	4,905	(1,704)	3,201
Dawson City Hospital	4,900	(1,200)	3,700
Pension solvency and Letter of Credit interest	3,919	(925)	2,994
	<u>18,804</u>	<u>(5,001)</u>	<u>13,803</u>

Short-term contributions receivable	5,204
Long-term contributions receivable	8,599
	<u>13,803</u>

	Commitment	Principal Payment	Total
	\$	\$	\$
March 31, 2024			
Crocus Ridge building	6,192	(1,112)	5,080
Watson Lake Hospital	6,524	(1,619)	4,905
Dawson City Hospital	6,100	(1,200)	4,900
Pension solvency and Letter of Credit interest	4,796	(877)	3,919
	<u>23,612</u>	<u>(4,808)</u>	<u>18,804</u>

Short-term contributions receivable	5,001
Long-term contributions receivable	13,803
	<u>18,804</u>

Yukon Hospital Corporation
Notes to the Consolidated Financial Statements
March 31, 2025
(in thousands of dollars)

8. Short-Term Debt

	2025 \$	2024 \$
Demand term installment loan with CIBC with interest calculated at Bankers' Acceptance with stamping fees calculated at 85 bps per annum exchanged for fixed rate by way of interest rate swap fixed at 5.15% per annum for the Watson Lake Hospital construction project. Blended payments of \$160 due monthly beginning on December 30, 2011 with the final payment due on December 31, 2026.	3,201	4,905
Demand term installment loan with CIBC with interest calculated at Bankers' Acceptance with stamping fees calculated at 85 bps per annum exchanged for fixed rate by way of interest rate swap fixed at 4.525% per annum for the Dawson City Hospital construction project. Principal payments of \$100 due monthly beginning on May 1, 2013 with the final payment due on April 1, 2028.	3,700	4,900
Demand term installment loan with CIBC with interest calculated at Bankers' Acceptance with stamping fees calculated at 85 bps per annum exchanged for a fixed rate by way of interest rate swap fixed at 5.23% per annum for the Crocus Ridge construction project. Blended payments of \$117 due monthly beginning December 15, 2010 with the final payment due on March 15, 2028.	3,908	5,080
Demand term loan with Government of Yukon with interest on letter of credit portion at 65 bps. Annual interest rate is prime (5.1%). Term of loan is 15 years, with final payment of principal and interest due on December 11, 2034.	0	3,063
Demand term installment loan with CIBC with interest calculated at Bankers' Acceptance with stamping fees calculated at 80 bps per annum exchanged for a fixed rate by way of interest rate swap fixed at 5.30% per annum for the Pension solvency and Letter of Credit interest. Blended payments of \$93 due monthly beginning March 31, 2023 with the final payment due on February 28, 2028.	2,994	3,919
	<u>13,803</u>	<u>21,867</u>

Yukon Hospital Corporation
Notes to the Consolidated Financial Statements
 March 31, 2025
 (in thousands of dollars)

8. Short-Term Debt (continued)

Due to the conditions in the loans with CIBC, all debt has been classified as current as CIBC has the ability to call the loans at any time.

In 2020, the Government of Yukon loaned the Corporation funds to meet solvency and Letter of Credit requirements for the Corporation's pension plan. The initial loan was for \$3,063 with interest accruing annually until the loan was repaid. Effective March 31, 2025, the Government of Yukon forgave the loan plus interest, totaling \$3,898 (note 17).

In 2023, the Corporation was requested by the Government of Yukon to obtain a loan for \$4,867 with a financial institution to cover the current year's Pension Solvency and Letter of Credit obligation.

Principal Repayment Schedule

Principal repayment on the indebtedness over the next five years and thereafter are as follows:

	\$
2026	5,204
2027	4,937
2028	3,562
2029	100
2030 and thereafter	0
	<u>13,803</u>

In addition to its repayment schedule, the demand term instalment loans with CIBC require that the Corporation exchange the variable interest payment with a fixed interest payment. Under these agreements, the Corporation exchanged with CIBC \$738 (2024 - \$883) of variable interest payments representing an average variable rate of 4.53% (2024 - 4.16%) to a fixed interest payment of \$834 (2024 - \$1,081), representing an average fixed rate of 5.12% (2024 - 5.1%). These exchanges were made on a net cash basis.

9. Deferred Revenue

The balance of \$264 (2024 - \$1,103) includes \$246 in restricted contributions related to the Yukon Hospital Foundation and Run for Mom, and \$18 in other externally restricted funds from the Government of Yukon.

10. Long-Term Debt

In 2003, Yukon Development Corporation, a common control entity of the Government of Yukon, financed an electric boiler system for the Corporation for a total cost of \$596. The long-term debt bears interest of 7.5% which is payable in an annual installment. The principal is repayable based on 50% of the realized annual energy savings.

Yukon Hospital Corporation
Notes to the Consolidated Financial Statements
 March 31, 2025
 (in thousands of dollars)

10. Long-Term Debt (continued)

The long-term debt is secured by a general security agreement on building improvements with a net book value of \$0 (2024 - \$85).

An initial payment on principal of \$200 was made by the Corporation in 2004 and since then, \$311 has been repaid from the realized annual energy savings, including \$0 repaid in the current year based on realized energy savings of \$0 (2024 - \$0). The Corporation has not received access to secondary sales and a request was approved by Yukon Development Corporation to forgive the remaining balance of \$85, consistent with section 4.7 of the Secondary Power Infrastructure Loan Agreement. On July 10, 2024, the Government of Yukon forgave the balance in accordance with section 14(1) (b) of the *Financial Administration Act*.

11. Employee Future Benefits Other Than Pensions

In addition to pension benefits, the Corporation provides severance, sick leave and special leave benefits to its employees. The cost of these benefits accrues either as employees render service or upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation.

	2025 \$	2024 \$
Severance	2,606	2,945
Sick leave	817	888
Less: short-term portion (included in accrued payroll and benefits)	(623)	(464)
	<u>2,800</u>	<u>3,369</u>

12. Deferred Capital Contributions

Deferred capital contributions represent restricted contributions received or receivable to purchase capital assets. The changes in the deferred capital contributions balance for the year are as follows:

	2025 \$	2024 \$
Balance, beginning of year	166,260	162,007
Restricted Government of Yukon contributions	11,739	13,269
Restricted non-government contributions	29	34
Amount amortized to revenue	(8,693)	(9,050)
Balance, end of year	<u>169,335</u>	<u>166,260</u>

Yukon Hospital Corporation
Notes to the Consolidated Financial Statements
March 31, 2025
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13. Asset Retirement Obligation

The Corporation's Asset Retirement Obligation consists of the following:

1) Asbestos liability

The Corporation owns and operates several buildings that are known to contain asbestos, which represents a health hazard upon demolition of the building. Per Occupational Health and Safety Legislation, there is a legal obligation to remove the asbestos when the building is retired. Following the adoption of PS 3280 – *Asset Retirement Obligations*, the Corporation estimates and recognizes an obligation relating to the removal and post-removal care of the asbestos in these buildings. The buildings have a remaining estimated useful life ranging from 5 to 31 years since they were acquired. Estimated costs have been discounted to the present value using a discount rate of 3.50% (2024 – 3.45%) per annum, to be incurred over the remaining estimated useful life of the buildings.

2) Fuel tanks liability

The Corporation has recognized asset retirement obligations for its fuel tanks, allocated to buildings, at the Whitehorse General Hospital site. Asset retirement activities for the fuel tanks may include decommissioning or dismantling the tanks, remediation of contamination from their normal use, and post-retirement monitoring. Following the adoption of PS 3280 – *Asset Retirement Obligations*, the Corporation estimates and recognizes an obligation relating to the removal and post-removal care of the fuel tanks. The fuel tanks have an estimated remaining useful life of 10 years. Estimated costs have been discounted to the present value using a discount rate of 3.50% (2024 – 3.45%) per annum, to be incurred over the remaining estimated useful life of the fuel tanks.

Changes to the asset retirement obligation in the year are as follows:

	Asbestos	Fuel Tanks	2025
	\$	\$	\$
Opening balance,	938	236	1,174
Change in estimate	(27)	(5)	(32)
ARO accretion	32	8	40
Closing balance	943	239	1,182

	Asbestos	Fuel Tanks	2024
	\$	\$	\$
Opening balance,	1,040	234	1,274
Change in estimate	(133)	(6)	(139)
ARO accretion	31	8	39
Closing balance	938	236	1,174

The undiscounted asset retirement obligation adjusted for inflation is \$2,163 (2024 – \$1,174).

Yukon Hospital Corporation
Notes to the Consolidated Financial Statements
March 31, 2025
(in thousands of dollars)

14. Investment in Capital Assets

- a) Net assets invested in capital assets is calculated as follows:

	2025 \$	2024 \$
Capital assets (note 6)	171,612	167,159
Amounts financed by deferred capital contributions (net of unexpended externally restricted contributions)	(169,041)	(165,938)
	<u>2,571</u>	<u>1,221</u>

Change in net assets invested in capital assets is calculated as follows:

- b) Change in amortization

	2025 \$	2024 \$
Amortization of deferred capital contributions	8,693	9,050
Amortization of capital assets	(9,706)	(10,552)
	<u>(1,013)</u>	<u>(1,502)</u>

- c) Net change in invested capital assets

	2025 \$	2024 \$
Purchase of capital assets (net of contributed land)	14,159	15,926
Amounts funded by deferred capital contributions	(11,796)	(13,261)
Disposal of capital assets (net of accumulated amortization)	-	(32)
	<u>2,363</u>	<u>2,633</u>

Contributed Land and Building

Certain assets in Whitehorse, including land were transferred from the Government of Canada and the Government of Yukon to the control of the Corporation on April 1, 1993 and January 19, 1994. Contributed land also includes land transferred from the Government of Yukon on May 14, 2010 in Watson Lake, in April 2011 in Dawson City, and on May 12, 2011 for the escarpment behind the existing Whitehorse General Hospital.

In fiscal 2012, the Government of Yukon transferred land and building in Dawson City, as well as land behind Whitehorse General Hospital to the Corporation at no cost. The value of this additional land and buildings is \$741. The land and buildings were recorded at fair value.

Yukon Hospital Corporation

Notes to the Consolidated Financial Statements

March 31, 2025

(in thousands of dollars)

14. Investment in Capital Assets (continued)

Contributed Equipment

In fiscal 2021, the Government of Yukon transferred to the Corporation six drug dispensers and six drug cabinets at no cost. These assets were recorded at a fair value of \$746.

In fiscal 2021, in response to the COVID-19 pandemic, the Government of Canada transferred to the Corporation two sterilizers for N95 masks at no cost. These assets were recorded at a fair value of \$240.

The Corporation did not receive any contributed equipment in fiscal 2025 (2024 - \$0).

15. First Nations Health Program

Under an annual contribution agreement, the Government of Yukon provides funds to the Corporation for the purpose of operating the FNHP at the Whitehorse General Hospital. The FNHP includes a health liaison worker program, child life worker for the pediatric ward, traditional medicine, traditional diet, employment equity and training program, interpretation services and in-service training.

The FNHP was established in 1993 under the Whitehorse General Hospital Programs and First Nations Health Services and Community Health Transfer Agreement. Core funding was provided by the Government of Yukon. The programs could not all be implemented in the year which the funding was received and as a result a substantial surplus was realized. An agreement between the Government of Yukon and the First Nations Health Committee restricted this surplus to be used for First Nations programming only. The FNHP is outlined in the *Hospital Act*.

The following amounts pertain to the FNHP and have been included in the Consolidated Statement of Operations.

	2025 \$	2024 \$
Revenues		
Government of Yukon contribution (note 17)	1,500	1,200
Other	203	274
Government of Yukon – Other (note 17)	79	24
Interest	19	25
	<u>1,801</u>	<u>1,523</u>
Expenses		
Payroll	1,465	1,336
Sundry	153	115
Material and supplies	26	24
Travel	24	61
Equipment	14	12

Yukon Hospital Corporation

Notes to the Consolidated Financial Statements

March 31, 2025

(in thousands of dollars)

15. First Nations Health Program (continued)

Honorariums	8	13
Amortization	2	3
Contracted Services	0	75
	<u>1,692</u>	<u>1,639</u>
Surplus (deficit) of revenues over expenses	109	(116)
Opening (deficit) surplus	(28)	88
Net surplus (deficit), restricted for FNHP	<u>81</u>	<u>(28)</u>

16. Other Expenses

	2025	2024
	\$	\$
Software maintenance	2,015	1,421
Property tax	1,461	1,397
Delivery/courier/taxi	1,162	967
Communications	817	788
Bad debt	816	849
Legal and professional fees	776	942
Conference fees/travel	702	792
Insurance	572	531
Recruitment and relocation	416	270
Miscellaneous	411	399
Membership fees	330	310
Honorariums	114	103
Advertising	80	112
	<u>9,672</u>	<u>8,881</u>

17. Related Party Transactions

	2025	2024
	\$	\$
Government of Yukon contribution		
Basic funding	115,319	114,969
First Nations Health Program (note 15)	1,500	1,200
Total basic funding	<u>116,819</u>	<u>116,169</u>
Other – Forgiveness of short-term debt (note 8)	3,898	-
Other	3,679	5,437
Other – First Nations Health Program (note 15)	79	24
Total Government of Yukon contribution	<u>124,475</u>	<u>121,630</u>

The 2025 Government of Yukon contribution includes \$93 (2024 - \$93) of flow-through funding provided to the Foundation.

Yukon Hospital Corporation
Notes to the Consolidated Financial Statements
March 31, 2025
(in thousands of dollars)

17. Related Party Transactions (continued)

	2025 \$	2024 \$
Other government contracts		
Government Service contracts	800	892
Cost recovery arrangement	2,316	3,579
Total other government contracts	3,116	4,471

In fiscal 2025, the Corporation held various service contracts relating to the provision of food, laundry and housekeeping services with Government of Yukon. The revenue recognized from these agreements is included in Other government contracts in the Consolidated Statement of Operations.

In compliance with the agreement outlined in Appendix H of the 1994 Whitehorse General Hospital Transfer Agreement between the Corporation, the Government of Yukon and the Government of Canada (Appendix H), the Corporation provided goods in the amount of \$2,316 (2024 - \$3,579) to related parties which includes a 15% administration charge on material management supplies purchased in excess of \$80. The Corporation recovered only the cost of goods of \$2,085 (2024 - \$3,403). As this is a cost recovery arrangement, the revenues and cost of sales have been reported on a gross basis.

Services Without Charge

The Corporation leases space to the Government of Yukon. The leases for the ambulance station, #2 Hospital Road, #4 Hospital Road, and 29,679 square feet of office space located in the Thomson Centre building are at an annual nominal amount of \$1.

Appendix H outlines Whitehorse General Hospital's obligation to provide residual services to Yukon communities at no charge. The total cost of providing these services for 2025 was \$760 (2024 - \$778).

Other Related Party Transactions

In addition to those related party transactions disclosed elsewhere in these consolidated financial statements (notes 4, 7, 8, 9, 10, 12, 14 and 15) the Corporation entered into the following transactions with related entities on similar terms and conditions as entities at arm's length.

As at March 31, 2025 there were \$323 (2024 - \$799) of accounts payable and accrued liabilities and \$10,224 (2024 - \$11,631) of accounts receivable related to the Government of Yukon.

The Government of Yukon and the Corporation entered into an agreement transferring ownership of the Watson Lake Hospital to the Corporation effective April 1, 2010. The Watson Lake Hospital transfer included land, buildings and medical equipment worth \$2,424.

Yukon Hospital Corporation
Notes to the Consolidated Financial Statements
March 31, 2025
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17. Related Party Transactions (continued)

The transaction was recorded at fair value. The Corporation agreed that it may transfer part of the old building back to the Government of Yukon at the request of, and subject to any conditions imposed by the Government of Yukon. In addition, the Corporation may be required to grant to the Government of Yukon a lease on such terms as the Government of Yukon may require. No transfers were made back to Government of Yukon in fiscal 2025.

In fiscal 2014, the Corporation (the Lessor) entered into a lease with the Government of Yukon (the Lessee) for approximately 2,540 square feet of clinical space located in the Dawson City Hospital. This lease is recorded at the exchange amount which approximates fair value.

In fiscal 2015, the Corporation (the Lessor) entered into a lease with the Government of Yukon (the Lessee) for approximately 2,206 square feet of office space located in the Dawson City Hospital. This lease is recorded at the exchange amount which approximates fair value.

In fiscal 2016, the Corporation (the Lessor) amended a lease from fiscal 2014 with the Government of Yukon (the Lessee) for approximately 2,660 square feet of rentable space to add 2,858 square feet of space in the lower level of the Watson Lake Hospital. This lease is recorded at the exchange amount which approximates fair value.

In fiscal 2019, the Corporation (the Lessor) entered into a lease with the Government of Yukon (the Lessee) for approximately 153 square feet of clinical space and approximately 22 square feet of storage space located in the Dawson City Hospital. This lease is recorded at the exchange amount which approximates fair value.

In fiscal 2022, the Corporation (the Lessor) amended a lease from fiscal 2012 with the Government of Yukon (the Lessee) for approximately 22,075 square feet of office space located on the 1st and 2nd floor of the Crocus Ridge building. This lease is recorded at the exchange amount which approximates fair value.

In fiscal 2022, the Corporation (the Lessor) amended a lease from fiscal 2019 with the Government of Yukon (the Lessee) for approximately 97 square feet of office space located in the Dawson City Hospital. This lease is recorded at the exchange amount which approximates fair value.

In fiscal 2022, the Corporation (the Lessor) amended a lease from fiscal 2019 with the Government of Yukon (the Lessee) for approximately 147 square feet of office space located in the Dawson City Hospital. This lease is recorded at the exchange amount which approximates fair value.

Yukon Hospital Corporation
Notes to the Consolidated Financial Statements
 March 31, 2025
 (in thousands of dollars)

17. Related Party Transactions (continued)

Details of the leases are outlined as follows:

	Annual Lease Payments \$	Term Years
Crocus Ridge 1 st and 2 nd floor office space	825	5
Dawson City Hospital clinical space	95	15
Dawson City Hospital office space	69	15
Dawson City Hospital office space	5	5
Dawson City Hospital office space	3	5
Dawson City Hospital clinical space	7	10
Watson Lake Hospital rentable space	69	15
Watson Lake Hospital space	74	13
	<u>1,147</u>	

18. Contractual Obligations and Contingencies

Contingencies

In the normal course of operations, the Corporation is subject to legal claims and possible claims. While the outcome of legal claims or possible claims is subject to future resolution, management's evaluation and analysis of such matters indicates that, individually or in the aggregate, the probable ultimate resolution of all legal claims and possible claims will not have a material impact on the Corporation's consolidated financial position, results of its operations or its cash flows.

Contractual Obligations

The Corporation has contractual obligations whereby the minimum required payments for the next five years and thereafter are as follows:

	\$
2026	14,466
2027	10,683
2028	4,395
2029	1,084
2030 and thereafter	364
	<u>30,992</u>

Contractual obligations fall under the following major categories: capital projects, medical and other equipment service agreements, software maintenance agreements, and professional/service level agreements. Contractual commitments over the next 5 years for capital projects (wholly attributed to the Mental Wellness Unit project) and for the other categories of contracts are \$3,053 (2024 - \$10,523), \$27,939 (2024 - \$37,430) respectively.

Yukon Hospital Corporation
Notes to the Consolidated Financial Statements
March 31, 2025
(In thousands of dollars)

18. Contractual Obligations and Contingencies (continued)

The Corporation has included in accounts payable and accrued liabilities holdbacks of \$1,499 (2024 - \$946) and \$811 for March construction costs payable to Unitech. The holdbacks are to be released to the contractor upon substantial completion of the Mental Wellness Unit project. These holdbacks are expected to be released in fiscal 2026.

19. Financial Risks

The Corporation has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk.

The Board of Trustees is responsible for ensuring that the Corporation has identified its major risks and ensures that management monitors and controls them. The Executive Committee oversees the Corporation's systems and practices of internal control, and ensures that these controls contribute to the assessment and mitigation of risk. The Executive Committee reports regularly to the Board of Trustees on its activities. The Corporation has experienced no change in its risk exposure and has not made any changes to its risk management policies and procedures.

a) Credit Risk

Credit risk is the risk of a financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the Corporation consisting of cash, accounts receivables, and contributions receivable.

Cash:

The Corporation's exposure to credit risk associated with cash is assessed as low because the Corporation's cash deposits are held by a Canadian Schedule 1 Chartered bank.

Accounts Receivable:

The Corporation's exposure to credit risk associated with accounts receivable is assessed as low because it is due largely from governments.

Allowances for doubtful accounts are provided for potential losses that have been incurred at the reporting date. The amounts disclosed on the Consolidated Statement of Financial Position are net of these allowances for doubtful accounts. All accounts receivable are considered for impairment based on the type of revenue and historical repayment information.

Yukon Hospital Corporation
Notes to the Consolidated Financial Statements
March 31, 2025
(in thousands of dollars)

19. Financial Risks(continued)

The maximum exposure to credit risk for accounts receivable by type of customer is as follows:

	2024 \$	2024 \$
Government of Yukon	10,224	11,631
Consumers	1,242	1,575
Other governments	820	864
Other	530	346
	12,816	14,416

The Corporation's accounts receivable has a carrying value of \$12,816 as at March 31, 2025 (2024 - \$14,416). As at March 31, 2025, approximately 23% (2024 - 28%) of accounts receivable were over 90 days past due, whereas 6% (2024 - 4%) was between 31 - 90 days and 71% (2024 - 68%) were current or less than 30 days past due. The Corporation's allowance for doubtful accounts is \$1,161 as at March 31, 2025 (2024 - \$2,191).

Contributions Receivable:

The Corporation's exposure to credit risk associated with contributions receivable is assessed as low because the amount is due from the Government of Yukon.

b) Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation's objective is to have sufficient liquidity to meet these liabilities when due. The Corporation monitors its cash balance and cash flows generated from operations to meet its liquidity requirements.

The liquidity risk arises from the financial liabilities consisting of accounts payable and accrued liabilities, accrued payroll and benefits, short-term debt and long-term debt. The Corporation's accounts payable and accrued liabilities had a carrying value of \$18,031 as at March 31, 2025 (2024 - \$16,902). As at March 31, 2025, approximately 8% (2024 - 4%) of accounts payable were over 90 days past due, whereas 33% (2024 - 57%) were current or less than 30 days past due. The Corporation's accrued payroll and benefits has a carrying value of \$5,841 as at March 31, 2025 (2024 - \$5,300) and is payable in the next fiscal year.

The Corporation's short-term debt has remaining undiscounted contractual cash flows of \$14,787 as at March 31, 2025 (2024 - \$27,849) and may be repayable in the next fiscal year.

The Government of Yukon has committed the funds to repay the short-term debt owed to third parties (note 7). The Corporation's long-term debt to a related party (note 10) has remaining undiscounted contractual cash flows of \$0 as at March 31, 2025 (2024 - \$85).

Yukon Hospital Corporation
Notes to the Consolidated Financial Statements
March 31, 2025
(in thousands of dollars)

19. Financial Risks(continued)

c) Market Risk

Currency Risk

Currency risk is the risk that the value of financial assets and liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates. The Corporation is not exposed to any significant currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Corporation is not exposed to any significant interest rate risk.

Long-term debt has interest rates fixed for long periods of time with the debt intended to be repaid in accordance with corresponding energy savings.

For its short-term debt with CIBC, the Corporation mitigates interest rate risk through interest rate swaps that exchange the variable rate inherent in the term debt for a fixed rate. Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the short-term debt. The short-term loan with the Government of Yukon is at the Government's prime rate and is subject to market fluctuations. Due to the loan balance the variability in interest rates is not expected to have a significant impact on the Corporation.

20. Capital Management

The Corporation is subject to the financial management and accountability provisions of the *Hospital Act*, the *Yukon Financial Administration Act*, and the *Yukon Act* which impose restrictions in relation to borrowings and acquisitions of investments. The Corporation receives its principal source of capital through funding received from the Government of Yukon. The Corporation's financial objectives are to comply with externally imposed restrictions and manage its capital as a by-product of managing revenues, expenses, assets and liabilities. The Corporation considers its capital to be its net assets related to restricted for capital purchases, internal; restricted for pension; and unrestricted. The Corporation's financial objectives as stated above have remained unchanged from the prior year. The Corporation has complied with the externally imposed restrictions on the funding provided.

Internally restricted capital purchases are used to cover commitments or obligations that are expected to arise in the future. The restricted for pension capital is the difference between the contributions to the pension plan and the actuarially determined pension expense and is recorded as an accrued pension benefit asset (non-current assets) and restricted for pension (net assets) on the Consolidated Statement of Financial Position. This entry reflects trapped capital as these contributions cannot be touched and remain in the plan.

Yukon Hospital Corporation
Notes to the Consolidated Financial Statements
 March 31, 2025
 (in thousands of dollars)

20. Capital Management (continued)

The Corporation defines and computes its capital as follows:

	2025	2024
	\$	\$
Restricted for capital purchases, internal	850	1,221
Restricted for pension	72,243	69,499
Unrestricted	(3,882)	(7,340)
	<u>69,211</u>	<u>63,380</u>

21. Subsequent Event

In June 2025, the Corporation reached substantial completion on an 8 bed Mental Wellness Unit following 2 years of construction. The unit adds approximately 10,000 square feet, representing a significant expansion of the Corporation's mental health facilities. Funding for the construction of the unit included \$9,900 funded through the Government of Canada's Investing in Canada Infrastructure Program, \$22,800 funded by way of contribution agreements with Government of Yukon and a \$2,000 commitment from the Yukon Hospital Foundation, for a total project cost of \$34,700. The unit was under construction and recorded as construction-in-progress at the reporting date.

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YUKON HOUSING CORPORATION

FINANCIAL STATEMENTS

March 31, 2025

(audited)

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Yukon Housing Corporation
PO Box 2703 (Y-1), Whitehorse, Yukon Y1A 2C6

Management's Responsibility for Financial Reporting

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The integrity and objectivity of the data in these financial statements are management's responsibility.

Management is responsible for developing and maintaining books of account, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the reliability of financial information; that assets are safeguarded and controlled; and that transactions are in accordance with the *Financial Administration Act* as well as the *Housing Corporation Act* and the bylaws of the Yukon Housing Corporation (the Corporation).

The Board of Directors (the Board) is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board exercises its responsibility through the Finance and Audit and Risk Management Committee, which meets on a periodic basis with management and the independent external auditor to review the manner in which these groups are performing their responsibilities and to discuss auditing, internal controls and other relevant financial matters. The Board of Directors reviews the audited financial statements with the external auditor before their approval.

The Corporation's external auditor, the Auditor General of Canada, is responsible for auditing the financial statements and issuing her report thereon which is included with the audited financial statements. The Auditor General of Canada addresses her report to the Minister responsible for the Yukon Housing Corporation.

Samantha Paterson
President

Daniel Jirousek
Director, Finance and Risk Management

September 18, 2025



INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Yukon Housing Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Yukon Housing Corporation (the Corporation), which comprise the statement of financial position as at 31 March 2025, and the statement of operations and accumulated surplus, statement of change in net debt and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 March 2025, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the financial statements, we have audited transactions of the Yukon Housing Corporation coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Financial Administration Act* of Yukon and regulations, the *Housing Corporation Act* and regulations, and the by-laws of the Yukon Housing Corporation.

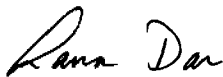
In our opinion, the transactions of the Yukon Housing Corporation that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Housing Corporation Act*, we report that, in our opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year. In addition, in our opinion, proper books of account have been kept by the Yukon Housing Corporation and the financial statements are in agreement therewith.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Yukon Housing Corporation's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Yukon Housing Corporation to comply with the specified authorities.

Auditor's Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.



Lana Dar, CPA, CA
Principal
for the Auditor General of Canada

Vancouver, Canada
18 September 2025



Yukon Housing Corporation
Statement of Financial Position
as at March 31, 2025

	2025	2024
	(thousands of dollars)	
Financial assets		
Cash (Note 3)	\$ 19,653	\$ 25,974
Accounts receivable (Notes 4 and 21)	6,458	7,144
Due from the Government of Yukon (Notes 15(a) and 21)	-	900
Mortgages and loans receivable (Notes 5 and 21)	25,755	27,741
	<u>51,866</u>	<u>61,759</u>
Liabilities		
Accounts payable and accrued liabilities (Note 21)	5,810	7,770
Environmental liability (Note 6)	1,554	754
Asset retirement obligation (Note 20)	8,957	8,992
Due to the Government of Yukon (Notes 15(a) and 21)	119	-
Deferred revenue (Note 7)	15,096	25,693
Long-term debt (Notes 8 and 21)	8,514	8,958
Post-employment benefits (Note 9)	2,605	2,230
Advances - Government of Yukon (Note 11)	20,551	17,999
	<u>63,206</u>	<u>72,396</u>
Net debt	<u>(11,340)</u>	<u>(10,637)</u>
Non-financial assets		
Tangible capital assets (Note 12 and Schedule B)	137,615	118,333
Prepaid expenses and inventories held for use (Note 19)	3,581	3,563
	<u>141,196</u>	<u>121,896</u>
Accumulated surplus	<u>\$ 129,856</u>	<u>\$ 111,259</u>
Contractual obligations and contingencies (Note 16)		
Contractual rights (Note 17)		

Approved by the Board of Directors

Director

Director

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



Yukon Housing Corporation
Statement of Operations and Accumulated Surplus
for the year ended March 31, 2025

		2025	2024
	Main Estimates (Note 1(c))	Actual	Actual
	(thousands of dollars)		
Revenues			
Rental and related client services income (Note 13)	\$ 8,193	\$ 9,350	\$ 8,526
Funding from Canada Mortgage and Housing Corporation			
- National Housing Strategy	6,630	6,758	6,279
- Northern Carve Out	7,064	6,269	2,202
- Permanent Affordable Housing	3,000	4,000	-
- Social Housing Agreement	2,754	2,754	3,029
- Yukon First Nations - Multi-unit Residential			
Building Workshop	-	111	-
- Investment in Affordable Housing	25	28	247
Interest income	1,224	2,779	1,654
Other	20	656	268
Tenant damage charge back recovery	60	50	53
	<u>28,970</u>	<u>32,755</u>	<u>22,258</u>
Expenses (Note 14)			
Lending and grant programs (Schedule A)	19,383	21,558	15,171
Social and staff housing operations (Schedule A)	16,176	20,666	20,668
Amortization (Note 14 and Schedule B)	4,600	3,464	4,810
Corporate services (Schedule A)	3,271	3,353	3,521
Rent supplement programs	2,647	2,960	2,187
Administration (Schedule A)	2,678	2,865	2,405
Subsidies - social housing organizations	302	522	524
	<u>49,057</u>	<u>55,388</u>	<u>49,286</u>
Deficit for the year before government funding	(20,087)	(22,633)	(27,028)
Government of Yukon funding			
Capital transfer revenue	31,492	31,708	21,212
Operations and maintenance transfer revenue	11,788	9,020	9,391
Low Carbon Economy Fund	-	-	718
Rental assistance - in-kind (Note 15(b))	-	502	502
	<u>43,280</u>	<u>41,230</u>	<u>31,823</u>
Surplus for the year	\$ 23,193	18,597	4,795
Accumulated surplus at beginning of year		111,259	106,464
Accumulated surplus at end of year		\$ 129,856	\$ 111,259

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



Yukon Housing Corporation
Statement of Change in Net Debt
for the year ended March 31, 2025

		2025	2024
	Main Estimates (Note 1(c))	Actual	Actual
	(thousands of dollars)		
Surplus for the year	\$ 23,193	\$ 18,597	\$ 4,795
Effect of change in tangible capital assets			
Acquisitions	(27,309)	(23,142)	(8,858)
Change in asset retirement obligation estimate	-	396	394
Amortization of tangible capital assets	4,600	3,464	4,810
Write-down of tangible capital assets	-	-	75
	(22,709)	(19,282)	(3,579)
Effect of change in other non-financial assets			
Consumption of prepaid expenses	-	325	271
Purchase of prepaid expenses	-	(185)	(190)
Purchase of inventories held for use	-	(158)	-
	-	(18)	81
(Increase) decrease in net debt	\$ 484	(703)	1,297
Net debt at beginning of year		(10,637)	(11,934)
Net debt at end of year		\$ (11,340)	\$ (10,637)

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



Yukon Housing Corporation
Statement of Cash Flow
for the year ended March 31, 2025

	2025	2024
	(thousands of dollars)	
Operating transactions		
Surplus for the year	\$ 18,597	\$ 4,795
Adjustments for non-cash items		
Funding from Canada Mortgage and Housing Corporation	(11,510)	-
Amortization of tangible capital assets (Note 12 and Schedule B)	3,464	4,810
Change in environmental liability estimate (Note 6)	1,854	360
Change in asset retirement obligation estimate (Note 20)	(67)	(573)
Accretion expense (Note 20)	404	299
Post-employment benefits expense (Note 9)	185	221
Bad debt expense (Schedule A)	530	152
Mortgages receivable allowances / discounts (Note 5)	(176)	306
Write-downs of tangible capital assets (Schedule B)	-	75
Transfer revenue from Government of Yukon	-	476
	<u>13,281</u>	<u>10,921</u>
Changes in accruals of operating cash receipts or (payments)	<u>1,075</u>	<u>16,143</u>
Cash provided by operating transactions	<u>14,356</u>	<u>27,064</u>
Capital transactions		
Acquisition of tangible capital assets	<u>(22,576)</u>	<u>(8,684)</u>
Cash used for capital transactions	<u>(22,576)</u>	<u>(8,684)</u>
Investing transactions		
Issuances of mortgages receivable	(3,034)	(2,266)
Repayments of mortgages receivable	5,182	3,553
Repayments of land sales agreements receivable	14	183
Cash provided by investing transactions	<u>2,162</u>	<u>1,470</u>
Financing transactions		
Repayments of long-term debt	(249)	(497)
Repayments of land sales agreements payable	(14)	(183)
Cash used for financing transactions	<u>(263)</u>	<u>(680)</u>
(Decrease) increase in cash	(6,321)	19,170
Cash at beginning of year (Note 3)	<u>25,974</u>	<u>6,804</u>
Cash at end of year (Note 3)	\$ 19,653	\$ 25,974
Interest received in the year	\$ 2,383	\$ 1,654
Interest paid in the year	28	38

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



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2025

1. Authority and operations

(a) Authority

Yukon Housing Corporation (the Corporation) was established in 1972 by the *Housing Corporation Act* of Yukon to undertake, carry to completion, or assist in the provision, development, maintenance and management of housing. The Corporation is subject to the *Financial Administration Act* of Yukon. Disbursements for operations and loans are authorized by the Yukon Legislative Assembly through the Appropriation Acts.

(b) Mission

The mission of the Corporation is to work collaboratively to provide responsive and innovative solutions to diverse housing needs and vulnerabilities.

In carrying out its mission, the Corporation provides rental housing at below market rents to applicants who qualify for social housing. Rental income received from housing tenants is less than the associated costs of supplying these rental units. The Corporation also provides loans for the purpose of housing. The Corporation is dependent on the Government of Yukon for funding its operations.

Pursuant to Section 45(1) of the *Housing Corporation Act*, the Commissioner in Executive Council established Housing Advisory Boards in the communities of Carcross, Carmacks, Dawson City, Faro, Haines Junction, Mayo, Ross River, Teslin, Watson Lake and Whitehorse. Local Housing Advisory Boards involve local community members in the decision making process regarding housing in their community. They provided advisory services to the Corporation and a review function in appeals of decisions made by the Corporation. In 2021-22, these Housing Advisory Boards became inactive. Effective March 7, 2024, Order-in-council 2024-45 and Order-in-Council 2024-44 repealed the Housing Advisory Boards and Advisory Board Regulations respectively for Carcross, Carmacks, Dawson City, Faro, Haines Junction, Mayo, Ross River, Teslin, Watson Lake, and Whitehorse.

(c) Main Estimates

The Main Estimates figures are from the Main Estimates approved by the Yukon Legislative Assembly in 2024. These figures do not reflect changes arising from the Supplementary Estimates approved later in the year by the Yukon Legislative Assembly.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards. Significant accounting policies are as follows:

(a) Funding and advances from the Government of Yukon

A funding agreement between the Corporation and the Government of Yukon authorizes the Government of Yukon to provide the Corporation with an annual operations and maintenance transfer payment and a capital transfer payment. The transfer payments are equal to the Corporation's actual net operating deficit and net capital expenditures calculated in accordance with the funding agreement and reported to the Government of Yukon in the Corporation's final Period 12 Variance Report. The transfer payments are recognized in accordance with the Corporation's policy for the recognition of government transfers (Note 2(h)). Advances provided by the Government of Yukon in excess of the transfer payments are recorded as a liability of the Corporation (Note 11).



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2025

2. Significant accounting policies (continued)

(a) Funding and advances from the Government of Yukon (continued)

The free rental of a social housing building provided by the Government of Yukon to the Corporation is recorded as rental assistance in-kind revenue and offsetting building services in-kind expenses (Note 15(b) and Schedule A).

(b) Cash

Cash includes cash on hand and bank balances.

(c) Mortgages and loans receivable

Mortgages receivable are recorded at amortized cost less any amount for valuation allowances.

Based on historical loss experience, management establishes a valuation allowance for impaired loans. Mortgages are classified as impaired when the Corporation no longer has reasonable assurance of timely collection of the full amount of principal and interest due. The valuation allowance adjusts a mortgage's carrying value to its net recoverable value.

Loans with concessionary terms are reviewed annually. Concessionary loans are recorded at the discounted value of the loan after the grant portion has been charged to concessionary loan discount expense. For concessionary loans, subsequent to initial valuation, the loans are carried at amortized cost using the effective interest method. The discounted value and the effective interest rate are determined using the Corporation's average borrowing rate at the date of issuance. The grant portion is calculated as the difference between the face value and the discounted value of the loan and is recorded as concessionary loans discount expense at the date of issue. The amortization of the discount would be recorded as an increase in the loan balance and an increase to interest income.

Housing industry loans are provided to private organizations and individuals as a way to finance the construction of more affordable rental units. These loans are also provided to organizations that are seeking financing to build shelters to accommodate social programs.

Loans receivable from lots sold to purchasers for residential, commercial and recreational purposes under land sales agreements are recorded at the lower of cost or net recoverable value.



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2025

2. Significant accounting policies (continued)

(d) Tangible capital assets

Tangible capital assets are recorded at cost, net of accumulated amortization. Interest on loans during construction of capital assets is capitalized. Costs include all cost directly attributable to acquisition, construction, development or betterment of the tangible capital asset, including installing the asset at the location and in the condition necessary for its intended use. Cost incurred for maintenance and repairs are accounted for as expenses in the Statement of Operations and Accumulated Surplus. Assets under construction are not amortized until available for use. On an annual basis, the Corporation reassesses the useful life of their assets.

Amortization is calculated using the straight-line method, over the estimated useful lives of assets.

Social and staff housing projects:

Standard construction	60 years
Mobile home units	40 years
Social and staff housing betterment	15 years
Office building	60 years
Other facilities	15 years
Furnishings and equipment	5 to 15 years
Vehicles	6 years
Computer systems	3 years
Leasehold improvements	remaining lease term

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide services. The write-downs are accounted for as expenses in the Statement of Operations and Accumulated Surplus.

(e) Environmental liability

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. The Corporation recognizes a provision for environmental clean-up when all of the following conditions are prevalent: an environmental standard exists; the level of contamination has been determined to exceed the environmental standard; the Corporation is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made at that time. A liability is recognized and the costs associated with the clean-up are expensed during the year when the Corporation is obligated to incur such costs. The estimate of a liability includes costs directly attributable to remediation activities. Costs would include post-remediation operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2025

2. Significant accounting policies (continued)

(f) Post-employment benefits

Post-employment benefits are expected to be provided to employees of the Corporation after employment but before retirement. These benefits include severance benefits and accumulated sick and vacation leave benefits that are paid in cash when employment is terminated. The Corporation recognizes the obligation for these benefits as a liability and uses an actuary to estimate the amount of the obligation. Expenses related to post-employment benefits are recognized in the period in which the employee's service is rendered and the benefit is earned. The accrued benefit liability for these benefits is calculated as the accrued benefit obligation adjusted by unamortized actuarial gains or losses. Net actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the active employees commencing with the period following the determination of the net actuarial gains or losses.

(g) Retirement benefits

All eligible employees participate in the Public Service Pension Plan (the Plan) administered by the Government of Canada. The Corporation's contribution to the Plan reflects the full cost as employer. This amount is currently based on a multiple of the employees' required contributions, and may change over time depending on the experience of the Plan. The Corporation's contributions are expensed during the year in which the services are rendered and represent the total pension obligation of the Corporation. The Corporation is not currently required to make contributions with respect to any actuarial deficiencies of the Plan.

(h) Revenue recognition

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

Interest income on mortgages is recognized using the effective interest method. When a mortgage becomes impaired, recognition of interest ceases; thereafter, interest income for impaired loans is recognized on a cash basis.

Revenues from transactions with performance obligations occur when there is an enforceable promise to transfer goods or services directly to a payor in return for promised consideration. These revenues are recognized when control of the benefits associated with the goods or services have transferred and there is no unfulfilled performance obligation. Where consideration is received from a payor prior to the provision of goods or services, these amounts are initially included in unearned revenue provided the definition of a liability is met. They are subsequently recognized as revenue as performance obligations are met. Rental and related client services income represent rent and fees charged to tenants, and consist of single performance obligations that are satisfied over time. These revenues are recognized when the services are provided in accordance with the terms of the rental agreements.



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2025

2. Significant accounting policies (continued)

(h) Revenue recognition (continued)

Transactions without performance obligations are either voluntary or involuntary. Revenue from involuntary transactions arise because the right to the economic resource is attributable to legislation based on constitutional authority or delegated constitutional authority. These revenues are recognized when the Corporation's economic resources increase without a direct transfer of goods or services to a payor.

(i) Expenses

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

(j) Asset retirement obligation

A liability for an asset retirement obligation (ARO) is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the Corporation to incur retirement costs, a past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods. The discount rate used reflects the Corporation's cost of borrowing, associated with the estimated number of years to complete the retirement or remediation.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset and amortized over the asset's estimated useful life. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period. An asset retirement obligation may arise in connection with a tangible capital asset that is not recognized or no longer in productive use. In this case, the asset retirement cost would be expensed.

At each financial reporting date, the carrying amount of the liability is reviewed. The Corporation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. Once the related tangible capital asset is no longer in productive use, changes to the liability are recognized as an expense in the period they are incurred. The Corporation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. The Corporation reviews its estimates of asset retirement obligation annually.



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2025

2. Significant accounting policies (continued)

(k) Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, contractual obligations and contingencies. By their nature, these estimates are subject to measurement uncertainty. As adjustments to these estimates become necessary, they are recorded in the financial statements in the year they become known. 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 statements, the Corporation believes the estimates and assumptions to be reasonable.

Significant management estimates include: valuation of mortgages and loans receivable, valuation of accounts receivable, determination of amortization of tangible capital assets, valuation of post-employment benefits, estimation of contractual obligations and contingencies, environmental liability and asset retirement obligation.

Contingencies result from uncertain situations whose outcome depends on one or more future events. Contingent liabilities are possible liabilities which could become actual liabilities if one or more future events occur. If it is likely that an event could occur, and a reasonable estimate of the liability can be made, a provision is recognized, and the expense is recorded. If the likelihood of the event cannot be determined or if the amount involved cannot be reasonably estimated, a contingency is disclosed in the notes to the financial statements.

The estimation of the environmental liability is subject to a high degree of measurement uncertainty because the existence and extent of contamination, the responsibility for clean-up 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 environmental liability cannot be reasonably determined. At the time of preparation of these financial statements, management believes the estimates and assumptions to be reasonable under the circumstances. However, the effect on the financial statements of changes to such estimates and assumptions in future periods could be significant.

The estimation of asset retirement obligation is subject to a high degree of uncertainty because the existence and extent of contamination, and the associated cost of remediation cannot be reliably estimated in all circumstances. The best estimate of an asset retirement obligation incorporates a present value technique when the cash flow required to settle or otherwise extinguish an asset retirement obligation is expected to occur over extended periods. The discount rate used reflects the Corporation's cost of borrowing associated with the estimated number of years to complete the retirement or remediation. At the time of preparation of these financial statements, management believes the estimates and assumptions to be reasonable under the circumstances. However, the effect on the financial statements of changes to such estimates and assumptions in future periods could be significant.



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2025

2. Significant accounting policies (continued)

(l) Related party transactions

The Corporation is related to all Government of Yukon departments, territorial corporations and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation. Significant transactions with related parties and balances at year-end are disclosed separately in the financial statements and notes thereto.

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions are recorded on a gross basis and are measured at the carrying amount, except for the following: when inter-entity transactions are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length, or where costs provided are recovered, they are measured at the exchange amount.

Related party transactions other than inter-entity transactions are recorded at the exchange amount.

The Corporation receives certain services provided by the Government of Yukon without charge (Note 15(b)).

(m) Financial instruments

The Corporation's financial instruments include cash, accounts receivable, due from/to the Government of Yukon, mortgages and loans receivable, accounts payable and accrued liabilities, long-term debt and advances from the Government of Yukon. The carrying value of cash, accounts receivable, accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these financial assets and liabilities.

The following is a list of the Corporation's financial instruments and their related measurement basis as at March 31, 2025.

Financial Assets	Measurement Basis
Cash	Cost
Accounts receivable	Cost
Due from the Government of Yukon	Cost
Mortgages and loans receivable	Amortized cost
Financial Liabilities	
Accounts payable and accrued liabilities	Cost
Due to the Government of Yukon	Cost
Advances - Government of Yukon	Cost
Long-term debt	Amortized cost

As all financial instruments are measured at cost or amortized cost, there have been no remeasurement gains or losses. Therefore, the Statement of Remeasurement Gains and Losses has been excluded from these financial statements. Financial instruments measured at amortized cost use the effective interest method.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the Statement of Operations and Accumulated Surplus.



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2025

3. Cash

	<u>2025</u>	<u>2024</u>
	(thousands of dollars)	
Cash		
Bank balances	\$ 19,650	\$ 25,971
Cash on hand	<u>3</u>	<u>3</u>
	<u>\$ 19,653</u>	<u>\$ 25,974</u>

During the year, the Corporation formally cancelled its overdraft facility (2024 - up to \$11,000,000, at bank prime less 0.85%) as the facility had not been utilized in current or previous fiscal year.



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2025

4. Accounts receivable

	2025	2024
	(thousands of dollars)	
Due from Canada Mortgage and Housing Corporation		
- National Housing Strategy Agreement	\$ 5,837	\$ 6,389
- Social Housing Agreement	185	201
Receivable from tenants	985	887
Other receivables	445	549
Less: Valuation allowance for receivable from tenants	(881)	(708)
Less: Valuation allowance for other receivables	(113)	(174)
	<u>\$ 6,458</u>	<u>\$ 7,144</u>

Valuation allowances for tenants and other receivables are calculated based on amounts greater than 90 days.

On April 1, 2018 the Corporation entered into an agreement with CMHC to access funding under the National Housing Strategy Agreement (NHS). Under this 10 year agreement and its subsequent amendments (2019/2020 to 2027/2028), CMHC agreed to contribute up to \$54,983,000 (various amounts each year) for project commitments made by the Corporation to increase access to housing, reduce housing need and achieve better housing solutions across the spectrum. Significant amendments include the addition of the Canada Housing Benefit and Canada Housing Benefit (Gender-Based Violence) Initiatives for a contribution of \$15,423,000 under the 10 year agreement. As at March 31, 2025 the amount receivable under the NHS is \$5,837,000 (2024 - \$6,389,000).

On August 14, 1998 the Corporation entered into an agreement with CMHC to access funding under the Social Housing Agreement (SHA). Under this 31 year agreement (1999/2000 to 2029/2030) CMHC agreed to contribute up to \$114,379,000 for the Corporation to assume full responsibility for the management of various public housing programs specified in the SHA. As at March 31, 2025 the amount receivable under the SHA is \$185,000 (2024 - \$201,000).



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2025

5. Mortgages and loans receivable

	Stated interest rates %	2025 (thousands of dollars)	2024
Mortgages receivable			
Home Ownership	0.00 - 6.08	\$ 16,417	\$ 20,009
Loans with terms up to five years, secured by registered charges against real property, repayable in blended weekly, bi-weekly or monthly payments at fixed rates of interest and with maturities up to 2030.			
Owner Build	3.89 - 5.98	3,421	4,029
Loans are advanced during the construction phase of a home for a maximum period of two years with interest of 1% below posted average five year rate of major banks. Repayment terms are up to five years, commencing upon completion of construction, secured by registered charges against real property with maturities up to 2030.			
Developer Build	0.00 - 5.60	5,583	3,268
Loans are advanced during the land and infrastructure development or construction phase of a home. Repayment terms are up to four years, commencing on the loan agreement date, secured by registered charges against real property with maturity up to 2027.			
Repair and Upgrade	0.00 - 8.20	749	947
Loans with terms up to 12 years, secured by registered charges against real property or chattel mortgages, repayable in blended weekly, bi-weekly or monthly payments at fixed rates of interest with maturities up to 2030.			
Flood Relief Initiative	0.00	165	181
Unsecured loans on residential properties to cover the costs of restoring, repairing and replacing items damaged by flooding. Maturities up to 2036.			



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2025

5. Mortgages and loans receivable (continued)

	Stated		
	interest rates	2025	2024
	%	(thousands of dollars)	
Housing Industry Loans	2.25 - 8.20	189	238
Loans with terms up to 25 years, secured by registered charges against real property or general security agreements, repayable in blended bi-weekly or monthly payments at fixed rates of interest with maturities up to 2029.			
Subtotal mortgages and loans receivable		26,524	28,672
Less: Discount for loans receivable with concessionary terms*		(655)	(769)
Less: Allowance for impaired loans		(114)	(176)
Net mortgages and loans receivable		25,755	27,727
Land sales agreements receivable	not applicable	-	14
Unsecured loans on residential, commercial and recreational lots, repayable in blended annual payments at fixed rates of interest.			
Total mortgages and loans receivable		\$ 25,755	\$ 27,741

*The total remaining principal \$5,761,000 (2024 - \$4,604,000) is for 11 loans (2024 - 12 loans).

These mortgages and loans receivable earn interest at the following weighted average rates:

	2025	2024
Mortgages receivable	3.71%	3.48%
Land sales agreements receivable	-	5.00%



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2025

6. Environmental liability

Changes in the environmental liability are as follows:

	2025	2024
	(thousands of dollars)	
Balance at beginning of year	\$ 754	\$ 579
Expenditures in current year relating to remediation	(1,054)	(185)
Revision of estimated remediation cost of existing sites	1,854	100
New sites assessed during fiscal year	-	260
Balance at end of year	<u>\$ 1,554</u>	<u>\$ 754</u>

As at March 31, 2025, the Corporation was aware of 5 sites (2024 – 5 sites) where the Corporation is obligated or is likely obligated to incur costs. During the year, remediation work was undertaken at one site (2024 – one site). Estimated remediation costs for existing sites have been revised based on a report prepared by an independent consultant.

During the year, the Corporation purchased a property in Whitehorse. An underground fuel tank has been identified during a Phase I environmental site assessment. The extent of the contamination cannot be reliably estimated; therefore, no environmental liability amount has been recorded in these financial statements.

Notable sites within the environmental liability include:

- In 2010, it was confirmed that approximately 20,000 liters of fuel oil spilled under two of the Corporation's properties in Dawson City. Remediation work for the spill was completed and estimated future costs of \$96,000 (2024 - \$96,000) are for ongoing water and soil monitoring. During the year, the Corporation identified new soil contamination on the same site during a construction project and estimated that the total cost to complete the new remediation work is \$1,648,000. The Corporation has incurred remediation costs of \$1,014,000 (2024 - nil). The estimated future costs are \$634,000 (2024 - \$260,000).
- In 2024, the Corporation removed some underground fuel tanks at its head office in Whitehorse and incurred remediation costs of \$185,000. The estimated future costs associated with additional field investigations, reporting and regulatory closure are \$251,000 (2024 - \$150,000).
- In 2015, a split fuel line occurred under a house owned by the Corporation in Dawson City. Approximately 800 liters of fuel leaked from the oil storage tank. The estimated future costs associated with this spill are \$129,000 (2024 - \$100,000).
- In 2010, a heating fuel release was identified under a residential property owned by the Corporation in Watson Lake. Accessible contaminated soil and water was recovered and disposed and residual soil contamination and groundwater is likely present. The estimated future costs associated with additional field investigations, reporting and regulatory closure are \$129,000 (2024 - \$93,000).
- In 2009, a diesel fuel release was identified under a residential property owned by the Corporation in Old Crow. Accessible contaminated soil was excavated and residual soil contamination is likely present. The estimated future costs associated with additional field investigations, reporting and regulatory closure are \$308,000 (2024 - \$8,000).



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2025

7. Deferred revenue

	2025	2024
	(thousands of dollars)	
Canada Mortgage and Housing Corporation (CMHC) funding		
- Northern Carve Out	\$ 11,529	\$ 17,798
- National Housing Strategy	1,483	2,404
- Rapid Housing Initiative #3	1,000	5,000
- National Housing Co-Investment Fund	750	-
- Yukon First Nations - Multi-unit Residential Building Workshop	3	114
- Investment in Affordable Housing	-	28
Unearned rent	331	349
	<u>\$ 15,096</u>	<u>\$ 25,693</u>

Northern Carve Out pertains to funds received from CMHC for the construction of at least 85 net new housing units. During the year, the Corporation recognized \$6,269,000 of the deferred balance into revenue as the Corporation satisfied the stipulations associated with the construction projects approved by CMHC. The Corporation expects that the remaining stipulations of the agreement will be met on or before the project substantial completion dates, in fiscal year 2028.

Rapid Housing Initiative #3 pertains to funds received from CMHC for the development of affordable multi-residential housing units. During the year, the Corporation recognized \$4,000,000 of the deferred balance into revenue as the Corporation satisfied the related stipulations. The Corporation expects that the remaining stipulations of the agreement will be met on or before the project completion date, in fiscal year 2026.

National Housing Strategy pertains to funds received under the multi-year National Housing Strategy Agreement (Note 4).

National Housing Co-Investment Fund pertains to funds received for repairing a minimum of 50 residential units. The Corporation expects that the stipulations of the agreement will be met on or before the project completion date, in fiscal year 2027.

Unearned rent relates to prepayments made by tenants for future months.



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2025

8. Long-term debt

	Stated interest rates %	2025 (thousands of dollars)	2024 (thousands of dollars)
Mortgages payable to CMHC (guaranteed by the Government of Yukon) Loan repayable in blended monthly payment at a fixed rate of interest and with maturity in fiscal year 2029, secured by fixed charge against a housing project with net book value of \$497,000 (2024 - \$527,000).	5.00	\$ 199	\$ 251
Loans payable to CMHC (guaranteed by the Government of Yukon) Unsecured loans repayable in blended periodic installments at fixed rates of interest to maturity and with maturities up to fiscal year 2029.	7.50 - 9.50	165	293
Loans payable to the Government of Yukon Repayable without interest in periodic instalments to fiscal year 2027.	0.00	8,150	8,400
Land sales agreements due to the Government of Yukon, unsecured Land sales agreements fully repaid during the year.	not applicable	-	14
Total long-term debt		<u>\$ 8,514</u>	<u>\$ 8,958</u>

The mortgages and loans payable to CMHC bear interest at the following weighted average interest rates:

	2025	2024
Mortgages payable to CMHC	5.00%	5.00%
Loans payable to CMHC	8.09%	7.98%

The loans payable to the Government of Yukon do not bear interest. The Corporation expects the loans payable to the Government of Yukon will be renewed upon maturity.

Principal repayments required over the next five years are as follows:

	Loans Payable			
	Mortgages Payable	CMHC	Government of Yukon	Total
	(thousands of dollars)			
2026	\$ 55	\$ 139	\$ 5,150	\$ 5,344
2027	58	11	3,000	3,069
2028	60	12	-	72
2029	26	3	-	29
2030	-	-	-	-
Thereafter	-	-	-	-
Total	<u>\$ 199</u>	<u>\$ 165</u>	<u>\$ 8,150</u>	<u>\$ 8,514</u>



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2025

9. Post-employment benefits

The Corporation provides post-employment benefits to its employees based on years of service and salary. These benefits consist of severance benefits and unused sick and vacation leave.

The actuarial obligation for sick and vacation leave and severance benefits is calculated using the projected benefit method prorated on service. Post-employment benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation. Benefits will be paid from future appropriations or other sources of revenue.

The results measured at March 31 are summarized as follows:

	2025	2024
	(thousands of dollars)	
Accrued benefit liability, beginning of year	\$ 2,230	\$ 2,497
Payment to (from) Government departments for staff transfers	332	(421)
Add: Post-employment benefits expenses		
Current service costs	186	187
Interest on accrued benefit liability	81	95
Amortization of net actuarial (gains) losses	(82)	(61)
Less: Benefits paid during the year	(142)	(67)
Accrued benefit liability, end of year	2,605	2,230
Unamortized net actuarial gain	(348)	(659)
Accrued benefit obligation, end of year	\$ 2,257	\$ 1,571

The significant actuarial assumptions were:

	2025	2024
Discount rate	3.50%	4.90%
Inflation	2.00%	2.00%
Expected average remaining service life of active employees	11.8 years	11.8 years
Seniority and Promotional Salary Increases - based on the annual rates from the Public Service Pension Plan	March 31, 2020 valuation report	

The most recent actuarial valuation made for these post-employment benefits was extrapolated to March 31, 2025 based on census data at December 31, 2022. The next required valuation with updated census would be as of March 31, 2026.

Included in the total accrued benefit obligation at March 31, 2025 are vacation leave of \$777,000 (2024 - \$445,000) and accumulated sick leave of \$457,000 (2024 - \$305,000).

The post-employment benefit expense for the financial year is \$185,000 (2024 - \$221,000).



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2025

10. Retirement benefits

Substantially all of the employees of the Corporation are covered by the Public Service Pension Plan (the Plan), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The general contribution effective at year end was \$1.01 (2024 - \$1.02) for every dollar contributed by the employee, and \$5.09 (2024 - \$4.63) for every dollar contributed by the employee for the portion of the employee's salary above \$210,200 (2024 - \$202,200). For new employees who are participating in the Plan on or after January 1, 2013, the Corporation contributes \$1.00 (2024 - \$1.00) for every dollar contributed by the employee, and \$5.09 (2024 - \$4.63) for every dollar contributed by the employee for the portion of the employee's salary above \$210,200 (2024 - \$202,200).

Contributions during the year were as follows:

	2025	2024
	(thousands of dollars)	
Employer's contribution	\$ 728	\$ 717
Employees' contribution	713	713

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of two percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada Pension Plan benefits and they are indexed to inflation.

11. Advances - Government of Yukon

Advances from the Government of Yukon represent a series of working capital advances by the Government of Yukon to the Corporation. These advances are repayable on demand and without interest.

	2025	2024
	(thousands of dollars)	
Balance at beginning of year	\$ 17,999	\$ 17,523
Cash advanced during the year	43,280	31,079
Operations and maintenance transfer payment	(9,020)	(9,391)
Capital transfer payment	(31,708)	(21,212)
	2,552	476
Balance at end of year	\$ 20,551	\$ 17,999

From time to time, the Corporation repays in substance by requesting less cash than what was approved in the operating and capital transfer payments from the Government of Yukon. As a result, this repayment and the corresponding portion of these transfer payments are non-cash transactions. During the year, the Corporation did not repay in substance any amount.



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2025

12. Tangible capital assets

			2025	2024
			(thousands of dollars)	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 5,989	\$ -	\$ 5,989	\$ 5,189
Social housing	184,119	61,298	122,821	103,438
Staff housing	23,168	16,365	6,803	7,423
Office building	2,071	1,802	269	316
Other facilities	679	561	118	73
Furnishings and equipment	4,308	2,693	1,615	1,894
Computer systems	295	295	-	-
(Schedule B)	<u>\$ 220,629</u>	<u>\$ 83,014</u>	<u>\$ 137,615</u>	<u>\$ 118,333</u>

On April 1, 2024, the Corporation reviewed the estimated useful lives of its building and mobile home assets recorded under social housing, staff housing and office building. As a result, the useful life of buildings and standard construction housing was increased from a range of 40 to 50 years to 60 years and the useful life of mobile home units was increased from a range of 20 to 30 years to 40 years to reflect the expected service potential. This change in estimate has been applied prospectively. The impact on the current year's amortization expense was a decrease of approximately \$1,400,000.

At March 31, 2025, there were construction projects in progress in the amount of \$10,269,000 (2024 - \$8,350,000). There was no interest incurred for the construction of tangible capital assets in the current year or previous year.

13. Rental and related client services income

	2025	2024
	(thousands of dollars)	
Rental income	\$ 8,701	\$ 8,003
Related client services income	649	523
	<u>\$ 9,350</u>	<u>\$ 8,526</u>



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2025

14. Expenses by object

	2025	2024
	(thousands of dollars)	
Transfer payments (Grants/Program advances)	\$ 21,642	\$ 15,111
Personnel, training and post-employment benefits	10,048	9,532
Materials, supplies and services	8,948	6,149
Repairs and maintenance	6,373	10,445
Amortization	3,464	4,810
Other	4,068	2,477
Communication and transportation	412	425
Accretion expense	404	299
Interest on long-term debt	29	38
	<u>\$ 55,388</u>	<u>\$ 49,286</u>

15. Related party transactions and balances

In addition to those related party transactions disclosed elsewhere in these financial statements (Notes 8, 11 and 17), the Corporation enters into the following transactions with related entities in the normal course of business.

(a) Due from (to) the Government of Yukon

	2025	2024
	(thousands of dollars)	
Accounts payable	\$ (1,350)	\$ (1,956)
Accounts receivable	511	103
Amount due re: Canada - Yukon Low Carbon Economy Fund	1,153	2,753
Less: Valuation allowance re: Canada - Yukon Low Carbon Economy Fund	(433)	-
Net amount due from (to) the Government of Yukon	<u>\$ (119)</u>	<u>\$ 900</u>

Receivables from the Government of Yukon are assessed on an individual basis and valuation allowance is calculated based on the expectation of collection.

(b) Other transactions

The value of administrative services provided by the Government of Yukon to the Corporation is estimated in 2025 to be \$47,000 (2024 - \$45,000). The value of territorial agent services provided by the Corporation to the Government of Yukon for 2025 is estimated to be \$175,000 (2024 - \$172,000). These services are provided without charge and not recorded in the financial statements.



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2025

15. Related party transactions and balances (continued)

The employees of the Corporation are paid by the Government of Yukon. The Corporation reimbursed the Government for personnel expenses (Note 14 and Schedule A) paid of \$10,943,000 during 2025 (2024 - \$10,171,000) which are recorded at the exchange amount.

In 2008, the Corporation entered into an agreement with the Government of Yukon for the use of a 48 unit seniors' social housing constructed as part of the Athletes' Village in Whitehorse. The Corporation is responsible for the operation and maintenance of the facility. The value of services provided without charge, relating to the use of this building by the Corporation, is estimated in 2025 to be \$502,000 (2024 - \$502,000) based on the Government of Yukon's amortization expense.

From time to time, the Corporation enters into arrangements with the Government of Yukon for the use of their buildings. The Government of Yukon uses the buildings to provide housing with supports and programming. The Corporation does not charge rent but instead charges the Government of Yukon for operation and maintenance costs. In 2025, the Corporation charged \$101,000 (2024 - \$62,000).

During 2025, the Corporation was charged \$626,000 (2024 - \$667,000) by the Government of Yukon for information technology support services, office rental, office supplies, computer software licensing, vehicle rental services and other upgrades. These charges are recorded at the exchange amount.

16. Contractual obligations and contingencies

	2025-2026	2026-2027	2027-2028	2029 and subsequent years
	(thousands of dollars)			
Outstanding contractual obligations to complete the funding of mortgages receivable at end of year	\$ 2,918	\$ -	\$ -	\$ -
Outstanding contractual obligations to complete agreements and contract commitments at end of year	38,150	20,595	1,316	23,493
Annual subsidies to private social housing organizations	363	363	363	151
	<u>\$ 41,431</u>	<u>\$ 20,958</u>	<u>\$ 1,679</u>	<u>\$ 23,644</u>

The outstanding contractual obligations include \$27,327,000 (2024- \$19,805,000) for the supportive services under a prepaid lease agreement (Note 19) as well as the lease of 16 units and related supportive services in a senior supporting living facility. These lease agreements expire in November 2042 and in July 2043 respectively. Key assumptions used in estimating the amount of the contractual obligation include the inflation rate of 2% (2024 - 2%) and an occupancy rate of 100% (2024 - 100%).

In the normal course of operations, the Corporation is subject to legal claims and possible claims. While the outcome of legal claims or possible claims is subject to future resolution, management's evaluation and analysis of such matters indicates that, individually or in the aggregate, the probable ultimate resolution of all legal claims and possible claims will not have a material financial impact on the Corporation's financial position, results of its operations or its cash flows.



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2025

16. Contractual obligations and contingencies (continued)

Pursuant to an agreement signed with CMHC in 1998, the Corporation is liable for a mortgage payable by the Whitehorse Housing Co-operative Association Limited (the Co-operative) in the event of a default. The mortgage matures on July 1, 2025 and the amount payable as at March 31, 2025 was \$149,000 (2024 - \$181,000). Subsequent to year-end, the Co-operative has started the mortgage renewal process. Management believes that the Corporation would be able to repay the mortgage in full through the sale of the Co-operative's assets which are made up of twelve single family dwellings (against which the mortgage is made) in the event of a default.

In 2022, the Corporation acted as an agent when it received \$5,000,000 from CMHC. If Safe At Home Society is unable to operate and maintain these housing units for 20 years, the Corporation, in consultation with CMHC, would need to determine an appropriate course of action to ensure the Corporation's adherence to any potential obligation arising from this flow through arrangement.

17. Contractual rights

The Corporation has contractual rights for the following payments subsequent to March 31, 2025:

	Expiry Date	2025-26	2027-2030	Total
		(thousands of dollars)		
CMHC Social Housing Agreement	2030	\$ 2,250	\$ 3,026	\$ 5,276
CMHC Bilateral Agreement				
CMHC Canada Housing Benefit (Gender-Based Violence)	2028	1,314	2,639	3,953
CMHC Northern Housing	2028	2,400	4,800	7,200
CMHC Canada Community Housing	2028	1,641	6,164	7,805
CMHC Yukon Priorities Housing	2027	762	432	1,194
CMHC Canada Housing Benefit	2028	1,328	2,825	4,153
Office space lease (Government of Yukon)	2027	96	96	192
		<u>\$ 9,791</u>	<u>\$ 19,982</u>	<u>\$ 29,773</u>

18. Bad debts write-offs

Section 14(4) of the *Financial Administration Act* of Yukon requires accounts written off during the fiscal year to be reported in the Public Accounts of Yukon. Bad debts written off during the current year and past four years are as follows:

Year	Amount
2025	\$ -
2024	207,334
2023	35,527
2022	190,534
2021	-



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2025

19. Prepaid expenses and inventories held for use

	2025	2024
	(thousands of dollars)	
Prepaid Expenses		
- Prepaid Lease	\$ 3,092	\$ 3,267
- Other	331	296
Inventories held for use	158	-
	<u>\$ 3,581</u>	<u>\$ 3,563</u>

During the year ended March 31, 2023, the Corporation prepaid \$3,500,000 to lease 10 units for the next twenty years in the Normandy Manor development project. The lease started in December 2022, when the building construction was completed, and expires in November 2042.

20. Asset retirement obligation

The Corporation owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. The asset retirement obligation accretion expense will be incurred over the estimated number of years to complete the retirement or remediation. Post-closure care is estimated to extend for up to a year post the closure of the building, while demolition and construction continues. Estimated undiscounted costs of \$17,604,000 (2024 - \$14,263,000) have been discounted to present value using a discount rate of 3.5% (2024 - 4.5%) per annum.

Changes to the asset retirement obligation in the year are as follows:

	2025	2024
	(thousands of dollars)	
Opening balance	\$ 8,992	\$ 9,962
Accretion expense	404	299
Liabilities incurred	24	-
Liabilities settled	-	(302)
Change in estimate	(463)	(967)
Closing balance	<u>\$ 8,957</u>	<u>\$ 8,992</u>



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2025

21. Financial instruments

The Corporation has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk. The following analysis provides a measurement of those risks as at March 31, 2025.

a) Credit Risk

Credit risk is the risk of a financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks mainly arise from certain financial assets held by the Corporation consisting of cash, accounts receivable, due from the Government of Yukon, and mortgages and loans receivable.

Cash

The Corporation's exposure to credit risk associated with cash is assessed as low because the Corporation's cash deposits are held by a reputable Canadian Chartered bank.

Accounts receivable and Due from the Government of Yukon

The Corporation's exposure to credit risk associated with accounts receivable particularly due from CMHC, Government of Yukon and other receivables is considered low as these receivables are due from federal, territorial and First Nation governments. The Corporation is also exposed to credit risk through CMHC indemnifications as in the event of a loan or contribution default, the Corporation is required to rectify the default or fully reimburse CMHC for approved and paid claims. The Corporation mitigates this risk by continuing operation and assuming the loan/contribution obligation.

The Corporation's exposure to credit risk associated with accounts receivable from tenants is assessed as high due to the transient nature of tenants. The Corporation mitigates this risk by keeping records of outstanding accounts where a returning tenant with outstanding account has to settle the amount owed to the Corporation before they are allowed to receive housing benefits.

Allowance for doubtful accounts are provided for potential losses that have been incurred at the reporting date. The amounts disclosed on the Statement of Financial Position are net of these allowances for doubtful accounts. All accounts are considered for impairment based on the type of customer revenue and historical repayment information.

The maximum exposure to credit risk for due from Government of Yukon and accounts receivables by type of customer is as follows:

	2025 (thousands of dollars)	2024 (thousands of dollars)
<u>Due from the Government of Yukon (Note 15(a))</u>	\$ -	\$ 900
Due from Canada Mortgage and Housing Corporation (Note 4)	6,022	6,590
Receivable from tenants (Note 4)	104	179
Other receivables (Note 4)	332	375
<u>Accounts Receivable</u>	<u>\$ 6,458</u>	<u>\$ 7,144</u>



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2025

21. Financial instruments (continued)

The Corporation's receivable has a carrying value of \$6,458,000 as at March 31, 2025 (2024 - \$7,144,000). As at March 31, 2025, approximately 1% (2024 - 1%) were over 90 days past due, whereas 99% (2024 - 97%) were current or less than 30 days past due.

Mortgages and loans receivable

The Corporation's exposure to credit risk associated with mortgages and loans receivable is considered low because these receivables are primarily secured by property, and other security instruments. Additionally, the amounts due from clients can be recovered through court imposed repossession of property.

The Corporation has a carrying value of \$25,755,000 as at March 31, 2025 (2024 - \$27,741,000). As at March 31, 2025, approximately 97% (2024 - 95%) were current or less than 30 days past due, whereas 2% (2024 - 3%) were over 90 days past due.

Allowance for impaired loans are provided for potential losses that have been incurred at the reporting date. The amounts disclosed on the Statement of Financial Position are net of these allowances for impaired loans. All accounts are considered for impairment based on the date of last payment and historical repayment information.

b) Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation's objective is to have sufficient liquidity to meet these liabilities when due. The Corporation monitors its cash balance and cash flows generated from operations to meet its liquidity requirements. Financing can be obtained through transfers from the Government of Yukon to mitigate this risk and also, the Corporation has the option to sell from its housing portfolio.

The liquidity risk arises from the financial liabilities consisting of accounts payable and accrued liabilities, due to the Government of Yukon, long-term debt and advances from the Government of Yukon. The Corporation's accounts payable and accrued liabilities had a carrying value of \$5,810,000 (2024 - \$7,770,000). As at March 31, 2025, approximately 94% (2024 - 98%) of accounts payable were current or less than 30 days past due.

The Corporation's due to Government of Yukon had a carrying value of \$119,000 (2024 - Nil). As at March 31, 2025, 100% of due to Government of Yukon were current or less than 30 days past due.

The Corporation's long-term debt has remaining undiscounted contractual cash flows of \$8,544,000 (2024 - \$9,005,000). The amount of principal to be repaid next fiscal year is \$5,344,000, which includes \$5,150,000 payable to the Government of Yukon. The Corporation is expecting that the loan payable to the Government of Yukon will be renewed upon maturity to mitigate the liquidity risk.

The Corporation's advances from the Government of Yukon had a carrying value of \$20,551,000 (2024 - \$17,999,000). This amount is payable immediately upon demand; however, management does not expect that the advances will be called in the near term.



Yukon Housing Corporation
Notes to the financial statements
for the year ended March 31, 2025

21. Financial instruments (continued)

c) Market Risk

Currency risk

Currency risk is the risk that the value of financial assets and liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates. The Corporation is not exposed to any significant interest rate risk because instruments are held in domestic currency.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Corporation is not exposed to any significant interest rate risk.

Long-term debt has interest rates fixed for long periods of time with the debt intended to be repaid in accordance with corresponding agreed to schedules. Impact of 1% increase in interest rates would add \$4,000 to the Corporation's deficit while a 1% decrease in interest rates would add \$4,000 to the Corporation's surplus.



Yukon Housing Corporation

Schedule of Program Costs, Corporate Services Costs and Administration Expenses
for the year ended March 31, 2025

Schedule A

	2025	2024
	(thousands of dollars)	
Social and staff housing operations		
Personnel	\$ 5,111	\$ 4,948
General maintenance	6,504	10,004
Utilities	4,263	3,714
Property taxes	1,352	1,337
Building services - in-kind (Note 15(b))	502	502
Bad debts - tenant receivable	97	152
Bad debts - other receivable	433	-
Housing program administration	283	172
Environmental expense	1,756	-
Accretion expense	404	299
Interest on long-term debt	28	38
Change in asset retirement obligation estimate	(67)	(573)
Write-down of / loss (gain) on disposal of tangible capital assets	-	75
	<u>\$ 20,666</u>	<u>\$ 20,668</u>
Lending and grant programs		
Affordable housing contributions	\$ 20,715	\$ 14,172
Personnel	499	583
Community partnering contributions	405	415
Bad debts - loans receivable	(62)	-
Program materials	1	1
	<u>\$ 21,558</u>	<u>\$ 15,171</u>
Corporate services		
Personnel	\$ 2,807	\$ 2,656
Information technology systems and support	466	468
Professional fees	80	397
	<u>\$ 3,353</u>	<u>\$ 3,521</u>
Administration		
Personnel, training and post-employment benefits	\$ 1,630	\$ 1,345
Environmental expense	101	-
Communications	182	181
Travel and transportation	230	244
Professional fees	211	35
Office space	196	168
Rentals - office and equipment	120	111
Office and sundry	123	155
Boards and committees	54	66
Program promotion	18	100
	<u>\$ 2,865</u>	<u>\$ 2,405</u>



Yukon Housing Corporation
Schedule of Tangible Capital Assets
for the year ended March 31, 2025

Schedule B

	Land	Social Housing	Staff Housing	Office Building	Other Facilities	Furnishings and Equipment	Computer Systems	2025 Total	2024 Total
	(thousands of dollars)								
Cost of tangible capital assets at beginning of year ¹	5,189	161,971	23,389	2,103	629	4,307	295	197,883	190,660
Acquisitions ¹	800	22,210	-	-	131	1	-	23,142	8,858
Change in ARO estimate	-	(62)	(221)	(32)	(81)	-	-	(396)	(394)
Write-downs	-	-	-	-	-	-	-	-	(75)
Disposals	-	-	-	-	-	-	-	-	(1,166)
Cost of tangible capital assets at end of year ¹	5,989	184,119	23,168	2,071	679	4,308	295	220,629	197,883
Accumulated amortization at beginning of year	-	58,533	15,966	1,787	556	2,413	295	79,550	75,906
Amortization	-	2,765	399	15	5	280	-	3,464	4,810
Disposals	-	-	-	-	-	-	-	-	(1,166)
Accumulated amortization at end of year	-	61,298	16,365	1,802	561	2,693	295	83,014	79,550
Net book value ¹	\$ 5,989	\$ 122,821	\$ 6,803	\$ 269	\$ 118	\$ 1,615	\$ -	\$ 137,615	\$ 118,333
Construction in progress	\$ -	\$ 10,269	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,269	\$ 8,350

¹ Includes construction in progress

YUKON LIQUOR CORPORATION

FINANCIAL STATEMENTS

March 31, 2025

(audited)

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

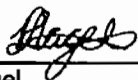
The management of the Yukon Liquor Corporation is responsible for establishing and maintaining a system of books, records, internal controls and management practices designed to provide reasonable assurance that reliable financial information is produced; the assets of the Corporation are safeguarded and controlled; the transactions of the Corporation are in accordance with the relevant legislation, regulations and by-laws of the Corporation; the resources of the Corporation are managed efficiently and economically; and the operations of the Corporation are carried out effectively.

Management is also responsible for the integrity and objectivity of the financial statements of the Corporation contained in this annual report. The financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), and include amounts based on management's best estimates as determined through experience and judgement. Other financial information included in the annual report is consistent with these financial statements.

These financial statements have been independently audited by the Corporation's external auditor, the Auditor General of Canada, and the audit report is included in this report.



Philippe Mollet
President



Luzelle Nagel
Chief Financial and Information Officer

July 23, 2025



INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Yukon Liquor Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Yukon Liquor Corporation (the Corporation), which comprise the statement of financial position as at 31 March 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 March 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the financial statements, we have audited transactions of the Yukon Liquor Corporation coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Financial Administration Act* of Yukon and regulations, the *Liquor Act* and regulations, the *Liquor Tax Act* and regulations, the *Cannabis Control and Regulation Act* and regulations, and the by-laws of the Yukon Liquor Corporation.


In our opinion, the transactions of the Yukon Liquor Corporation that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Liquor Act*, we report that, in our opinion, the accounting principles in IFRS Accounting Standards as issued by the IASB have been applied on a basis consistent with that of the preceding year. In addition, in our opinion, proper books of account have been kept by the Yukon Liquor Corporation and the financial statements are in agreement therewith.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Yukon Liquor Corporation's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Yukon Liquor Corporation to comply with the specified authorities.

Auditor's Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.

A handwritten signature in cursive script that reads "Lana Dar".

Lana Dar, CPA, CA
Principal
for the Auditor General of Canada


Vancouver, Canada
23 July 2025

YUKON LIQUOR CORPORATION
Statement of Financial Position
As at March 31
(Tabular amounts in thousands of Canadian dollars)

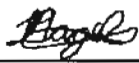
	2025	2024
ASSETS		
CURRENT		
Cash	\$ 3,021	\$ 2,217
Accounts receivable	30	41
Inventories (Note 5)	4,849	4,622
Prepaid expenses	59	1
	<u>7,959</u>	<u>6,881</u>
Property and equipment (Note 6)	1,501	1,616
Intangible assets (Note 7)	46	77
Right-of-use assets (Note 16)	778	289
	<u>778</u>	<u>289</u>
TOTAL ASSETS	\$ 10,284	\$ 8,863
LIABILITIES AND EQUITY		
CURRENT		
Accounts payable and accrued liabilities (Note 8)	\$ 2,576	\$ 1,841
Deferred revenue	102	103
Due to the Government of Yukon (Notes 9, 13)	2,834	2,537
Current portion of lease liabilities (Note 16)	242	276
Current portion of non-pension benefit liability (Note 10)	210	208
Deferred government grant	44	47
	<u>6,008</u>	<u>5,012</u>
Non-pension benefit liability (Note 10)	1,688	1,640
Lease liabilities (Note 16)	536	22
	<u>536</u>	<u>22</u>
TOTAL LIABILITIES	8,232	6,674
Equity (Note 12)	<u>2,052</u>	<u>2,189</u>
TOTAL LIABILITIES AND EQUITY	\$ 10,284	\$ 8,863

Commitments (Note 17)

APPROVED FOR ISSUE ON July 23, 2025



President



Chief Financial and Information Officer

The accompanying notes and schedule are an integral part of these financial statements

YUKON LIQUOR CORPORATION
Statement of Comprehensive Income
For the year ended March 31

(Tabular amounts in thousands of Canadian dollars)

	2025	2024
Revenue (Note 14)	\$ 53,493	\$ 53,676
Cost of goods sold (Note 14)	34,048	33,658
GROSS PROFIT	19,445	20,018
OTHER INCOME		
Miscellaneous	198	288
Fees, permits and licenses	161	148
Recoveries from related parties (Note 13)	80	143
Government grant	4	19
	443	598
EXPENSES		
Salaries, wages and benefits	8,852	8,606
Rent, utilities and maintenance	958	1,011
Bank charges and interest	767	711
Other operating expenses (Note 15)	763	652
Professional services	599	651
Depreciation of right-of-use assets (Note 16)	268	323
Depreciation of property and equipment	183	196
Amortization of intangible assets (Note 7)	23	33
Loss on disposal of property and equipment and intangible assets	8	21
Interest on lease liabilities	4	15
Bad debts	2	-
	12,427	12,219
INCOME FROM OPERATIONS	7,461	8,397
OTHER COMPREHENSIVE INCOME, NOT TO BE RECLASSIFIED SUBSEQUENTLY TO NET INCOME		
Actuarial gain (Note 10)	123	84
COMPREHENSIVE INCOME	\$ 7,584	\$ 8,481

The accompanying notes and schedule are an integral part of these financial statements

YUKON LIQUOR CORPORATION
Statement of Changes in Equity
For the year ended March 31
(Tabular amounts in thousands of Canadian dollars)

	2025	2024
EQUITY - BEGINNING OF YEAR	\$ 2,189	\$ 2,141
Income from operations before other comprehensive income	7,461	8,397
Other comprehensive income	123	84
Profit to be remitted to the Government of Yukon (<i>Note 12</i>)	<u>(7,721)</u>	<u>(8,433)</u>
EQUITY - END OF YEAR	<u>\$ 2,052</u>	<u>\$ 2,189</u>

The accompanying notes and schedule are an integral part of these financial statements

YUKON LIQUOR CORPORATION

Statement of Cash Flows

For the year ended March 31

(Tabular amounts in thousands of Canadian dollars)

	2025	2024
OPERATING ACTIVITIES		
Income from operations	\$ 7,461	\$ 8,397
Items not affecting cash:		
Depreciation of property and equipment	183	196
Depreciation of right-of-use assets	268	323
Amortization of intangible assets	23	33
Loss on disposal of property and equipment and intangible assets	8	21
Bad debts	2	-
	<u>7,945</u>	<u>8,970</u>
Changes in non-cash working capital:		
Accounts receivables, inventories and prepaid expenses	(274)	416
Accounts payables and other current liabilities	1,463	(425)
Non-pension benefit liability	48	30
	<u>1,237</u>	<u>21</u>
Cash flow from operating activities	<u>9,182</u>	<u>8,991</u>
INVESTING ACTIVITIES		
Purchases of property and equipment	(68)	(215)
Purchases of intangible assets	-	(33)
Cash flow used by investing activities	<u>(68)</u>	<u>(248)</u>
FINANCING ACTIVITIES		
Cannabis fund profit remitted to the Government of Yukon (Note 13)	(459)	(416)
Liquor fund profit remitted to the Government of Yukon (Note 13)	(7,574)	(7,719)
Principal payments of lease liabilities	(277)	(324)
Cash flow used by financing activities	<u>(8,310)</u>	<u>(8,459)</u>
INCREASE IN CASH	804	284
Cash - beginning of year	<u>2,217</u>	<u>1,933</u>
CASH - END OF YEAR*	<u>\$ 3,021</u>	<u>\$ 2,217</u>
SUPPLEMENTARY INFORMATION		
Interest received	\$ 186	\$ 234
Interest paid	\$ 4	\$ 15

*Cash, end of year is comprised of bank account balances maintained for liquor and for cannabis operations with end of year balances (in thousands of Canadian dollars) of \$2,106 (2024 - \$1,765) and \$915 (2024 - \$452) respectively.

The accompanying notes and schedule are an integral part of these financial statements

YUKON LIQUOR CORPORATION

Notes to Financial Statements

March 31, 2025

(Tabular amounts in thousands of Canadian dollars)

1. Authority and operations

Yukon Liquor Corporation (the Corporation) was established in 1977 under the *Liquor Act* by the Government of Yukon in Canada. The Corporation is a government entity and is significantly influenced by the Government of Yukon. As a government entity, the Corporation is exempt from income taxes under Section 149(1)(d) of the Canadian *Income Tax Act*.

The Corporation's registered office is 9031 Quartz Road, Whitehorse, Yukon, Canada Y1A 4P9.

Liquor Fund

The Corporation is responsible for the purchase, distribution and sale of liquor within Yukon, controlling the sale of liquor through licensed outlets and enforcing all matters related to the *Liquor Act*. The Corporation operates a central warehouse and distribution centre in Whitehorse and six liquor stores. The rural liquor stores also provide specific government services on behalf of the Government of Yukon (Note 13).

In accordance with the *Liquor Act*, the profit from liquor operations for the year, before depreciation and amortization, less amounts expended on capital (Note 12), is remitted to the Government of Yukon on a monthly basis.

The Corporation is required by the *Liquor Tax Act* to collect liquor taxes on behalf of the Government of Yukon and to remit these taxes on a monthly basis. The current rate is 12% (2024 - 12%) and is applied to selling prices of all liquor products.

In accordance with the provisions of the Beverage Container Regulations under the *Environment Act*, the Corporation collects various beverage container deposits and recycling surcharges on the sale of its products. These amounts are remitted to the Government of Yukon on a monthly basis.

Cannabis Fund

The Corporation is responsible for the purchase, distribution and sale of cannabis within Yukon through licensees. The *Cannabis Control and Regulation Act* received assent on April 24, 2018 and governs the distribution, retail, consumption, personal cultivation and possession of non-medical cannabis in Yukon. Through Order-in-Council 2024/29, the Corporation is designated as the distributor corporation, to act as the principal supplier of cannabis for sale in Yukon.

In accordance with the *Cannabis Control and Regulation Act*, the profit from cannabis operations for the year, before depreciation and amortization, less amounts expended on property and equipment, and on intangible assets, is remitted to the Government of Yukon on a monthly basis.

2. Basis of presentation

These financial statements have been prepared on a historical cost basis, except where otherwise indicated in the notes below, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). The statements are presented in Canadian dollars and are rounded to the nearest thousand (\$000) where indicated.

YUKON LIQUOR CORPORATION

Notes to Financial Statements

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(Tabular amounts in thousands of Canadian dollars)

3. Material accounting policy information

The material accounting policies summarized below have been applied to all periods presented in these financial statements.

Use of estimates

The preparation of financial statements in accordance with IFRS Accounting Standards as issued by the IASB requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Estimates are used when accounting for matters such as depreciation based on management's estimate of the useful lives of property and equipment, and the non-pension benefit liability based on the actuarial valuation. Actual results could differ materially from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Financial instruments

Financial assets

The Corporation's financial assets include cash and accounts receivable and are initially measured at fair value.

After initial recognition, cash is measured at amortized cost and accounts receivable are measured at amortized cost using the effective interest method, less a provision for impairment when applicable. Accounts receivable are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. For accounts receivable, the Corporation applies the simplified approach which requires expected lifetime losses to be recognized from initial recognition of the receivables. The accounts receivable carrying amount is reduced through the use of an allowance account and the loss is recognized in the statement of comprehensive income.

A financial asset is derecognized when the contractual rights to the cash flows from the asset have expired, or when the asset and all substantial risks and rewards are transferred.

Financial liabilities

The Corporation's financial liabilities include accounts payable and accrued liabilities, and due to the Government of Yukon which are initially measured at fair value.

After initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. A financial liability is derecognized when the obligation is discharged, cancelled, or expires.

The Corporation's financial liabilities includes lease liabilities.

Inventories

Inventories are comprised of alcoholic beverages and cannabis for resale and are valued at the lower of cost and net realizable value. Inventory costs are determined on a first-in, first-out basis. Cost is comprised of supplier-invoiced value and freight. Net realizable value represents the estimated selling price for inventories less the cost to sell.

(continues)

YUKON LIQUOR CORPORATION

Notes to Financial Statements

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(Tabular amounts in thousands of Canadian dollars)

3. Material accounting policy information (*continued*)

Property and equipment

Property and equipment are measured at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis and is based on the estimated useful lives of the assets as follows:

Land	Indefinite
Buildings	50 years
Leasehold improvements	5 years
Furniture and office equipment	5 years
Operating equipment	7 years
Heavy equipment	15 years
Systems equipment	5 years

The assets' residual values, estimated useful life and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within the statement of comprehensive income.

Assets are assessed for indications of impairment at each reporting date. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units), which are based on the Corporation's individual stores.

At each reporting date, assets are assessed for indications that prior impairment losses should be reversed. An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized. This reversal would be recognized immediately in the statement of comprehensive income.

Intangible assets

Intangible assets are comprised of purchased software and internally developed software systems. They are carried at cost less accumulated amortization and impairment losses. Amortization is recognized on a straight-line basis over the estimated useful lives of 3 to 5 years. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use. Gains or losses from de-recognition on an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the statement of comprehensive income.

(continues)

YUKON LIQUOR CORPORATION

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(Tabular amounts in thousands of Canadian dollars)

3. Material accounting policy information (*continued*)

Employee benefits

Pension benefits

Substantially all of the employees of the Corporation are covered by the public service pension plan (the Plan), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation to cover current service cost. Pursuant to legislation currently in place, the Corporation has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Corporation.

Non-pension benefits

Under their conditions of employment, employees may qualify for and earn employment benefits for vacation, sick, and special leave, as well as severance benefits. The benefit obligation is determined on an actuarial basis. The cost of these benefits are accrued as employees render the services required to earn them and are calculated using the projected benefit method pro-rated on service. Actuarial gains and losses are recognized immediately in other comprehensive income. Other retirement benefits include extended health care and life insurance for retirees, which are paid by the Government of Yukon and not accrued for or expensed by the Corporation.

Revenue recognition

Revenue is generated from sales to customers through wholesale and retail stores for liquor products as well as through wholesale for cannabis products. Revenue is recognized when the customer obtains control of the asset which is when the Corporation's performance obligations are satisfied. For retail transactions, this is at the point of sale and for wholesale transactions, this is at the time of shipment. Revenue does not include beverage container recycling fees which are remitted to the Government of Yukon in accordance with the Beverage Container Regulations under the *Environment Act*. Revenue also excludes liquor tax which is remitted to the Government of Yukon in accordance with the *Liquor Tax Act*.

License revenue is initially recognized as deferred revenue and recognized to revenue over the term of the related licence.

Sales of liquor and cannabis products include a right of return. A refund liability is recognized if it is expected that consideration will be refunded to customers. This liability is updated at the end of each reporting period for changes in circumstances. Revenue is stated net of estimated returns. Historically, the return rate for products sold is nominal.

Expense recognition

Expenses are recognized as incurred, on an accrual basis, in the period to which they relate.

(continues)

YUKON LIQUOR CORPORATION

Notes to Financial Statements

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(Tabular amounts in thousands of Canadian dollars)

3. Material accounting policy information (*continued*)

Leases

For any new contracts entered into, the Corporation considers whether a contract is, or contains a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration". To apply this definition the Corporation assesses whether the contract meets three key evaluations which are whether:

- (a) the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Corporation;
- (b) the Corporation has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- (c) the Corporation has the right to direct the use of the identified asset throughout the period of use. The Corporation assesses whether it has the right to direct "how and for what purpose" the asset is used throughout the period of use.

At lease commencement date, the Corporation recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is comprised of the initial measurement of the lease liability, any initial direct costs incurred, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Corporation depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Corporation also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Corporation measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Corporation's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

On the statement of financial position, right-of-use assets and lease liabilities have been disclosed separately.

The Corporation has elected to account for short-term leases (leases with an expected term of 12 months or less) and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

YUKON LIQUOR CORPORATION

Notes to Financial Statements

March 31, 2025

(Tabular amounts in thousands of Canadian dollars)

4. Financial instruments

The Corporation, through its financial assets and liabilities, is exposed to the following risks from its use of financial instruments: credit risk and liquidity risk. The Corporation manages these risk exposures on an ongoing basis. The Corporation has no significant exposure to interest rate risk or foreign exchange risk. The Corporation is not party to any derivative financial instruments. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant other price risks from its financial instruments. The following analysis provides information about the Corporation's risk exposure and concentration as of March 31, 2025.

Credit risk

Credit risk on financial instruments arises from the possibility that the issuer of a financial instrument fails to meet its obligation. The carrying amount of cash and accounts receivable represents the maximum credit risk exposure. The risk on cash is minimized as these assets are held with a Canadian chartered bank. The Corporation's accounts receivable has a carrying value of \$30,000 as of March 31, 2025 (2024 - \$41,000). There is a 43.5% (2024 - 24.8%) concentration of accounts receivable with one customer.

The following table provides information about the exposure to credit risk for trade accounts receivable by days the receivable is outstanding:

	2025	2024
Current	\$ 30	\$ 39
91 days or greater	-	2
Total trade accounts receivable	<u>\$ 30</u>	<u>\$ 41</u>

The Corporation measures the loss allowance at an amount equal to the lifetime Expected Credit Loss (ECL) for its accounts receivable. For the years ended March 31, 2025 and 2024, the Corporation has estimated the ECL to be nominal. Accounts written off could still be subject to enforcement activities. As at March 31, 2025 and 2024, the loss allowance was nil. During the year, the Corporation wrote off \$2,000 (2024 - \$nil) of trade receivables.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation's objective is to have sufficient liquidity to meet these liabilities when due. The Corporation monitors its cash balances and cash flows generated from operations to meet its requirements by regularly checking bank balances and accounts payable reports. The carrying amount of accounts payable and accrued liabilities and due to the Government of Yukon represents the maximum exposure to liquidity risk.

The Corporation's accounts payable and accrued liabilities had a carrying value of \$2,576,000 as at March 31, 2025 (2024 - \$1,841,000). As at March 31, 2025, approximately 0.85% (2024 - 1.31%) of accounts payable were over 90 days past due. Due to the Government of Yukon had a carrying value of \$2,834,000 as of March 31, 2025 (2024 - \$2,537,000). As at March 31, 2025, 0% (2024 - 0%) of due to the Government of Yukon were over 90 days past due.

YUKON LIQUOR CORPORATION

Notes to Financial Statements

March 31, 2025

(Tabular amounts in thousands of Canadian dollars)

5. Inventories

	2025	2024 (Note 18)
Liquor - Retail Stores	\$ 1,214	\$ 1,401
Liquor - Warehouse	2,811	2,390
Cannabis - Warehouse	824	831
	\$ 4,849	\$ 4,622

6. Property and equipment

	Cost	Accumulated depreciation	2025 Net book value	2024 Net book value
Land	\$ 202	\$ -	\$ 202	\$ 202
Buildings	5,524	4,757	767	786
Leasehold improvements	430	393	37	49
Furniture and office equipment	1,033	980	53	80
Operating equipment	526	381	145	168
Heavy equipment	570	370	200	222
Systems equipment	786	689	97	109
Schedule 1	\$ 9,071	\$ 7,570	\$ 1,501	\$ 1,616

At March 31, 2025 there was work-in-progress of \$nil (2024 - \$26,000) included in the cost of operating equipment.

7. Intangible assets

	2025	2024
Systems development cost	\$ 585	\$ 605
System development accumulated amortization	(539)	(528)
	\$ 46	\$ 77

Additions for the year amounted to \$nil (2024 - \$33,000). Amortization for the year amounted to \$23,000 (2024 - \$33,000).

At March 31, 2025, intangible assets no longer in use were retired with a cost of \$20,000 (2024 - \$nil), and a net book value of \$8,000 (2024 - \$nil).

8. Accounts payable and accrued liabilities

	2025	2024
Trade payable	\$ 2,049	\$ 1,603
Accrued liabilities	527	238
	\$ 2,576	\$ 1,841

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9. Due to the Government of Yukon

	2025	2024
Reimbursement for payroll and other costs paid on behalf of the Corporation	\$ 1,842	\$ 1,167
Remittances due to the Government of Yukon pursuant to:		
<i>Liquor Act</i> (Note 13)	354	775
<i>Cannabis Control and Regulation Act</i> (Note 13)	177	68
<i>Liquor Tax Act</i> (Note 13)	369	417
<i>Environment Act</i> (Note 13)	92	110
	<u>\$ 2,834</u>	<u>\$ 2,537</u>

10. Employee benefits

Pension plan

Substantially all of the employees of the Corporation are covered by the public service pension plan (the Plan), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The general contribution rate effective at year end was \$1.01 (2024 - \$1.02) for every dollar contributed by the employee, and \$5.09 (2024 - \$4.63) for every dollar contributed by the employee for the portion of the employee's salary above \$210,200 (2024 - \$202,000). For new employees who are participating in the Plan on or after January 1, 2013, the Corporation contributes \$1.00 (2024 - \$1.00) for every dollar contributed by the employee, and \$5.09 (2024 - \$4.63) for every dollar contributed by the employee for the portion of the employee's salary above \$210,200 (2024 - \$202,000). Total contributions to the Plan of \$1,081,829 (2024 - \$1,133,446) were recognized in salaries, wages and benefits; of which \$531,833 (2024 - \$565,064) were contributed by employees and \$549,996 (2024 - \$568,382) by the employer.

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of two percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

Non-pension benefits

The Corporation provides non-pension benefits to its employees based on years of service and final salary. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation.

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

(continues)

YUKON LIQUOR CORPORATION

Notes to Financial Statements

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(Tabular amounts in thousands of Canadian dollars)

10. Employee benefits (*continued*)

The discount rate used to determine the present value of the non-pension accrued benefit obligation is based on interest rates of high-quality corporate bonds of the same currency and with similar terms to maturity.

The following table summarizes non-pension benefits by type:

	2025	2024
Severance benefit	\$ 912	\$ 908
Vacation and special leave	670	644
Sick leave	316	296
Accrued benefit obligation, end of year	\$ 1,898	\$ 1,848

The results measured at March 31 are summarized as follows:

	2025	2024
<u>Reconciliation of accrued benefit obligation</u>		
Accrued benefit obligation, beginning of year	\$ 1,848	\$ 1,883
Components recognized in salaries, wages and benefits		
Current service cost	173	173
Past service cost	(54)	(13)
Interest cost on accrued benefit obligation	94	92
Actuarial gain recognized in other comprehensive income	(123)	(84)
Benefits paid	(40)	(203)
Accrued benefit obligation, end of year	\$ 1,898	\$ 1,848

	2025	2024
<u>Classification of accrued benefit obligation</u>		
Current portion of non-pension benefit liability	\$ 210	\$ 208
Non-pension benefit liability	1,688	1,640
Total accrued benefit obligation	\$ 1,898	\$ 1,848

(continues)

YUKON LIQUOR CORPORATION

Notes to Financial Statements

March 31, 2025

(Tabular amounts in thousands of Canadian dollars)

10. Employee benefits (*continued*)

	2025	2024
<u>Reconciliation of actuarial gains recognized in Other Comprehensive Income (OCI)</u>		
Cumulative actuarial gain recognized in OCI, beginning of year	\$ (474)	\$ (390)
Actuarial (gain) loss from member experiences	(168)	(70)
Actuarial (gain) loss from economic assumption changes	45	(14)
Cumulative actuarial gain recognized in OCI, end of year	<u>\$ (597)</u>	<u>\$ (474)</u>

The significant assumptions used in the actuarial valuation of the obligation were as follows:

	2025	2024
Discount rate	4.60%	4.90%
Salary escalation rate per annum	2.00%	2.00%

A quantitative sensitivity analysis as at March 31, 2025 shows the impact of the change in the significant actuarial assumptions on the non-pension benefit obligation:

	1% increase	1% decrease
Discount rate	\$ (140)	\$ 158
Salary escalation rate per annum	195	(174)

The most recent full actuarial valuation in respect of the non-pension benefits plan was prepared as of December 31, 2022 and extrapolated to March 31, 2025. The weighted average of the maturity plan as at March 31, 2025 is 7.9 years.

11. Capital management

The Corporation manages its capital in order to purchase a range of liquor and cannabis products and make them available to consumers, and to regulate the sale and consumption of these products, while optimizing the net proceeds to the Government of Yukon realized from the sale and control of liquor and cannabis.

The Corporation defines capital as net assets. It is subject to the financial management and accountability provisions of the *Financial Administration Act* of Yukon, the *Corporate Governance Act*, the *Liquor Act*, and the *Cannabis Control and Regulation Act*, which specifies that net assets of the Corporation are the property of the Government of Yukon.

The Corporation manages its net assets through its five year capital plan and as a by-product of managing revenues, expenses, assets, liabilities and general financial dealings to ensure that its objectives are achieved effectively. The five year capital plan and revenue projections are approved annually by the Management Board of the Government of Yukon. The Corporation is required to provide regular variance reporting to the Government of Yukon.

The Corporation is not subject to external capital requirements. There has been no change to its capital management during the year.

YUKON LIQUOR CORPORATION

Notes to Financial Statements

March 31, 2025

(Tabular amounts in thousands of Canadian dollars)

12. Equity

The following table summarizes the composition of equity as at year-end:

	2025	2024
Property and equipment	\$ 1,501	\$ 1,616
Intangible assets	46	77
Right-of-use assets	778	289
Lease liabilities	(778)	(298)
Section 12.3(b) adjustment ⁽¹⁾	505	505
	\$ 2,052	\$ 2,189

⁽¹⁾ Under Section 12.3(b) of the *Cannabis Control and Regulation Act* remittance of profit to the Government of Yukon for the year ended March 31, 2019 was reduced.

The change in equity is comprised of comprehensive income for the year less profit to be remitted to the Government of Yukon. In accordance with the *Liquor Act* and the *Cannabis Control and Regulation Act* the Corporation remits adjusted profits to the Government of Yukon. The calculation of the adjusted profit due to the Government of Yukon for the year is as follows:

	<i>Liquor Act</i>	<i>Cannabis Control and Regulation Act</i>	2025 Total
Comprehensive income for the year	\$ 7,029	\$ 555	\$ 7,584
Depreciation of property and equipment	177	6	183
Amortization of intangible assets	21	2	23
Additions to property and equipment	(68)	-	(68)
Loss on disposal of intangible assets	3	5	8
Depreciation of right-of-use assets	268	-	268
Principal repayments of lease liabilities	(277)	-	(277)
Current year's profit to be remitted (Note 13)	\$ 7,153	\$ 568	\$ 7,721

	<i>Liquor Act</i>	<i>Cannabis Control and Regulation Act</i>	2024 Total
Comprehensive income for the year	\$ 8,114	\$ 367	\$8,481
Depreciation of property and equipment	179	17	196
Amortization of intangible assets	24	9	33
Additions to property and equipment	(240)	(24)	(264)
Additions to intangible assets	(33)	-	(33)
Loss on disposals of property and equipment	21	-	21
Depreciation of right-of-use assets	323	-	323
Principal repayments of lease liabilities	(324)	-	(324)
Profit to be remitted for the year (Note 13)	\$ 8,064	\$ 369	\$ 8,433

YUKON LIQUOR CORPORATION

Notes to Financial Statements

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(Tabular amounts in thousands of Canadian dollars)

13. Related party balances and transactions

Amount due to the Government of Yukon pursuant to the Liquor Act

	2025	2024
Current year's profit to be remitted (Note 12)	\$ 7,153	\$ 8,064
Balance due at the beginning of the year	775	430
Less: remitted during the year	(7,574)	(7,719)
Due to the Government of Yukon at the end of the year	\$ 354	\$ 775

Amount due to the Government of Yukon pursuant to the Cannabis Control and Regulation Act

	2025	2024
Current year's profit to be remitted (Note 12)	\$ 568	\$ 369
Balance due at the beginning of the year	68	115
Less: remitted during the year	(459)	(416)
Due to the Government of Yukon at the end of the year	\$ 177	\$ 68

Amount due to the Government of Yukon pursuant to the Liquor Tax Act

	2025	2024
Balance due at the beginning of the year	\$ 417	\$ 402
Liquor tax collected during the year	5,146	5,314
Less: remitted during the year	(5,194)	(5,299)
Due to the Government of Yukon at the end of the year	\$ 369	\$ 417

Amount due to the Government of Yukon pursuant to the Beverage Container Regulations under the Environment Act

	2025	2024
Bottle deposits collected	\$ 717	\$ 787
Environment fees collected	595	613
Other claims and fees	1	1
Less: remitted during the year	(1,221)	(1,291)
Due to the Government of Yukon at the end of the year	\$ 92	\$ 110

(continues)

YUKON LIQUOR CORPORATION

Notes to Financial Statements

March 31, 2025

(Tabular amounts in thousands of Canadian dollars)

13. Related party balances and transactions (continued)

Transactions with the Government of Yukon without compensation

The Government of Yukon and the Corporation provide services to each other without compensation. These transactions are not recorded in the financial statements of the Corporation.

The Government of Yukon provides rent-free occupation of certain government buildings and land to the Corporation with an estimated value of \$1,010,000 (2024 - \$1,017,000). The Government of Yukon also provides mail services with an estimated value of \$12,670 (2024 - \$31,661).

The Corporation provides Territorial Agent services in rural community liquor stores on behalf of the Government of Yukon with an estimated value of \$730,000 (2024 - \$898,000).

The Corporation reimburses the Government of Yukon on a monthly basis for salaries and benefits expense paid on its behalf and administered by the Government of Yukon. During the year, other retirement benefits paid to retired Corporation employees by the Government of Yukon without compensation totalled \$32,188 (2024 - \$21,387).

Agreements with related parties

The Corporation has lease agreements for the Haines Junction and Mayo community liquor stores and service level agreements for the three owned community liquor stores. During the year the payments totalled \$292,000 (2024 - \$286,000) to the Government of Yukon for these agreements.

The Government of Yukon provides certain property management services to the Corporation. During the year the Corporation was charged \$nil (2024 - \$4,000) for work done on its properties.

The Corporation has service agreements with the Government of Yukon for the provision of information, communication and technology services. During the year the Corporation was charged \$227,000 (2024 - \$262,000) for these services.

The Corporation has service agreements with the Government of Yukon for the provision of human resources' services. During the year the Corporation was charged \$263,000 (2024 - \$263,000) for these services.

The Corporation had personnel sharing arrangements with certain related parties during the year. Recoveries for compensation paid to personnel on behalf of these related parties were \$80,000 (2024 - \$143,000).

Key management compensation

The remuneration of key management personnel, which includes the members of the executive committee, recognized as an expense during the period was:

	2025	2024
Salaries and short-term employee benefits	\$ 1,051	\$ 1,002
Post-employment benefits	212	168
Other long-term employee benefits	76	26
	<u>\$ 1,339</u>	<u>\$ 1,196</u>

YUKON LIQUOR CORPORATION

Notes to Financial Statements

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(Tabular amounts in thousands of Canadian dollars)

14. Gross profit

	2025	2024 (Note 18)
Revenue		
Liquor - Retail Stores	\$ 21,627	\$ 23,268
Liquor - Warehouse	21,445	21,210
Cannabis - Warehouse	10,421	9,198
	<u>53,493</u>	<u>53,676</u>
Cost of goods sold		
Liquor - Retail Stores	10,646	11,284
Liquor - Warehouse	15,148	14,969
Cannabis - Warehouse	8,254	7,405
	<u>34,048</u>	<u>33,658</u>
Gross profit		
Liquor - Retail Stores	10,981	11,984
Liquor - Warehouse	6,297	6,241
Cannabis - Warehouse	2,167	1,793
	<u>19,445</u>	<u>20,018</u>
Total Gross profit	\$ 19,445	\$ 20,018

15. Other operating expenses

	2025	2024
Computer systems and telecommunications	\$ 256	\$ 144
Program materials and supplies	123	162
Other expenses	104	62
Contributions	103	29
Office supplies	96	166
Travel and training	81	89
	<u>763</u>	<u>652</u>
	\$ 763	\$ 652

16. Leases

The Corporation has leases that relate to the Whitehorse, Haines Junction, and Mayo liquor stores with lease terms from 1 year up to 3 years. The Corporation does not have an option to purchase the buildings at the expiry of the lease periods. The Haines Junction and Mayo lease agreements are short-term leases and therefore no right-of-use assets and no lease liabilities are recognized. The Corporation has arrangements with the Government of Yukon that allow the Corporation to lease the warehouse in Whitehorse and the Dawson liquor store land for no compensation (Note 13). Because there is no compensation for the use of the building and land, no right-of-use asset and no lease liability are recognized.

(continues)

YUKON LIQUOR CORPORATION

Notes to Financial Statements

March 31, 2025

(Tabular amounts in thousands of Canadian dollars)

16. Leases (continued)

Each lease generally imposes a restriction that, unless there is a contractual right for the Corporation to sublet the asset to another party, the right-of-use asset can only be used by the Corporation. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Corporation is prohibited from selling or pledging the underlying leased assets as security.

The table below describes the nature of the Corporation's leasing activities by type of right-of-use assets recognized on the Statement of Financial Position.

Right-of-use asset	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension options	No. of leases with options to purchase	No. of leases with variable payments linked to an index	No. of leases with termination options
Retail stores	1	36 months	36 months	0	0	0	0
				2025		2024	
<u>Right-of-use assets: Land and buildings</u>							
Opening balance				\$ 289		\$ 612	
Depreciation				(268)		(323)	
Effect of modifications to lease terms				757		-	
Carrying amount				\$ 778		\$ 289	
				2025		2024	
<u>Lease liabilities</u>							
Opening balance				\$ 298		\$ 622	
Interest on lease liabilities				4		15	
Effect of modifications to lease terms				757		-	
Lease payments				(281)		(339)	
Lease liabilities at March 31				778		298	
Less: current portion				(242)		(276)	
Non-current portion				\$ 536		\$ 22	
				2025		2024	
<u>Maturity analysis</u>							
Less than one year				\$ 275		\$ 281	
One to five years				558		22	
Total cash outflow for lease liabilities				\$ 833		\$ 303	
				2025		2024	
<u>Amounts recognized in the Statement of Comprehensive Income</u>							
Expense relating to short-term leases				\$ 141		\$ 71	

YUKON LIQUOR CORPORATION

Notes to Financial Statements

March 31, 2025

(Tabular amounts in thousands of Canadian dollars)

17. Commitments

In the normal course of operations, the Corporation enters into multi-year agreements for the provision of freight and other goods and services. The total of these commitments as at March 31, 2025 for future years is \$6,927,407 (March 31, 2024 - \$10,602,078).

Included in these commitments is \$nil (2024 - \$25,535) for the acquisition of property and equipment.

18. Comparative figures

During the year, the Corporation changed the presentation of last year's note disclosures relating to inventories (Note 5), revenue (Note 14), and cost of goods sold (Note 14) to better reflect the source of these items and industry standards.

For inventories:

In the prior year, liquor inventories were disclosed by product type: beer (\$1,184,000), spirits (\$1,523,000), and wine (\$1,084,000), totaling \$3,791,000. In the current year, liquor inventories are disclosed by: Liquor - Retail stores (\$1,401,000) and Liquor - Warehouse (\$2,390,000), totaling \$3,791,000.

Cannabis inventories in the prior year were disclosed by product type: dried cannabis (\$411,000), extracts (\$327,000), and edibles and others (\$93,000), totaling \$831,000. In the current year, cannabis inventory is disclosed as Cannabis - Warehouse, totaling \$831,000.

For revenue:

In the prior year, liquor revenue was disclosed by product type: beer (\$17,757,000), spirits (\$18,193,000), and wine (\$8,528,000), totaling \$44,478,000. In the current year, liquor revenue is disclosed by: Liquor - Retail (\$23,268,000) and Liquor - Warehouse (\$21,210,000), totaling \$44,478,000.

Cannabis revenue in the prior year was disclosed by product type: dried cannabis (\$5,487,000), extracts (\$3,059,000), and edibles and others (\$652,000), totaling \$9,198,000. In the current year, cannabis revenue is disclosed as Cannabis - Warehouse, totaling \$9,198,000.

For cost of goods sold:

In the prior year, liquor cost of goods sold was disclosed by product type: beer (\$12,707,000), spirits (\$9,017,000), and wine (\$4,529,000), totaling \$26,253,000. In the current year, it is disclosed by: Liquor - Retail (\$11,284,000) and Liquor - Warehouse (\$14,969,000), totaling \$26,253,000.

Cannabis cost of goods sold in the prior year was disclosed by product type: dried cannabis (\$4,411,000), extracts (\$2,473,000), and edibles and others (\$521,000), totaling \$7,405,000. In the current year, cannabis cost of goods sold is disclosed as Cannabis - Warehouse, totaling \$7,405,000.

During the year, the Corporation changed the presentation of last year's note disclosures relating to leased right-of-use assets (note 16) to disclose the movements during the year and carrying amount (\$289,000) rather than the cost (\$1,117,000) and accumulated depreciation (\$828,000).

YUKON LIQUOR CORPORATION

Schedule of Property and Equipment

(Schedule 1)

For the year ended March 31

(Tabular amounts in thousands of Canadian dollars)

	Land	Buildings	Leasehold improvements	Furniture and office equipment	Operating equipment	Heavy equipment	Systems equipment	2025 Total	2024 Total
Cost, beginning of year	\$ 202	\$ 5,524	\$ 430	\$ 1,028	\$ 502	\$ 555	\$ 762	\$ 9,003	\$ 8,783
Acquisitions	-	-	-	5	24	15	24	68	264
Disposals	-	-	-	-	-	-	-	-	(44)
Cost, end of year	\$ 202	\$ 5,524	\$ 430	\$ 1,033	\$ 526	\$ 570	\$ 786	\$ 9,071	\$ 9,003
Accumulated depreciation, beginning of year	\$ -	\$ 4,738	\$ 381	\$ 948	\$ 334	\$ 333	\$ 653	\$ 7,387	\$ 7,214
Depreciation	-	19	12	32	47	37	36	183	196
Disposals	-	-	-	-	-	-	-	-	(23)
Accumulated depreciation, end of year	\$ -	\$ 4,757	\$ 393	\$ 980	\$ 381	\$ 370	\$ 689	\$ 7,570	\$ 7,387
Net book value	\$ 202	\$ 767	\$ 37	\$ 53	\$ 145	\$ 200	\$ 97	\$ 1,501	\$ 1,616

The accompanying notes and schedule are an integral part of these financial statements

YUKON UNIVERSITY
FINANCIAL STATEMENTS
March 31, 2025
(audited)

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Management's Responsibility for Financial Reporting

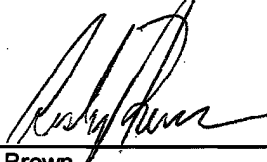
The consolidated financial statements are the responsibility of management and the Board of Governors of the Yukon University (the University). The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards with Section 4200 series for government not-for-profit organizations. The consolidated financial statements include estimates based on the experience and judgment of management.

Management is responsible for maintaining the books of account, financial and management controls, and information systems, together with management practices designed to provide reasonable assurance that reliable and accurate financial information is available on a timely basis, that assets are safeguarded and controlled, that resources are managed economically and efficiently in the attainment of University objectives and that operations are carried out effectively.

Management is also responsible for designing systems and practices to provide reasonable assurance that transactions are in accordance with the *Yukon University Act*, bylaws, and policies of the University.

The Board of Governors (the Board) is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board meets on a periodic basis with management and the external auditor to review the scope and results of the annual audit, and to review the consolidated financial statements and related financial reporting matters. The Board of Governors has reviewed and approved the consolidated financial statements.

These consolidated financial statements have been independently audited by the University's auditor, the Auditor General of Canada, and her report is included herein.



Dr. Lesley Brown
President



Andrea McIntyre, CPA, CA
Vice President Finance and Administration

September 26, 2025



INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of Yukon University

Opinion

We have audited the consolidated financial statements of Yukon University and its controlled entity (the Group), which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of operations, consolidated statement of changes in net assets, consolidated statement of remeasurement gains and losses, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2025, and the consolidated results of its operations, its consolidated remeasurement gains and losses, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists,

we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Lana Dar, CPA, CA
Principal
for the Auditor General of Canada

Vancouver, Canada
26 September 2025

YUKON UNIVERSITY
Consolidated Statement of Financial Position
As at March 31

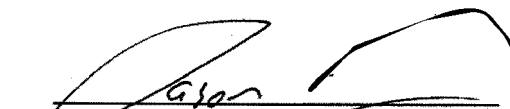
	2025	2024
ASSETS		
CURRENT		
Cash	\$ 37,149,798	\$ 21,045,784
Accounts receivable (Note 3)	3,320,511	5,350,844
Inventories	161,995	189,713
Prepaid expenses	861,434	929,371
Total Current Assets	<u>41,493,738</u>	<u>27,515,712</u>
NON-CURRENT		
Investments (Note 5)	7,406,608	6,826,160
Accrued pension benefit asset (Note 6a)	37,914,800	33,902,900
Capital assets (Note 7)	12,236,078	11,659,591
Total Non-current Assets	<u>57,557,486</u>	<u>52,388,651</u>
TOTAL ASSETS	<u>\$ 99,051,224</u>	<u>\$ 79,904,363</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 8)	\$ 4,892,375	\$ 6,940,210
Deferred revenue (Note 9)	505,487	759,957
Deferred contributions (Note 10)	11,039,234	10,125,543
Vacation leave and employee future benefits (Note 11)	2,564,404	3,477,552
Loan payable (Note 12)	-	966,431
Total Current Liabilities	<u>19,001,500</u>	<u>22,269,693</u>
NON-CURRENT		
Deferred capital contributions	24,275,249	7,741,201
Other employee future benefits (Note 6b)	7,947,510	6,846,510
Total Non-current Liabilities	<u>32,222,759</u>	<u>14,587,711</u>
	<u>51,224,259</u>	<u>36,857,404</u>
NET ASSETS		
Unrestricted	(506,308)	(1,542,726)
Invested in capital assets	3,505,429	3,918,390
Externally restricted for endowments (Note 14)	5,694,008	5,117,345
Internally restricted for pension	37,914,800	33,902,900
Internally restricted for capital assets	1,883,555	1,801,183
	<u>48,491,484</u>	<u>43,197,092</u>
Accumulated remeasurement losses	(664,519)	(150,133)
	<u>47,826,965</u>	<u>43,046,959</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 99,051,224</u>	<u>\$ 79,904,363</u>

Contractual rights, Contractual obligations and Contingencies (Notes 19, 20, 21)

The accompanying notes are an integral part of the consolidated financial statements.

ON BEHALF OF THE BOARD


Chair


Member

YUKON UNIVERSITY
Consolidated Statement of Operations
For the year ended March 31

	2025	2024
REVENUES		
Government of Yukon contributions (Note 16)	\$ 40,580,695	\$ 39,368,916
Other contributions (Note 10)	11,754,997	10,989,216
Contracts (Note 9)	2,970,943	4,330,677
Tuition (Note 9)	3,436,694	2,860,142
Sales, rental and services	1,469,099	1,432,615
Interest income	1,086,130	1,030,337
Miscellaneous income (Note 17)	887,736	1,304,992
Fundraising and donations revenue	233,412	259,577
Amortization of deferred capital contributions	495,284	475,912
	<u>62,914,990</u>	<u>62,052,384</u>
EXPENSES (Note 15)		
Direct instruction	16,651,406	18,374,335
Direct instructional support	10,176,160	11,551,335
General administration	11,279,783	8,506,111
Research	8,466,673	8,278,265
Service received without charge (Note 15)	5,623,326	5,222,276
Facility services and utilities	2,881,066	2,444,984
Amortization of capital assets	1,553,661	1,429,976
Cost of sales	1,341,490	1,370,589
Student assistance/scholarships	155,109	259,577
Miscellaneous	68,587	56,127
	<u>58,197,261</u>	<u>57,493,575</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 4,717,729</u>	<u>\$ 4,558,809</u>

The accompanying notes are an integral part of the consolidated financial statements.

YUKON UNIVERSITY
Consolidated Statement of Changes in Net Assets
For the year ended March 31

	Unrestricted	Invested in Capital Assets	Externally Restricted for Endowments	Internally Restricted for Pension	Internally Restricted for Capital Assets	Accumulated Remeasurement Losses	2025	2024
NET ASSETS - BEGINNING OF YEAR	\$ (1,542,726)	\$ 3,918,390	\$ 5,117,345	\$ 33,902,900	\$ 1,801,183	\$ (150,133)	\$ 43,046,959	\$ 37,827,899
Excess of revenues over expenses	623,457	-	-	4,011,900	82,372	-	4,717,729	4,558,809
Capital assets acquired net of disposals	(2,130,148)	2,130,148	-	-	-	-	-	-
Deferred capital contributions invested in capital assets	1,484,732	(1,484,732)	-	-	-	-	-	-
Amortization of capital assets	1,553,661	(1,553,661)	-	-	-	-	-	-
Amortization of deferred capital contributions	(495,284)	495,284	-	-	-	-	-	-
Transfer (to)/from deferred contributions	-	-	-	-	-	-	-	234,389
Remeasurement gains/(losses)	-	-	-	-	-	(514,386)	(514,386)	120,353
Endowment contributions - net	-	-	15,089	-	-	-	15,089	865
Net investment income	-	-	561,574	-	-	-	561,574	304,644
NET ASSETS - END OF YEAR	\$ (506,308)	\$ 3,505,429	\$ 5,694,008	\$ 37,914,800	\$ 1,883,555	\$ (664,519)	\$ 47,826,965	\$ 43,046,959

The accompanying notes are an integral part of the consolidated financial statements.

YUKON UNIVERSITY
Consolidated Statement of Remeasurement Gains and Losses
For the year ended March 31

	2025	2024
Accumulated remeasurement losses, beginning of year	\$ (150,133)	\$ (270,486)
Unrealized gains/(losses) attributable to: Investments	<u>(514,386)</u>	<u>120,353</u>
ACCUMULATED REMEASUREMENT LOSSES, END OF YEAR	<u>\$ (664,519)</u>	<u>\$ (150,133)</u>

The accompanying notes are an integral part of the consolidated financial statements.

YUKON UNIVERSITY
Consolidated Statement of Cash Flows
For the year ended March 31

	2025	2024
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 4,717,729	\$ 4,558,809
Amortization of capital assets	1,553,661	1,429,976
Amortization of deferred capital contributions	(495,284)	(475,912)
(Gain)/loss on disposal of capital assets	-	(2,857)
Decrease in accounts receivable	2,030,333	1,898,143
(Decrease)/increase in accounts payable	(2,206,973)	1,152,923
Decrease in deferred revenue	(254,470)	(274,045)
Increase in deferred contributions	913,691	270,343
Decrease/(increase) in inventories	27,718	(19,478)
Decrease/(increase) in prepaid expenses	67,937	(31,622)
Decrease in vacation leave and employee future benefits	(913,148)	(717,234)
Increase in accrued pension benefit asset	(4,011,900)	(4,284,500)
Increase in non-current other employee future benefits	1,101,000	230,100
Cash provided by operating activities	<u>2,530,294</u>	<u>3,734,646</u>
INVESTING ACTIVITIES		
Decrease in restricted cash and cash equivalents	-	1,064,111
Increase in investments	(1,094,834)	(565,799)
Cash provided by/(used for) investing activities	<u>(1,094,834)</u>	<u>498,312</u>
CAPITAL ACTIVITIES		
Capital assets acquired	(1,971,010)	(3,366,564)
Proceeds from disposal of capital assets	-	2,857
Cash used for capital activities	<u>(1,971,010)</u>	<u>(3,363,707)</u>
FINANCING ACTIVITIES		
Net investment income from endowments	561,574	304,644
Repayment of loan payable	(966,431)	-
Endowment contributions - net	15,089	865
Receipt of deferred capital contributions	17,029,332	1,446,971
Cash provided by financing activities	<u>16,639,564</u>	<u>1,752,480</u>
INCREASE IN CASH	<u>16,104,014</u>	<u>2,621,731</u>
Cash - beginning of year	<u>21,045,784</u>	<u>18,424,053</u>
CASH - END OF YEAR	<u>\$ 37,149,798</u>	<u>\$ 21,045,784</u>
SUPPLEMENTARY INFORMATION		
Interest received	\$ 1,086,130	\$ 1,030,337
Interest paid	<u>\$ 963</u>	<u>\$ 1,592</u>

The accompanying notes are an integral part of the consolidated financial statements.

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2025

1. PURPOSE

a) The *Yukon University Act* was proclaimed into force effective February 6, 2020 replacing the *Yukon College Act*. Under the *Yukon University Act*, Yukon College, incorporated under the *Yukon College Act*, continues as a corporation under the name Yukon University. Yukon University (the University) is a post-secondary educational institution. The University is a not-for-profit organization and is a registered charity under the *Income Tax Act* and is therefore exempt from tax. A significant portion of its funding is provided by the Government of Yukon. The purpose of the University is to offer a balance of educational programs. Programs include baccalaureate, masters and doctoral degree programs, certificate, and diploma programs, and continuing and adult basic education. The University also undertakes and maintains research, scholarly activities and other learning and training activities for these purposes.

b) The Yukon University Foundation (the Foundation) is incorporated as a not-for-profit organization under the *Canada Not-For-Profit Corporations Act*. The Foundation is a registered charity under the *Income Tax Act* and is therefore exempt from tax. The Foundation was established:

- to fund, facilitate, promote, and carry out activities which are consistent with the objectives of the University and to provide support for its educational facilities, educational programs, and education services;
- to fund the provision of bursaries, scholarships and prizes granted by the University for any purpose for students in attendance at facilities owned and/or operated by the University;
- to receive bequests, legacies, donations, gifts, funds, and property from all sources and to hold and invest such funds and property and to administer and distribute such funds and property for the purposes of the Foundation; and
- to do all such other things as are incidental and ancillary to the attainment of the foregoing purposes and the exercise of the power of the Foundation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The University has elected to apply the Section 4200 series for government-not-for-profit organizations.

Basis of consolidation

The consolidated financial statements include the accounts of the University and its controlled entity, the Foundation. All inter-entity transactions and balances have been eliminated on consolidation.

The University controls the Foundation as it has the ability to appoint the Board of Governors of the University as the majority of the members of the Board of Directors of the Foundation. The President is an ex-officio member of the Board of Directors of the Foundation and a non-voting member of the Board of Governors of the University. The Foundation operates out of the University's main campus building with the assistance of University employees in the advancement office.

Trusts administered by the University on behalf of others are excluded from these consolidated financial statements.

Financial instruments

The financial instruments of the University include cash, accounts receivable, investments, accounts payable and accrued liabilities and loan payable.

All of the University's financial instruments are assigned to the cost or amortized cost measurement category, except for investments which are assigned to the fair value measurement category.

(continues)

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Fair value classification

Investments includes equity and debt instruments that are quoted in an active market. They are initially recognized at fair value and subsequently carried at fair value. Unrealized changes in fair value are recognized in the Consolidated Statement of Remeasurement Gains and Losses until they are realized. Realized changes in fair value of investments are recorded as deferred contributions, where they remain deferred until the restriction on use is fulfilled, and at that time the amount is transferred to the Consolidated Statement of Operations. Transaction costs are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the Consolidated Statement of Operations.

The University classifies, for financial reporting purposes, fair value measurements using a fair value hierarchy made up of three levels, according to the inputs used in making the measurements.

Level 1: This level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in an active market that the University can access at the measurement date.

Level 2: This category includes measurements that use, either directly or indirectly, observable inputs other than quoted prices included in level 1.

Level 3: The measurements in this category depend upon inputs that are not based on observable market data.

Amortized cost classification

These financial instruments are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. Transaction costs are added to the cost of the instrument.

Writedowns are recognized when the amount of the loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are written down to net recoverable value with the writedown recognized in the Consolidated Statement of Operations. Accounts receivable are recorded at cost less valuation allowances. Valuation allowances are calculated by examining amounts overdue 90 days or more and/or accounts where there is no longer reasonable assurance of timely collection to estimate amounts deemed to be uncollectible.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the time of contribution.

When conditions indicate that an asset no longer contributes to the University's ability to provide its services, the carrying value of the capital asset is reduced to reflect the decline in the asset's value.

Construction in progress costs are capitalized as incurred. These amounts are transferred to various categories of capital assets and are amortized on a basis consistent with similar assets once the assets are placed in service.

(*continues*)

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital assets are amortized on a straight-line basis over their estimated useful lives, which are estimated as follows:

	<u>Useful life (years)</u>
Leasehold improvements	20
Equipment general	5-10
Equipment electronic data processing (EDP)	3-5
Mobile trailers	5-20
Furniture and fixtures	10
Vehicles	5

Works of art are capitalized at cost and no amortization is recorded.

Asset retirement obligations

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

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

The estimate of the asset retirement obligation includes costs directly attributable to the asset retirement activities and is recorded as a liability and increase to the related capital assets. As at March 31, 2025, the University determined that there were no significant asset retirement obligations associated with its capital assets.

Inventories

Inventories consist of items for resale in the bookstore and food service operations and are valued at the lower of cost and net realizable value. Cost is determined on a first-in first-out basis.

Contributed services

The University benefits from services provided by volunteers in assisting the institution in carrying out its activities. The fair value of these services is not reliably estimable and accordingly is not recognized in the consolidated financial statements.

(continues)

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Employee future benefits

Pension benefits

Yukon University Employees' Pension Plan (pension plan) is a contributory defined benefit pension plan. The pension plan provides mandatory pension benefits for all full-time employees and optional benefits for part-time employees of the University 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 federal *Pension Benefits Standards Act*, and is indexed in accordance with the change in Consumer Price Index for 12 months ending September 30th. In general, pension benefits are based on 2% of the best five years of continuous service minus any adjustments required by the Canada Pension Plan. Plan members can accumulate up to 35 years of continuous service. The University has contracted with external organizations to provide the services of trustee, administration, consulting, and investment management for the pension plan. Separate financial statements are prepared for the pension plan.

The University accrues its obligations under the pension plan and the related costs, net of plan assets.

The cost of pension benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of expected plan investment performance, inflation rates, salary escalation, and retirement ages of employees.

Past service costs from plan amendments are accounted for in the period of the plan amendments.

Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the related employee group.

Other non-pension benefits

The cost of the benefit plan, other than pension, including severance benefits, non-vesting but accumulating sick leave and special 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 using management's best estimate of inflation rates, salary escalation, and retirement ages of employees, and is recognized over the period in which the benefits are earned (i.e. the period the employee renders service to the University). Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the related employee group. The University accrues other vacation and leave benefits for employees as earned based on their respective terms of employment.

Revenue recognition

The University follows the deferral method of accounting for contributions. Restricted contributions are deferred and recognized as revenue on the same basis and in the same periods as expenses under the terms of the restrictions. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Unrestricted contributions, such as operating grants, are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recorded as direct increases in net assets. Investment income earned on restricted endowments which is required to remain in the endowment is added to the endowment principal. Investment income earned on restricted endowment contributions that is not required to remain in the endowment is deferred until a specified expense is incurred.

(continues)

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Student tuition, fees and contracts related to program delivery represent revenues for programs offered by the University, including credit and non-credit course tuition, and non-instructional fees. These tuition, fees and contracts are considered revenue arising from exchange transactions with performance obligations and are recognized as revenue over time when or as the University fulfils its performance obligation(s) by delivering the programs. If the performance obligation is outstanding at year end, the remaining revenue is deferred.

Sales of services and products represent revenues from non-tuition related services and products, including campus store sales, cafeteria sales, facility rentals and other general sales. These revenues are considered exchange transactions and are recognized as revenue when or as the University fulfils its performance obligation(s) and transfers control of the promised goods or services to the payor. Housing revenues are considered revenue arising from exchange transaction and are recognized as revenue over the duration of the housing rental agreement. If a performance obligation is outstanding at March 31, the remaining revenue is deferred. Sales without a performance obligation, including library fines, housing damage charges and damage deposit forfeited are non-exchange transactions and are recognized when the University has the authority to claim or retain the revenue.

Allocation of expenses

The University allocates the majority of its expenses by function. General administration expenses are not allocated to other functions but are disclosed separately. Fundraising expenses incurred during the year are included in general administration expenses.

Internally restricted net assets

Net assets invested in capital assets represents the amount the University has spent on capital assets using its own funding sources. Net assets internally restricted for pension represents the amounts restricted in order to meet future pension obligations. Net assets internally restricted for capital assets represents the amounts restricted in order to invest in capital assets (replacement and purchase of new assets).

Related party transactions

The University is related to all Government of Yukon departments, corporations, agencies, and the University's key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the University. Significant transactions with related parties and balances at year-end are disclosed separately in the consolidated financial statements and notes thereto.

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions are recorded on a gross basis and are measured at the carrying amount, except for when inter-entity transactions are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length, or where costs provided are recovered, they are measured at the exchange amount.

Related party transactions other than inter-entity transactions are recorded at the exchange amount.

The University receives certain services provided by the Government of Yukon without charge. The majority of the services received without charge represent costs associated with facilities provided by the Government of Yukon at a reduced, or no, charge. These services are recognized as expenses with an offsetting credit to revenues in order to reflect the full cost of the University's operations in its consolidated financial statements. These services are recorded at amounts based on the Government of Yukon's amortization expense (for the main campus), and on fair value for the rental of other facilities.

(continues)

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards applicable for government not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses for the year. Significant areas requiring the use of management estimates relate to the determination of the accrued pension benefit asset and the liabilities for other employee future benefits, and the estimated useful lives of capital assets. Actual results could differ significantly from those estimated. Estimates are reviewed annually and as adjustments become necessary, they are recorded in the consolidated financial statements in the period which they become known.

Contingent liabilities

Contingent liabilities may arise from time to time in the normal course of operations. Liabilities on any litigation are recognized in the consolidated financial statements when it is likely that a future event will confirm that a liability has been incurred at the date of the consolidated financial statements and the amount can be reasonably estimated. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingent liability is disclosed in the notes to the consolidated financial statements and no liability is accrued.

3. FINANCIAL RISK MANAGEMENT

The University's financial instruments are exposed to the following risks: interest rate risk, foreign exchange risk, credit risk, liquidity risk and other price risk. The University manages these risk exposures on an ongoing basis. The University is not party to any financial derivatives.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The University is exposed to interest rate risk on its fixed interest rate for financial instruments, which subject the University to a fair value risk. Investments are monitored by the Board of Governors and managed by investment managers, subject to asset mix and performance benchmarks contained in the investment policies. The investment managers report on a regular basis to the Board of Governors.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of financial assets and liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates. The University is not exposed to any significant foreign exchange risk because instruments held in foreign currency are not considered significant.

(continues)

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2025

3. FINANCIAL RISK MANAGEMENT *(continued)*

Credit risk

Credit risk arises from the possibility that the issuer of a financial instrument fails to meet its obligation. The carrying amount of cash, accounts receivable, and the portion of investments related to debt securities and cash represents the maximum credit exposure. The credit risk associated with these instruments is considered to be minimal due to the nature of the instruments and the fact that the majority of the accounts receivable are due from the federal, territorial, first nation and municipal governments.

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

	2025	2024
Carrying value	\$ 3,320,511	\$ 5,350,844
Allowance for doubtful accounts	\$ 424,236	\$ 491,305
Accounts receivable % less than 30 days	74 %	81 %
Accounts receivable % over 90 days	20 %	12 %

Liquidity risk

Liquidity risk is the risk that the University will not be able to meet its financial obligations as they become due.

The University manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the University's reputation. As at March 31, 2025, substantially all of the University's accounts payable and accrued liabilities are due within 6 months of year-end.

The University has, if needed, an operating demand line of credit with its banker that allows the University to borrow up to \$1,000,000 (2024 - \$1,000,000) at bank prime. The credit line was unused during 2025 and 2024. The University's credit facility interest rates are subject to fluctuations in the prime rate.

Other price risk

The pension plan exposes the University to risk such as investment risk and actuarial risk. Investment risk is the risk that the assets invested will be insufficient to meet expected benefits. Actuarial risk is the risk that benefits paid will be more than expected.

Other price risk is the risk that changes in financial or market conditions impair the value of the University's assets, or that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The University's investments are managed by investment managers in accordance with the University's Investment Governance Policy. The University is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2025

4. TRUSTS UNDER ADMINISTRATION

The University administers trust accounts on behalf of employees who are participating in income averaging plans, which are not included in the University's assets. The balance in these trusts as at March 31, 2025 was \$189,365 (2024 - \$227,062).

5. INVESTMENTS

	Level	Percentage	2025	2024
Equity securities	1	59.53 %	\$ 4,409,168	\$ 4,200,982
Debt securities	1	38.40 %	2,844,304	2,480,625
Cash and cash equivalents	1	2.07 %	153,136	144,553
			\$ 7,406,608	\$ 6,826,160

The University has designated \$5,964,008 (2024 - \$5,117,345) for endowments.

6. EMPLOYEE FUTURE BENEFITS

a) Pension benefits

Yukon University Employees' Pension Plan is a defined-benefit pension plan, which requires the employer and the employee to make annual contributions to an employee's retirement account. Plan administrators hire an actuary to calculate the future benefits that the plan must pay an employee and the amount that the employer and employee must contribute to provide those benefits. During the year, the pension benefits paid by the pension plan were \$6,353,200 (2024 - \$6,943,700) and the employer and employee contributions to the pension plan were \$1,471,100 (2024 - \$2,100,000) and \$1,538,700 (2024 - \$2,089,600), respectively.

The pension plan has two groups of members. Group 1 is for members with a start date prior to July 1, 2013. Group 2 is for members with a start date on or after July 1, 2013. The age at which a member can retire without a reduced pension is age 60 for Group 1 and age 65 for Group 2. Effective January 1, 2025, Group 1 members were required to contribute to the plan at a rate of 8.97% on annual earnings up to the Yearly Maximum Pensionable Earnings (YMPE) plus 11.37% on annual earnings in excess of the YMPE (2024 - 9.62% on annual earnings up to the Yearly Maximum Pensionable Earnings (YMPE) plus 12.02% on annual earnings in excess of the YMPE). Effective January 1, 2025, Group 2 members were required to contribute to the plan at a rate of 6.98% on annual earnings up to the YMPE plus 8.76% on annual earnings in excess of the YMPE (2024 - 7.03% on annual earnings up to the YMPE plus 8.81% on annual earnings in excess of the YMPE).

An actuarial valuation for accounting purposes was performed as at March 31, 2025 using the projected benefits method prorated on services, based on extrapolated employee data as at June 30, 2024.

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YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2025

6. EMPLOYEE FUTURE BENEFITS *(continued)*

a) Pension benefits (continued)

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover. The assumptions used reflect management's best estimates of these future events. Key assumptions are summarized below.

In February 2025, the University entered into a buy-in agreement with a third party. The buy-in relates to the University's accrued benefit obligation for retired members and surviving spouses in receipt of a pension as at June 30, 2023. The University transferred the related pension plan assets of \$62,705,460, which was equal to the applicable portion of the accrued benefit obligation as at the same date, to the third-party. The University realized a gain of \$11,275,513 upon redemption of the transferred assets, which is included in the actual return on pension plan assets for the year, of \$14,486,800. All pension plan assets and accrued benefit obligations remain part of the pension plan and are reported in these consolidated financial statements.

	<u>2025</u>	<u>2024</u>
<u>Weighted-average assumptions for benefit costs</u>		
Discount rate	6.20 %	6.15 %
Expected long-term rate of return on plan assets	6.20 %	6.15 %
Rate of compensation increase		
Group 1:	3.00 %	3.00 %
Group 2:	4.00 %	4.00 %
Inflation rate	2.00 %	2.00 %
Expected average remaining service life	12 years	10 years
<u>Weighted-average assumptions of accrued benefit obligation</u>		
Discount rate	5.33 %	6.20 %
Expected long-term rate of return on plan assets	5.33 %	6.20 %
Rate of compensation increase		
Group 1:	3.00 %	3.00 %
Group 2:	4.00 %	4.00 %
Inflation rate	2.00 %	2.00 %

(continues)

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2025

6. EMPLOYEE FUTURE BENEFITS *(continued)*

a) Pension benefits (continued)

	<u>2025</u>	<u>2024</u>
<u>Change in accrued benefit obligation:</u>		
Accrued benefit obligation - beginning of year	\$ 96,075,600	\$ 92,681,700
Current service cost, net of employee contributions	2,617,400	2,530,200
Interest cost	5,865,300	5,603,300
Employee contributions	1,538,700	2,089,600
Benefits paid	(6,353,200)	(6,943,700)
Admin expenses	(749,400)	(816,800)
Actuarial losses	<u>14,281,900¹</u>	<u>931,300</u>

¹ Accrued benefit obligation - end of year	<u>\$ 113,276,300</u>	<u>\$ 96,075,600</u>
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The actuarial loss primarily relates to the change in the discount rate used.

	<u>2025</u>	<u>2024</u>
<u>Change in plan assets:</u>		
Fair value of plan assets - beginning of year	\$ 149,029,400	\$ 138,025,600
Actual return on plan assets	14,486,800	14,574,700
Employer contributions	1,471,100	2,100,000
Employee contributions	1,538,700	2,089,600
Benefits paid	(6,353,200)	(6,943,700)
Admin expenses	<u>(749,400)</u>	<u>(816,800)</u>

Fair value of plan assets - end of year	<u>\$ 159,423,400</u>	<u>\$ 149,029,400</u>
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	<u>2025</u>	<u>2024</u>
<u>Reconciliation of accrued pension benefit asset - end of year:</u>		
Accrued benefit obligation	\$ (113,276,300)	\$ (96,075,600)
Fair value of plan assets	<u>159,423,400</u>	<u>149,029,400</u>
Pension benefit surplus	46,147,100	52,953,800
Unamortized net actuarial gains	<u>(8,232,300)</u>	<u>(19,050,900)</u>
Accrued pension benefit asset	<u>\$ 37,914,800</u>	<u>\$ 33,902,900</u>

	<u>2025</u>	<u>2024</u>
<u>Elements of defined pension plan benefit costs recognized in the year:</u>		
Current service cost	\$ 2,617,400	\$ 2,530,200
Interest cost on benefit obligation	5,865,300	5,603,300
Expected return on plan assets	(8,627,000)	(8,378,800)
Amortization of actuarial gains	<u>(2,396,500)</u>	<u>(1,939,200)</u>
Net periodic pension income recognized	<u>\$ (2,540,800)</u>	<u>\$ (2,184,500)</u>

(continues)

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2025

6. EMPLOYEE FUTURE BENEFITS *(continued)*

a) Pension benefits (continued)

The fair value of the pension plans' equity securities, debt securities and other assets are based on market values as reported by the pension plans' trustee as at each applicable Statement of Financial Position date. The value of the annuity buy-in is valued by present valuing expected future cash inflows at year-end using the discount rate for the accrued benefit obligation.

	2025	2024
<u>Based on fair value of plan assets held, the assets were composed of:</u>		
Equity securities	33.00 %	57.00 %
Debt securities	27.00 %	42.00 %
Annuity Buy-In	38.00 %	- %
Other	2.00 %	1.00 %
	100.00 %	100.00 %

The net periodic pension income of \$2,540,800 (2024 - \$2,184,500) is recognized in salaries, wages and benefits in Note 15 and allocated to expenses by function on the Consolidated Statement of Operations in a manner consistent with the employee allocation to those functions.

Actuarial valuation for funding purposes

An actuarial valuation for funding purposes was performed as at June 30, 2024 which identified the University's required current service contributions as 100% (June 30, 2023 – 100%) of employee contributions. Under economic and demographic assumptions used in these calculations this level of University contributions, together with the employee contributions is sufficient to fund the current service costs of the pension plan benefits.

The actuarial valuation for funding purposes as at June 30, 2024 for the University had an actual surplus of \$27,035,000 (June 30, 2023 - \$18,144,500) at the measurement date on a going-concern basis and a surplus of \$17,707,800 (June 30, 2023 - \$11,677,600) if valued on the basis that the pension plan was terminated/wound up as at June 30, 2024. The solvency ratio of the pension plan was 100% as at June 30, 2024. The Government of Yukon provided a pension related contribution to the University during the year as described in Note 16. All required contributions to the pension plan have been made.

The Pension Benefits Standards Act permits that in lieu of making special solvency payments, letters of credit can be obtained to reduce a solvency deficiency. In May 2011, for a solvency deficiency that existed at the time, the University acquired a letter of credit for the pension plan. Although the pension plan is no longer in a solvency deficiency, the University still has the letter of credit. The face value of the letter of credit is \$5,931,500 (2024 - \$22,060,699).

The Government of Yukon has issued letters to a bank guaranteeing that, should there be a requirement to draw upon the letter of credit, the Government of Yukon will provide the necessary support to address any resulting debt, interest and costs that may be required under the federal pension legislation. As the solvency ratio exceeds 105% and the average solvency ratio exceeds 100% in the most recent actuarial valuation, the letter of credit was cancelled effective April 2, 2025.

A new actuarial valuation for funding purposes will be prepared as at June 30, 2025 and will be filed with the regulator prior to December 31, 2025.

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YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2025

6. EMPLOYEE FUTURE BENEFITS *(continued)*

b) Other non-pension benefits

The non-pension benefit plan is not funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. The benefits include severance, non-vesting but accumulating sick leave, special leave and other outstanding leave entitlements and will be paid from future sources of revenue.

The actuarial valuation of the accrued benefit liability is:

	<u>2025</u>	<u>2024</u>
Accrued benefit obligation, end of year	\$ 7,653,000	\$ 6,461,900
Unamortized actuarial gain	1,055,710	1,545,110
Actuarially determined obligation, end of year	8,708,710	8,007,010
Less: Current portion included in vacation leave and employee future benefits (<i>Note 11</i>)	(761,200)	(1,160,500)
Non-current portion of obligation, end of year	<u>\$ 7,947,510</u>	<u>\$ 6,846,510</u>

The annual benefit plan cost and change in accrued benefit liability are as follows:

	<u>2025</u>	<u>2024</u>
Actuarially determined obligation, beginning of year	\$ 8,007,010	\$ 7,721,610
Add: Annual benefit plan cost:		
Current service cost	817,800	778,600
Interest on accrued benefit obligation	324,900	296,200
Amortization of net actuarial gain	(154,500)	(177,700)
Total annual benefit plan cost	988,200	897,100
Accrued benefit obligation before benefits paid by the University	8,995,210	8,618,710
Less: Benefits paid by the University	(286,500)	(611,700)
Actuarially determined obligation, end of year	8,708,710	8,007,010
Less: Current portion included in vacation leave and employee future benefits	(761,200)	(1,160,500)
Non-current portion of obligation, end of year	<u>\$ 7,947,510</u>	<u>\$ 6,846,510</u>

(continues)

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2025

6. EMPLOYEE FUTURE BENEFITS *(continued)*

b) Other non-pension benefits (continued)

The significant actuarial assumptions adopted in measuring the University's accrued benefit obligation are as follows:

	2025	2024
Weighted average assumptions for benefit costs:		
Discount rate	4.85 %	4.80 %
Rate of compensation increase for 10 years and thereafter		
Group 1:	3.00 %	3.00 %
Group 2:	4.00 %	4.00 %
	2025	2024
Weighted average assumptions for accrued benefit obligation:		
Discount rate	4.50 %	4.85 %
Rate of compensation increase for 10 years and thereafter		
Group 1:	3.00 %	3.00 %
Group 2:	4.00 %	4.00 %
Expected average remaining service life	10 years	10 years

7. CAPITAL ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Leasehold improvements	\$ 7,090,790	\$ 4,046,633	\$ 3,044,157	\$ 3,426,038
Equipment general	6,143,694	3,609,448	2,534,246	2,543,843
Vehicles	1,195,805	760,224	435,581	382,789
Equipment EDP	2,471,820	1,783,594	688,226	669,218
Furniture and fixtures	582,846	393,188	189,658	204,821
Work in progress	4,380,777	-	4,380,777	3,383,600
Mobile trailers	1,883,300	1,023,315	859,985	945,834
Works of art	103,448	-	103,448	103,448
	\$ 23,852,480	\$ 11,616,402	\$ 12,236,078	\$ 11,659,591

Work in progress pertains to capitalizable costs incurred by the University for signage and the new Science Building - (Polaris Project). During the year University continued with planning and design for the the new Science Building - (Polaris Project) and the costs incurred for the year ended March 31, 2025 amounted to \$825,827 (2024 - \$738,046). The cumulative cost as at March 31, 2025 was \$3,433,930 (2024 - \$2,608,103).

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2025

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Payroll payable	\$ 1,686,826	\$ 2,488,721
Accrued liabilities	1,855,885	1,161,366
Student deposits	580,107	1,041,137
Other payables	420,953	398,675
Trades accounts payable	348,604	1,850,311
	\$ 4,892,375	\$ 6,940,210

9. DEFERRED REVENUE

	Contracts	Tuition	2025	2024
Balance, beginning of year	\$ 700,699	\$ 59,258	\$ 759,957	\$ 1,034,002
Additions	2,599,826	3,553,341	6,153,167	6,916,774
Revenue recognized	(2,970,943)	(3,436,694)	(6,407,637)	(7,190,819)
Balance, end of year	\$ 329,582	\$ 175,905	\$ 505,487	\$ 759,957

10. DEFERRED CONTRIBUTIONS

	Government of Yukon Contributions	Other contributions	Donations and allocated investment income	2025	2024
Balance, beginning of year	\$ 1,156,794	\$ 7,555,452	\$ 1,413,297	\$ 10,125,543	\$ 10,089,589
Additions	34,781,548	12,649,338	128,534	47,559,420	45,390,279
Revenue recognized	(34,957,369)	(11,754,997)	(481,702)	(47,194,068)	(45,395,433)
Investment income	-	-	548,339	548,339	275,497
Transfer from unrestricted net assets	-	-	-	-	250,000
Transfer to endowments	-	-	-	-	(484,389)
Balance, end of year	\$ 980,973	\$ 8,449,793	\$ 1,608,468	\$ 11,039,234	\$ 10,125,543

Government of Yukon contributions (Note 16) includes services received without charge of \$5,623,326 (2024 - \$5,222,276) in addition to \$34,957,369 (2024 - \$34,146,640) recognized from deferred contributions, for a total of \$40,580,695 (2024 - \$39,368,916).

Other contributions is comprised primarily of amounts from the Government of Canada, and also amounts from First Nations and other organizations. Donations revenue is recognized on the Consolidated Statement of Operations within fundraising and donations revenue.

11. VACATION LEAVE AND EMPLOYEE FUTURE BENEFITS

	2025	2024
Vacation leave liability	\$ 1,631,239	\$ 2,158,527
Current portion of other employee future benefits	761,200	1,160,500
Long service leave liability	154,323	158,525
Compensatory pay liability	17,642	-
	\$ 2,564,404	\$ 3,477,552

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2025

12. LOAN PAYABLE

During the year, the University fully repaid the loan it had from a donor.

13. DEFERRED CAPITAL CONTRIBUTIONS

The changes in the deferred capital contributions balance are as follows:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 7,741,201	\$ 6,770,142
Contributions from:		
Government of Canada	16,857,981	1,446,971
Government of Yukon	171,351	-
Amount amortized to revenue	<u>(495,284)</u>	<u>(475,912)</u>
	<u>\$ 24,275,249</u>	<u>\$ 7,741,201</u>

The balance at year-end is comprised of amounts expended for:

	<u>2025</u>	<u>2024</u>
Leasehold improvements	\$ 2,359,952	\$ 2,563,525
Equipment general	1,018,854	918,917
Vehicles	69,252	-
Equipment EDP	139,710	-
Furniture and fixtures	16,626	24,027
Work in progress		
Polaris Project	3,433,930	2,608,103
Signage	841,335	669,984
Mobile trailers	850,991	957,365
Unspent amount - Polaris Project	<u>15,544,599</u>	<u>-</u>
	<u>\$ 24,275,249</u>	<u>\$ 7,741,921</u>

14. EXTERNALLY RESTRICTED FOR ENDOWMENTS

	<u>2025</u>	<u>2024</u>
Endowment balance, beginning of year	\$ 5,117,345	\$ 4,327,447
Endowment contributions	15,089	5,165
Disbursements from endowments	-	(4,300)
Transfer from deferred contributions	-	484,389
Net investment income	<u>561,574</u>	<u>304,644</u>
Endowment balance, end of year	<u>\$ 5,694,008</u>	<u>\$ 5,117,345</u>

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2025

15. EXPENDITURES BY OBJECT

	<u>2025</u>	<u>2024</u>
Salaries, wages and benefits	\$ 36,194,911	\$ 34,932,550
Contract services	7,008,077	6,982,883
Utilities and communications	3,395,919	2,898,335
Rental of facilities and equipment	3,218,628	3,424,624
Material and supplies	1,997,894	2,787,063
Travel	1,754,658	1,673,707
Amortization of capital assets	1,553,661	1,429,976
Licenses, permits, and memberships	902,840	828,704
Promotion, events and advertising	661,569	570,133
Cost of sales and ancillary services	641,498	699,141
Books and subscriptions	215,874	183,182
Other	213,992	503,777
Bank fees and credit card commissions	204,600	291,548
Student assistance/scholarships	155,109	220,477
Postage and freight	78,031	67,475
	<u>\$ 58,197,261</u>	<u>\$ 57,493,575</u>

Fundraising expenses totaling \$369,768 (2024 - \$327,669) are included in salaries, wages and benefits, contract services, material and supplies, and promotion, events, and advertising.

Services received without charge included in above:

	<u>2025</u>	<u>2024</u>
Rental of facilities and equipment	\$ 2,776,216	\$ 2,888,267
Utilities and communication	2,847,110	2,334,010
	<u>\$ 5,623,326</u>	<u>\$ 5,222,277</u>

16. GOVERNMENT OF YUKON CONTRIBUTIONS

	<u>2025</u>	<u>2024</u>
Operating contributions	\$ 27,647,395	\$ 26,369,261
Other contributions	7,190,490	7,657,895
Services received without charge (Note 15)	5,623,326	5,222,276
Pension funding	119,484	119,484
	<u>\$ 40,580,695</u>	<u>\$ 39,368,916</u>

A significant portion of the University's revenue is received from the Government of Yukon. For the year ended March 31, 2025, total Government of Yukon contributions made up 65% of total revenues (2024 - 64%). For the year ended March 31, 2025, the University received \$119,484 (2024 - \$119,484) for pension letter of credit costs.

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2025

17. MISCELLANEOUS INCOME

	2025	2024
General student fees	\$ 284,811	\$ 299,114
Salary, travel and other expense recovery	280,510	307,984
Computer lab usage fees	144,033	132,574
Facilities and equipment rental	137,820	152,143
Other miscellaneous revenue	40,562	413,177
	\$ 887,736	\$ 1,304,992

18. RELATED PARTY TRANSACTIONS

The University enters into transactions with related entities in the normal course of business.

In addition to those related party transactions disclosed in Note 16, the University received funds from the Government of Yukon for student training allowances amounting to \$447,751 (2024 - \$381,832). Included in the amortization of deferred capital contributions on the Consolidated Statement of Operations is \$303,067 (2024 - \$305,030) related to the Government of Yukon. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

At March 31, 2025 there was \$71,060 (2024 - \$58,849) of accounts payable and accrued liabilities and \$776,424 (2024 - \$936,517) of accounts receivable related to the Government of Yukon. At March 31, 2025 there was \$980,973 (2024 - \$1,156,794) of deferred contributions and \$3,619,544 (2024 - \$3,781,227) of deferred capital contributions related to the Government of Yukon. The University has a lease agreement with the Government of Yukon for a building and land lease which expired June 2022. The University incurred lease payments of \$53,089 (2024 - \$53,089).

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2025

19. CONTRACTUAL RIGHTS

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The University's contractual rights arise because of contracts entered into for undertaking specific programs and projects in the normal course of business. The following table summarizes the contractual rights of the University:

	Government of Canada	Government of Yukon	Other	Total
2026	\$ 5,075,704	\$ 916,150	\$ 5,925,219	\$ 11,917,073
2027	2,295,477	907,200	4,577,604	6,873,081
2028	387,500	-	1,302,572	1,690,072
Thereafter	-	907,200	1,942,145	2,849,345
	\$ 7,758,681	\$ 1,823,350	\$ 13,747,540	\$ 23,329,571

Government of Canada contractual rights consist of funds to be received for the Yukon People and Patient-Oriented Research and Trials Unit, Polaris - Energy Innovation Program, Advancing Commercial Driving, Mobilizing Northern Research Leadership and various other programs and initiatives such as Enhancing Yukon Trade Corridor Resilience to Northern Geohazards, Outreach Climatologist for Yukon, Gender Based Violence Research Initiative, and Power of Traditional Indigenous Medicines.

Government of Yukon contractual rights consist mainly of project funding for innovation and entrepreneurship and continuing studies.

Other contractual rights consist of funds to be received for student support, and Yukon Research Centre programs and initiatives such as accelerating community energy transformation (supporting Canada's Green House Gas mitigation goals) and funds focused on seasonal storage of renewable energy, Northern Energy Innovation People and Supporting Equipment Project, Mastercard Foundation, Indigenous Engagement in the Natural Resource Economy, Northern Vision Development Research Chair, and Yukon Collaborative Indigenous Teacher Education Initiative.

20. CONTRACTUAL OBLIGATIONS

	Construction	Facility Leases	Information systems, Course curriculum and Other Contracts	Total
2026	\$ 21,008,206	\$ 224,613	\$ 2,865,215	\$ 24,098,034
2027	16,519,072	51,224	1,049,862	17,620,158
2028	3,244,787	12,806	436,729	3,694,322
Thereafter	-	-	50,000	50,000
	\$ 40,772,065	\$ 288,643	\$ 4,401,806	\$ 45,462,514

The land and buildings at Ayamdigut Campus and some community campuses are owned by the Government of Yukon and leased to the University at no charge. The Government of Yukon is responsible for major maintenance and upkeep of the buildings and grounds, and the University is responsible for minor interior maintenance and repairs.

The University has entered into contractual agreements for the construction of the Polaris project. As at March 31, 2025, the University has outstanding commitments of \$40,629,075 related to this project.

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2025

21. CONTINGENCIES

In the normal course of operation, the University is subject to legal claims and possible claims. While the outcome of legal claims or possible claims is subject to future resolution, management's evaluation and analysis of such matters indicates that, individually or in the aggregate, the probable ultimate resolution of all legal claims and possible claims will not have a material financial impact on the University's financial position, results of its operations or its cash flows.

COMPENSATION FUND (YUKON)

FINANCIAL STATEMENTS

December 31, 2024

(audited)

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Management's Discussion and Analysis

Management's Discussion and Analysis provides further insight into the financial performance of the Compensation Fund (the Fund), as managed by the Workers' Safety and Compensation Board (the board), for the year ended December 31, 2024. This section provides management's perspective on our financial results and position for the year.

Forward-looking information

Any forward-looking information in this document represent the views of management. Forward-looking information is subject to many risks and uncertainties, and may contain significant assumptions about the future. This information is presented to help stakeholders understand the Fund's financial position, priorities and anticipated financial performance.

Risk and uncertainties about future assumptions include, but are not limited to: the changing financial markets, the industry mix of the Yukon workforce, the general economy, legislation, accounting standards, appeals and court decisions, and other known or unknown risks. Readers are cautioned not to place undue reliance on forward-looking information as actual results may differ materially from those expressed or implied.

Basis of reporting

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

IFRS basis versus funding basis

The change to IFRS 17 significantly affects the Fund's reported IFRS Basis financial results. IFRS 17 does not affect how the Fund operates, the funding position, the investment portfolio, the assessment rates employers pay or workers' benefits. This is because the Fund manages its funding position using a *funding basis of accounting* (funding basis), a method approved by the Board and the method used prior to the adoption of IFRS 17.

Funding basis method, uses the discount rate based on the long-term expected rate of return and reflects a more long-term financial strategy providing the Fund with more stability in its funding management. The funding basis ensures a long-term perspective on the sufficiency of funding to sustain benefits for injured workers and their dependents, while reducing the volatility of financial results used in setting assessment rates for employers.

Note that the financial results from the unaudited funding basis financial statements can be materially different from the results based on IFRS 17 in any given year due to the reasons discussed above.

Financial position (funding basis versus IFRS basis)

as at December 31 (\$ thousands)	Funding basis		IFRS basis	
	2024	2023	2024	2023
Total assets	314,620	280,504	313,006	277,633
Total liabilities	227,963	197,651	234,080	208,187
Equity	86,657	82,853	78,926	69,446
Assets/liabilities	138%	142%	134%	133%

Benefits liability (funding basis) versus insurance contract liability (IFRS basis)

as at December 31 (\$ thousands)	Funding basis		IFRS basis	
	2024	2023	2024	2023
Benefits Liability/Insurance Contract Liability	210,866	185,918	220,875	199,864

Under IFRS basis, all insurance contract related balances, including assessments receivable and assessments refundable, are aggregated and presented as part of the insurance contract liability, see Note 11 for details. Under funding basis, assessments receivable are included in accounts receivable and assessments refundable are included in accounts payable.

The main factor that causes the difference between the Financial Position of the Fund when reporting under the funding basis versus IFRS basis, is the use of different discount rates to calculate the benefits liability (funding basis) versus insurance contract liability (IFRS basis). To clarify, IFRS basis now refers to the benefits liability as insurance contract liability.

Under funding basis, the discount rate is based on the anticipated returns of the underlying assets of the Fund, which takes a longer-term view and tends to provide more stability when measuring the benefits liability over time. IFRS basis uses a market rate based on a select cohort of long-term bonds that is calculated at a point in time and is not based on the expected long-term rates of return on the Fund's investments. IFRS basis calculation for liabilities for incurred claims can be much more volatile especially when interest rates change quickly.

Equity reconciliation (funding basis versus IFRS basis)

as at December 31 (\$ thousands)	2024	2023
Equity funding basis	86,657	82,853
Difference Benefits Liability (Funding Basis) versus Insurance Contract Liability (IFRS Basis)	-10,010	-13,946
Accounts receivable difference - IFRS reclassification to Insurance Contract Liability	-1,614	-2,871
Accounts payable difference - IFRS reclassification to Insurance Contract Liability	3,893	3,410
Equity IFRS Basis	78,926	69,446

The above reconciliation illustrates the equity differences of the funding basis versus IFRS basis. Again, the main reconciling item is the difference in benefits liability (funding basis) versus insurance contract liability (IFRS basis) due to different discount rates. The other reconciling items involve reclassifications of accounts receivable and accounts payable related to insurance contracts. These items are shown separately on the funding basis financial position, but are reclassified under the IFRS basis financial position and included in the insurance contract liability.

Change in presentation of IFRS basis financial statements

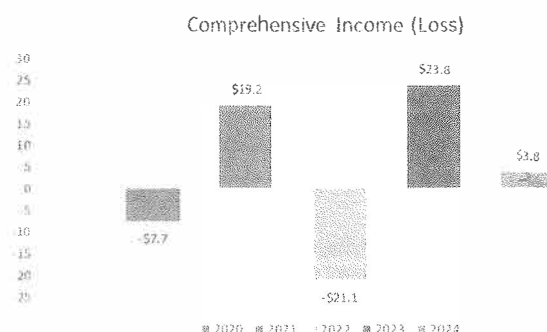
IFRS 17 fundamentally changes how assets, liabilities and earnings related to insurance are presented in IFRS basis published financial statements. On the Statement of Financial Position, all assets and liabilities related to the insurance contract are grouped together and presented as "insurance contract liability." On the Statement of Comprehensive Income, insurance finance income or loss and net investment income or loss are presented separately from insurance service result. Further information on the IFRS insurance contract liability and expenses are provided in the notes to the audited IFRS basis financial statements.

How to read the Management Discussion and Analysis

As funding basis financial results are used to manage the Fund's financial position, unless otherwise noted, the Fund's financial position and results are discussed on the funding basis here in the Management Discussion and Analysis.

Operating results

In 2024, the Fund's funding basis financial statements (unaudited), incurred an operating surplus of \$3.9 million compared to \$24.0 million in 2023. The decrease is primarily due to three factors. In July 2024, the Board approved a surplus distribution of \$10 million to bring the funding ratio closer to target, compared to no distribution in 2023.



The 2024 benefit liability also increased by \$24.9 million, up from a \$7.9 million increase in 2023. Additionally, the Fund achieved a net investment gain of \$37.2 million in 2024, compared to a gain of \$29.6 million in 2023.

In 2024, under the funding basis, the Fund had total comprehensive income of \$3.8 million, compared to \$23.8 million in 2023. This included a surplus distribution expense of \$10.0 million, compared to no distribution in 2023.

In 2024, under the IFRS basis, the Fund reported a net profit before other comprehensive loss and surplus distribution of \$19.6 million, an increase from \$16.1 million in 2023. The surplus distribution expense for 2024 was \$10.0 million, compared to no distribution in 2023. The net profit before comprehensive loss was \$9.5 million, a decrease from \$16.1 million in 2023. The Fund also recognized an actuarial loss on post-employment benefits of \$42 thousand down from \$203 thousand in 2023. Total comprehensive income for 2024 amounted to \$9.5 million, compared to \$15.9 million in 2023.

The main difference in total comprehensive income is due to the difference in benefits liability versus insurance contract liability.

Revenues

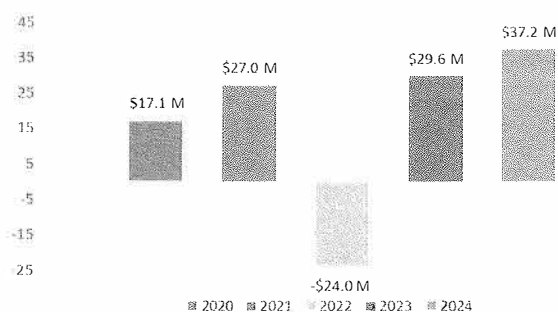
The Fund's revenue and income, which includes net investment income, totalled \$77.8 million versus \$67.8 million in 2023. The increase in revenue was mainly due to the increase in net investment income in 2024.

The revenue figures are no longer grouped together under IFRS, and two of them have different titles.

- Insurance revenue under IFRS was previously called "assessment revenue" (funding basis); and
- Government grants and miscellaneous income under IFRS was previously called "Recoveries and other receipts" under the funding basis.

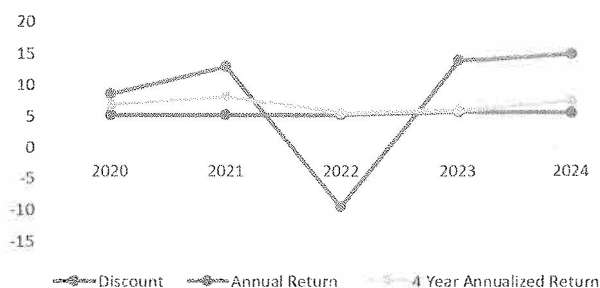
Net investment income in 2024 was \$37.2 million versus \$29.6 million in 2023, an increase of \$7.6 million.

Net Investment Income (Loss)



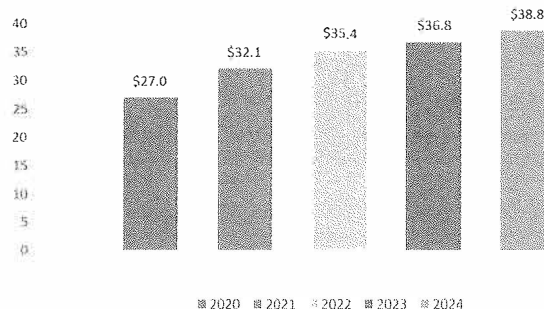
In 2024, the Fund's investments increased due to strong equity markets and solid fixed income returns, ending the year with an overall return of 15.0%. The four-year annualized return increased from 5.9% to 7.5%. As of December 31, 2024, the investment portfolio's asset mix was 44.3% fixed income and 55.7% equities.

Market Return (%)



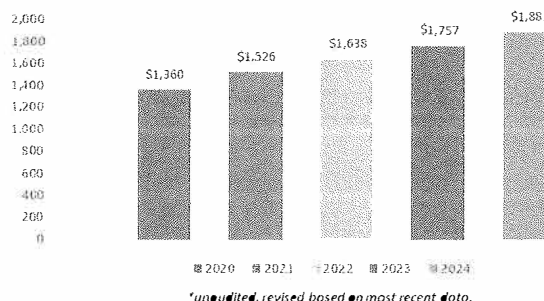
Assessment revenue (or insurance revenue) in 2024 was \$38.8 million versus \$36.8 million in 2023. This increase was mainly due to an overall increase in assessable payroll and an increase in the maximum annual earnings (MAE). The average collected assessment premium rate (per \$100 of insurable earnings) has remained relatively stable year over year, as in 2024 it was \$2.06 versus \$2.09 in 2023.

Assessment Revenue



The increase in assessable payroll (7.0%) was due to an overall increase in economic activity and an increase in the MAE in 2024. The MAE went from \$98,093 to \$102,017 due to indexing that is based on the Consumer Price Index (CPI). The number of employers increased to 4,131 from 4,054 in 2023.

Assessable Payroll*



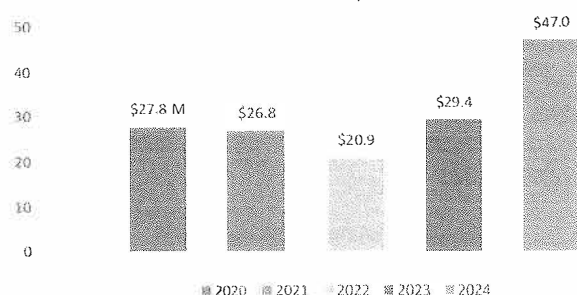
*unaudited, revised based on most recent data.

Expenses

IFRS basis expenses are shown under three main categories as opposed to multiple expenses under the funding basis. As noted above, the IFRS basis discount rate resulted in higher total expenses as compared to the funding basis total expenses. The three expenses categories under IFRS basis are:

- insurance service expense (see Note 17 for details) of \$48.0 million in 2024 versus \$33.0 million in 2023;
- insurance finance loss (see Note 17 for details) of \$6.9 million in 2024 versus \$16.0 million in 2023;
- other general and administration expenses (see Note 16 for details) of \$3.3 million in 2024 versus \$2.7 million in 2023.

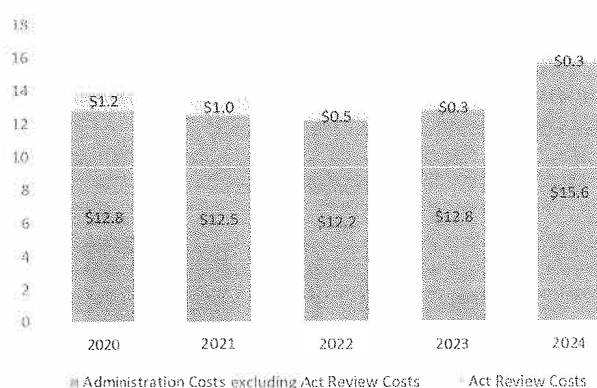
Claims Expenses



Total claims expenses for funding basis increased to \$47.0 million in 2024 versus \$29.4 in 2023. The increase was mainly driven by a \$24.9 million increase in the benefit liability number for 2024.

Administration costs for funding basis increased to \$15.9 million in 2024 versus \$13.1 million in 2023 and the increase was due mainly to the hiring of vacant positions.

Administration Costs



Balance sheet

At the end of each fiscal year, the board's actuary calculates the benefits liability for all injuries that have occurred to date. The benefits liability represents the actuarial present value of all future benefits and related administration costs. As at December 31, 2024, this liability under the funding basis was \$210.9 million compared to \$185.9 million the previous year. Under IFRS basis, this liability was \$220.9 million in 2024 versus \$199.9 in 2023.

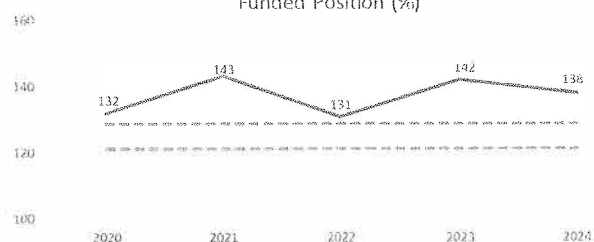
The total assets of the Fund as at December 31, 2024, increased under both bases of reporting. Under the funding basis, assets rose by \$35.4 million, compared to \$33.8 million in 2023, a 12% increase over the prior year (14% in 2023). Under the IFRS basis, assets increased by \$35.4 million, compared to \$34.0 million in 2023, a 13% increase over the prior year (14% in 2023). The growth was primarily attributable to strong investment performance, particularly in equities.

Funded position

The funding ratio is calculated by dividing the total assets by the total liabilities. Like a pension plan, the Fund must have adequate assets to ensure that benefits can be provided to injured workers both now and well into the future. Reserves are necessary to ensure that the board can minimize rate volatility, protect the Fund from unforeseen catastrophic events and preserve capital during large downturns in financial markets.

As at December 31, 2024, the funding basis funding ratio decreased to 138% (142% in 2023), due to increase in benefits liability, 2024 surplus distribution and offset by strong investment returns in 2024.

Funded Position (%)



Risk management

In order to identify and manage the many risks that the Fund faces, an enterprise risk management system (ERMS) has been implemented. The ERMS's purpose is to identify risks that could impede the board's ability to carry out its mandate of preventing injuries and helping injured workers and their families. Risks are identified and ranked by probability and impact. Risk owners are assigned, and mitigation measures are identified, implemented and monitored throughout the year. These measures are reviewed through the internal audit process to assure the organization that measures are functioning as anticipated. Annually, management formally reviews the risks and corresponding mitigation strategies with the Board.

The top risks for 2024 were identified as outdated legislation (regulations), the disruption of operations by cyber attacks and adverse changes in economies. Ongoing mitigation of these risks include the continued work related to implementing of the *Workers Safety and Compensation Act*, which was effective in July 2022, information technology security enhancements and continued commitment to business process improvements.

Economic review

The Yukon economy remained relatively stable in 2024. Population growth, continued economic strength and solid employment levels contributed to increased demand for the board's services.

Psychological injuries continue to present complex and long-term challenges. These types of claims are often long in duration, and the longer a claim remains open, the higher the associated costs. The board continues to work closely with workers, service providers and employers to support safe and timely return-to-work outcomes.

The board is also exploring how technology can enhance service quality, security and efficiency. In 2024, the board focused on continuing to create online forms, with further work planned to advance service delivery through technology.

Future outlook

Looking ahead to 2025, the board will continue to navigate a rapidly evolving and uncertain economic environment. In times like these, having the resilience and resources to adapt is essential. Challenges may arise quickly and in unexpected ways, making a strong financial foundation more important than ever.

This strong financial base helps maintain relatively stable employer assessment rates, making it possible for future obligations to injured workers can be met. It also supports ongoing investments in service improvements, collaborative initiatives and effective return-to-work programs.

From a prevention perspective, this stability enables continued investment in initiatives aimed at improving and monitoring workplace safety across the Yukon.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

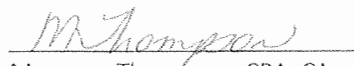
The management of the Workers' Safety and Compensation Board - Yukon (the "Board") is responsible for establishing and maintaining a system of books, records, internal controls and management practices designed to provide reasonable assurance that reliable financial information is produced on a timely basis; Compensation Fund (the "Fund") assets are safeguarded and controlled; transactions of the Fund are in accordance with relevant legislation, regulations and Board policies; the Fund's resources are managed efficiently and economically and the operations of the Board are carried out effectively.

Management is also responsible for the integrity and objectivity of the financial statements of the Fund, including any amounts that must of necessity be based on management's best estimates, experience and judgement. Management is responsible for preparing the accompanying financial statements in accordance with International Financial Reporting Standards. Other financial information included in the Annual Report is consistent with these financial statements.

Members of the Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board of Directors exercises its responsibilities through the Finance, Investment, and Audit Committee (the "Committee"). The Committee meets with management and the external auditors on a regular basis. The Committee has reviewed the financial statements and has submitted its report to the Board of Directors, which has approved these financial statements.

The Auditor General of Canada conducts an independent audit for the purpose of expressing her opinion on the financial statements.

Telus Health, an independent consulting actuarial firm, has completed an actuarial valuation of the insurance contract liability of the Fund included in the financial statements and reported thereon in accordance with accepted actuarial practice.


Catherine Jones
A/President and Chief Executive Officer
Maureen Thompson, CPA, CA
A/Vice President, Finance and Strategy

April 28, 2025

Actuarial Statement of Opinion

I have completed the IFRS17 actuarial valuation of the insurance contract liability of the Yukon Workers' Compensation Health and Safety Board (the "Board") as at December 31, 2024 (the "valuation date"). Details of the data, actuarial assumptions, valuation methods and results are included in the actuarial valuation report as at the valuation date, of which this statement of opinion forms part. In my opinion:

1. The data on which the valuation is based were supplied by the board in accordance with specifications provided by us. We applied such checks of reasonableness of the data as we considered appropriate and have concluded that the data are sufficient and reliable for the purpose of the valuation.
2. The actuarial assumptions adopted in computing the liability are adequate and appropriate for the purpose of the valuation.
3. The methods used are appropriate for the purpose of the valuation and are in accordance with accepted actuarial practice for workers' compensation organizations in Canada.
4. The estimate of the actuarial liabilities as at the valuation date is \$218,597,000. This amount consists of \$218,414,000 for the liability and \$183,000 for the Other Provisional Pensioners Occupation Disease & Presumptive Firefighter liability. This includes provisions for benefits expected to be paid after the valuation date for claims that occurred on or before the valuation date. A provision for future claims arising from long latency occupational diseases is included in this valuation. This liability includes future administrative expenses for all benefits, with the exception of the Retirement benefit. It does not include any accrued liability for claims arising from self-insured accounts.
5. The liability as at the valuation date for Retirement contributions and interest already set aside by the board up to the valuation date for purposes of providing pension benefits to injured workers was obtained from the board's finance division and is included in item 4 above.
6. The amount of the actuarial liabilities makes appropriate provision for all personal injury compensation obligations given the plan's accounting.
7. This report has been prepared, and my opinions given, in accordance with accepted actuarial practice in Canada.
8. The valuation is based on the provisions of the Workers' Safety and Compensation Act and on the board's policies and practices in effect on the valuation date.



Sekayi Campbell, F.C.I.A.

This report has been peer reviewed by Jeff Queen, F.C.I.A.



INDEPENDENT AUDITOR'S REPORT

To the Workers' Safety and Compensation Board, the board of directors and the Minister responsible for the Compensation Fund

Opinion

We have audited the financial statements of the Compensation Fund, which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Compensation Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Workers' Safety and Compensation Board's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Compensation Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Compensation Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Compensation Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

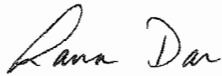
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Compensation Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Compensation Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Compensation Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Lana Dar, CPA, CA
Principal
for the Auditor General of Canada

Vancouver, Canada
28 April 2025

Compensation Fund

Statement of Financial Position

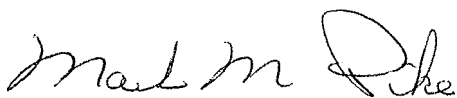
As at December 31 (in thousands of Canadian dollars)

	2024	2023
Assets		
Cash	\$ 6,447	\$ 8,943
Accounts receivable (Note 6)	98	240
Prepaid expenses	469	509
Investments (Note 7)	288,131	252,813
Property and equipment (Note 8)	14,595	12,141
Intangible assets (Note 9)	3,266	2,987
Total assets	\$ 313,006	\$ 277,633
Liabilities		
Accounts payable and accrued liabilities	\$ 2,604	\$ 2,583
Surplus distributions payable (Note 13)	5,365	-
Other provisions (Note 10)	1,163	1,881
Insurance contract liability (Note 11)	220,875	199,864
Employee benefits (Note 12)	4,073	3,859
Total liabilities	234,080	208,187
Equity	78,926	69,446
Total liabilities and equity	\$ 313,006	\$ 277,633

Commitments, Contingencies and Subsequent Events (Notes 15, 18, and 19)

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

Approved by the Workers' Safety and Compensation Board



Mark Pike, Chair

Compensation Fund

Statement of Comprehensive Income

For the year ended December 31 (in thousands of Canadian dollars)

	2024	2023
Insurance Revenue and Expenses		
Insurance revenue	\$ 38,762	\$ 36,846
Insurance service expense (Note 17)	(48,010)	(33,007)
Insurance service result	(9,248)	3,839
Net investment income (Note 7)	37,211	29,614
Insurance finance loss (Note 17)	(6,910)	(16,002)
Net insurance financial result	21,053	17,451
Other income and expenses		
Government grants and miscellaneous income	1,857	1,304
Other general and administration expenses (Note 16)	(3,347)	(2,679)
Net other income and (expenses)	(1,490)	(1,375)
Net income before other comprehensive loss and surplus distribution	19,563	16,076
Surplus distribution expense (Note 13)	(10,041)	-
Net income before other comprehensive loss	\$ 9,522	\$ 16,076
Other comprehensive loss		
All items presented in other comprehensive loss will not be reclassified to net income in subsequent periods:		
Actuarial loss on post-employment benefits (Note 12)	(42)	(203)
Total comprehensive income	\$ 9,480	\$ 15,873

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

Compensation Fund
Statement of Changes in Equity
(in thousands of Canadian dollars)

	Total
Balance at January 1, 2023	\$ 53,573
Net income before comprehensive loss for 2023	16,076
Other comprehensive loss	(203)
Total comprehensive income for 2023	15,873
Balance at December 31, 2023	\$ 69,446
Net income before comprehensive loss for 2024	\$ 9,522
Other comprehensive loss	(42)
Total comprehensive income for 2024	9,480
Balance at December 31, 2024	\$ 78,926

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

Compensation Fund

Statement of Cash Flows

For the year ended December 31 (in thousands of Canadian dollars)

	2024	2023
Operating activities		
Cash received from:		
Employers, for insurance revenue	\$ 38,809	\$ 38,323
Investment income - interest	3,937	3,301
Investment income - dividends	3,241	2,916
Government grants and miscellaneous income ¹	1,226	1,304
	47,213	45,844
Cash paid:		
To employers, for surplus distributions	(2,984)	-
For insurance service expense	(34,548)	(32,066)
For other general and administration expenses	(2,641)	(2,383)
For investment fees	(843)	(930)
	(41,016)	(35,379)
Total cash provided by operating activities	6,197	10,465
Investing activities		
Net (purchases) sale of investments	(4,443)	(7,124)
Purchases of property and equipment	(3,074)	(2,258)
Purchases of intangible assets	(1,176)	(1,038)
Total cash used for investing activities	(8,693)	(10,420)
Net (decrease) increase in cash	(2,496)	45
Cash, beginning of year	8,943	8,898
Cash, end of year	\$ 6,447	\$ 8,943

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

¹ Bank interest received during the year was \$435 (2023 - \$563)

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

1. Reporting Entity

The Compensation Fund (the "Fund") is continued by the *Workers' Safety and Compensation Act* (the "Act"). This Act was passed on December 2, 2021 and came into effect July 1, 2022. The Act supersedes the *Workers' Compensation Act* of Yukon and *Occupational Health and Safety Act* and regulations.

The Workers' Safety and Compensation Board - Yukon (the "Board") was continued under the Act. The Board's mandate is to administer the Act and regulations and provide compensation benefits to workers who sustain work-related injuries. Annual assessments, called insurance revenue on the Statement of Comprehensive Income, are levied on employers by applying their industry assessment rate to their actual or estimated payrolls for the year. Insurance and investment revenues pay for all insurance service and other general and administration expenses.

The Board's office is located at 401 Strickland Street, Whitehorse, Yukon, Canada, with operations exclusively within the Yukon. The Board is exempt from income tax and the goods and services tax.

2. Statement of Compliance and Basis of Preparation

These financial statements have been prepared by management in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). The Board of Directors approved and authorized for issue the 2024 financial statements on April 28, 2025.

Basis of measurement

These financial statements have been prepared on a historical cost basis, except for the following: investments classified as fair value through profit or loss that are measured at fair value, and the insurance contract liability, other provisions and employee benefits which are actuarially determined. The Fund's functional currency is the Canadian dollar, which is the currency of the primary economic environment in which the Fund operates and is also the presentation currency of the financial statements.

Critical Accounting Estimates and Judgements

The Board makes estimates and judgements in respect of certain key assets and liabilities of the Fund. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are the following:

- Note 7 Investments – Valuation of financial instruments
- Note 11 Insurance Contract liability – Determination of discount rates and other assumptions
- Note 11 Insurance Contract liability – Determination of latent occupational disease provision

The major areas of judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are the following:

- Note 4(j) Material Accounting Policies - Insurance contract liability - Separation of components, aggregation of contracts, contract initial recognition date, determination of contract boundaries and determination of onerous contracts
- Note 4(j) Material Accounting Policies - Insurance contract liability, Note 16 Other General and Administration Expense - Allocation of general and administration expenses to insurance activities
- Note 7 Investments – Classification of financial instruments
- Note 8 Property and Equipment – The degree of componentization
- Note 9 Intangible Assets – The determination of development costs eligible for capitalization

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

3. Changes in Accounting Policies and Disclosures

New and revised IFRS issued but not yet effective

The Board reviewed new or revised standards that were issued but yet not effective for 2024 and concluded that there would be no significant impact on the Fund's financial statements in the future as a result of these new or revised standards, except as follows:

(a) IFRS 9 - Financial Instruments

Amendment to IFRS 9 addresses when a financial liability should be derecognized when it is settled through electronic payment systems. The amendment is effective for annual reporting periods beginning on or after January 1, 2026. The impact of applying this amendment is not expected to have a material impact on the Fund's financial statements.

(b) IFRS 18 - Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and disclosure in financial statements was issued in April 2024 to replace IAS 1 Presentation of financial statements. IFRS 18 introduces new categories and subtotals in the Statement of Comprehensive Income. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information. IFRS 18 requires retrospective application with specific transition provisions. The new standard is effective for annual periods beginning on or after January 1, 2027 and early adoption is allowed. The Board has not elected to early adopt this standard. The Board is still assessing the impact of applying IFRS 18 and the impact on the Fund's financial statements is unknown at this time.

4. Material Accounting Policies

The following is a summary of the Fund's material accounting policies:

(a) Cash

For the purposes of the Statement of Financial Position and Statement of Cash Flows, cash includes cash on hand, bank balances, net of any bank overdrafts and cash held by investment custodians for investment purposes.

Foreign currency transactions incurred within operating activities are translated based on the exchange rate at the time of the transaction. Any cash balances remaining in foreign currency bank accounts at year end are translated at the exchange rate in effect as of December 31 of that year. Any gains or losses incurred as a result of translations are recorded in the Statement of Comprehensive Income.

(b) Insurance revenue

At the beginning of each year, the Fund levies assessments on employers by applying their industry assessment rate to their estimated payrolls for the year. The assessment levy is payable by instalments during the year. At year end, employers file a statement of actual assessable payroll and the difference between the estimated assessment and the actual assessment is recognized either as an increase in insurance revenue and recognized as a receivable, or as a decrease in insurance revenue and recognized as assessment refundable. When an employer does not provide estimated payroll, the Fund estimates, and levies assessments based on prior experience with the employer and industry.

Insurance revenue recognized for the period is the amount of expected assessment receipts allocated to the calendar year.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

4. Material Accounting Policies (continued)

(c) Recoveries from third parties

Under section 129(1) of the *Act*, the Board is deemed to be an assignee of a cause of action in respect of a worker's injury that arose out of a work-related injury. If settled, or as a result of a Court decision, the legal costs and costs associated with the claim create the settlement. Out of the settlement are paid the legal costs, and legal disbursements, and all past, present and future costs. Any funds remaining are paid to the worker. The amount recovered for past, present and future costs is used to pay for future claims benefits, which were previously expensed in accordance with actuarial calculations, and which were previously incorporated in the insurance contract liability.

Recoveries from third parties are recognized when their receipt is virtually certain and the amount can be reliably measured. They are recorded as insurance revenue in the year they are recognized. No provision is made in the insurance contract liability for possible future third party recoveries because of their contingent nature.

(d) Financial instruments

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model than "hold to collect" or "hold to collect and sell" are categorized at FVTPL. Also, irrespective of the business model, financial assets whose contractual cash flows are not solely payment of principal and interest are accounted for at FVTPL. The Fund can also elect to classify assets at FVTPL if classifying them in another category would result in an accounting mismatch.

Assets in this category include the Fund's investment portfolio, including fixed income and equity investments.

These assets are measured at fair value with realized gains or losses as well as changes in unrealized gains and losses recognized in net income as investment income. The fair values of quoted investments are based on closing market prices. Transaction costs directly related to the fair value through profit or loss financial assets are expensed as incurred.

Financial assets at amortized cost

Financial assets are measured at amortized cost if the asset meets the following conditions:

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- The contractual terms of the financial assets give rise to cash flows that are solely payment of principal and interest on the principal amount outstanding.

These assets are recorded initially at fair value and subsequently measured at amortized cost using the effective interest rate method. Interest and realized gains or losses are included in net comprehensive income. Cash and accounts receivable fall into this category.

Receivables are recognized when owed pursuant to the terms of the related contract and are short-term; therefore, the net carrying value is considered to be a reasonable approximation of fair value.

Transaction costs are capitalized on initial recognition and are recognized in income using the effective interest rate method.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

4. Material Accounting Policies (continued)

(d) Financial instruments (continued)

Investments

Investments are classified and measured at fair value through profit or loss. The fair value of publicly traded investments is the quoted market price which approximates the bid price at the end of the reporting period. Pooled fund units are valued at their year end net asset value, as determined by the fund manager. Purchases and sales of investments are recognized on the trade date.

Net investment income is comprised of realized gains and losses earned in the period arising on the sale of investments; unrealized gains and losses arising from fluctuations in fair value in the period; and dividends and interest earned in the period; net of investment management fees and transaction costs.

Investments denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the end of the year. Income from investments is translated at the rate in effect at the time it is earned. Exchange gains and losses resulting from the translation of foreign currency balances and transactions are recognized in net investment income in the period in which they arise.

The Board does not enter into any financial derivative instruments as part of managing the Fund's investment portfolio.

Financial liabilities

Accounts payable and accrued liabilities, and surplus distributions payable are measured at amortized cost. All are initially measured at fair value, and subsequently measured at amortized cost using the effective interest rate method. Due to the short-term nature of accounts payable and accrued liabilities, and surplus distributions payable, their carrying values approximate their fair values.

Fair value hierarchy

The Board uses the following hierarchy for determining and disclosing the fair value of its financial instruments by valuation technique:

- Level 1 - Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2 - Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3 - Techniques that use inputs which have a significant effect on the recorded fair value which are not based on observable market data.

Changes in valuation methods may result in transfers into or out of an instrument's assigned level. The Board's policy is to recognize transfers as of the date of the event or change in circumstances that cause the transfer. There were no such transfers between levels in 2024 (2023 – no transfers).

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses – the expected credit loss ("ECL") model. Instruments within the scope of the requirements include financial assets measured at amortized cost.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

4. Material Accounting Policies (continued)

(d) Financial instruments (continued)

Impairment of financial assets (continued)

The recognition of an impairment requires the Fund to consider a broad range of information when assessing credit risk and measuring expected credit losses including past events, current conditions and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. Accounts receivable include an estimate for the lifetime expected credit losses using the simplified method with a provision matrix in the expected credit loss accounts and are regularly reviewed to determine whether the account should be written-off. Accounts are written-off when there is no reasonable expectation of recovery.

Derecognition of financial assets and liabilities

A financial asset is derecognized when the contractual right to the cash flows from the asset expires or the financial asset and substantially all risk and rewards of ownership is transferred to another entity. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled, or expire.

(e) Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and accumulated impairment. Depreciation is calculated based on the straight-line method using rates based on the estimated useful lives of the assets as follows:

- | | |
|---------------------------|---------------|
| • Buildings and fixtures | 10 – 75 years |
| • Furniture and equipment | 5 – 15 years |
| • Computer equipment | 5 – 7 years |

Where an item of property and equipment is comprised of significant components with different useful lives, the components are accounted for separately. The estimated useful life, residual value and depreciation method are reviewed at each year end and any change in estimate is made on a prospective basis.

(f) Intangible assets

Intangible assets are comprised of purchased software and internally developed software systems.

Research costs are expensed as incurred. Development costs of internally developed software systems are capitalized when the system is technically feasible, resources are available, costs can be measured reliably, management intends to use the asset, and future economic benefits are probable. The asset is derecognized when it no longer meets these criteria. Salaries, wages and benefits directly related to internally developed software systems are included in the asset's cost. When the asset is substantially complete and is available for use, development costs are transferred to the related asset category and amortized.

Intangible assets are recorded at cost less accumulated amortization and accumulated impairment. Amortization is calculated based on the straight-line method using rates based on the estimated useful lives of the assets as follows:

- | | |
|------------------------|--------------|
| • Systems and software | 5 – 25 years |
|------------------------|--------------|

The estimated useful life and amortization period are reviewed at each year end and any change in estimate is made on a prospective basis.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

4. Material Accounting Policies (continued)

(g) Impairment of non-financial assets

IAS 36 *Impairment of Assets* requires an entity to test assets for impairment if indicators of impairment exist. The impairment review must be conducted for an individual asset, an asset group, or the cash-generating unit level, which is the smallest identifiable group of assets that generates cash inflows independent of cash inflows from other assets or groups of assets.

Based on an analysis of cash flows, the Board has established that the appropriate cash generating unit for impairment review is the entity. The Board has statutory power under the Act to increase premiums and/or charge a premium surcharge to ensure full funding into the foreseeable future and, therefore, the likelihood of impairment at the entity level is remote.

Individual assets that may have experienced impairment due to loss, damage, obsolescence or curtailed service potential are reviewed and the estimated useful life, depreciation method and residual value adjusted.

The Board assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Board estimates the asset's recoverable amount. As at December 31, 2024, management conducted an impairment review at the entity level, which confirmed that there were no indicators of impairment—changes in the legislative, economic or business environment—that would have a material impact on the Board's ability to generate future economic benefits from its operating (non-financial) assets.

(h) Government grants

There are two types of government grants which include government grants related to expenses and government grants related to assets. Government grants related to expenses are recognized as income when there is reasonable assurance that the conditions attached to the grant will be complied with and the grant will be received. When the grant relates to an asset, it is recognized as deferred income and is released into income in equal amounts over the expected useful life of the related asset.

In 2005, the Government of Yukon approved the reinstatement of ongoing funding for the Mine Safety Program (the "Program") through an annual grant to the Fund. The Program, which was transferred to the Board in 1993, provides mine rescue training and support services as well as mine safety inspection services. The funding is to be reviewed by the Government, at a minimum, every five years.

(i) Other provisions

Other provisions relate to certain claims that occurred prior to 1993, were transferred to the Fund, and were prepaid by the Government of Yukon. Provisions for these claims are determined annually and represent the actuarial present value of all future benefits expected to be paid. Claimants receive fixed monthly payments that are indexed on an annual basis. The estimated duration over which payments will be made is set based on the life expectancy of the claimants. Assumptions required to calculate other provisions include estimates of future inflation, interest rates and mortality rates. Experience adjustments are recognized as net income as incurred.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

4. Material Accounting Policies (continued)

(j) Insurance contract liability

Classification

Insurance contracts are contracts under which the Board accepts significant insurance risk from an employer, by agreeing to compensate the injured worker if a workplace injury occurs. The Board determines whether it has significant insurance risk by comparing benefits payable after an insured event with benefits payable if the insured event did not occur.

Separating components

The Board has assessed its insurance contracts to determine whether they contain distinct components which must be accounted for under another IFRS. The Board has recognized all insurance contracts as one component to be accounted for under IFRS 17.

Level of aggregation

IFRS 17 requires the Board to determine the level of aggregation for applying its requirements. Groups of contracts with similar risks that are managed together are aggregated into portfolios. The Board has determined all insurance contracts issued in a fiscal year are a single portfolio. All of the Board's insurance contracts are issued at the same time annually or within the same annual coverage period; they share similar risks and are managed together. As a result, the insurance contract liabilities and assets are grouped together and presented as one amount on the Statement of Financial Position. The single portfolio consists of individual insurance contracts to provide insurance benefits to injured workers. The portfolio of contracts must then be divided by profitability. Within each year, the portfolio of contracts must be divided into the following:

- Group of insurance contracts that are onerous at initial recognition (if any);
- Group of insurance contracts that at initial recognition have no significant possibility of becoming onerous subsequently (if any); and
- Group of remaining insurance contracts within the group (if any).

The Board performs an annual assessment of the profitability of its portfolio to determine the expected profitability. The Board has determined that all contracts within each annual portfolio fall within the same profitability grouping as a result of the Board's pricing and risk management strategies which are based on the collective risk of all insured employers.

Recognition

The Board recognizes groups of insurance contracts it issues from at the earliest of the following:

- The beginning of the coverage period of the group of insurance contracts;
- The date when the first payment is due from an employer or when the first payment is received; or
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous.

The Board's insurance contracts are recognized on a calendar basis with initial recognition generally being January 1, aside from new employers to the Board. The Board's contracts become effective on January 1 annually for existing employers which coincides with the beginning of the coverage period and when the premium rates are considered binding. New employers are added to the insurance contract portfolio when one of the above conditions are met.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

4. Material Accounting Policies (continued)

(j) Insurance contract liability (continued)

Contract boundary

The contract boundary is used to determine the cash flows to be included in the groups of insurance contracts. A substantive obligation to provide insurance contract service ends when the Board has the ability to reassess risks of the employer and as a result can set a price that reflects those risks, or both of the following criteria are satisfied:

- The Board has the ability to price the group of contracts so that the price reflects the reassessed risk of the group of insurance contracts, and
- The pricing of premiums related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

The Board has determined that the insurance contracts have annual terms that are guaranteed to be renewable each year; however, the Board has the ability to re-price the premiums based on risk, experience and historical information annually. As the substantive obligation to provide the employer with insurance coverage ends when the Board has the ability to reprice the risks of the employer, the contract boundary and related cash flows are those associated with that one year coverage period.

Measurement

The Board uses the Premium Allocation Approach (PAA) for all groups of insurance contracts that it issues to employers due to the fact that the coverage period of each insurance contract is one year or less, including insurance contract services arising from all premiums within the contract boundary.

Initial measurement

For groups of insurance contracts that are not onerous at initial recognition, the Board measures the liability for remaining coverage at inception as the premiums, if any, received at initial recognition. The Board has elected to immediately expense any acquisition costs and does not incur any other cash flows prior to the contract commencement date; therefore, no other adjustments are made to the liability for remaining coverage at initial recognition. Where the contract boundary is one year, there is no adjustment required for accretion of interest on the liability for remaining coverage.

For insurance contracts that facts and circumstances indicate that the group of insurance contracts is onerous at initial recognition, the Board separately groups the onerous contracts from other contracts and recognizes a loss in the Statement of Comprehensive Income. The Board would also establish a loss component for the liability for remaining coverage for such onerous contracts on initial measurement.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Board requires for bearing the uncertainty about the amount and timing of the cash flow of insurance contracts. Although non-financial risks are inherent in the operations of the Board, due to the nature of operations, the Board does not seek compensation for the uncertainty around the amount and timing of cash flows that arise from the non-financial risks. As the Board generates sufficient premiums and income from investments to fully fund the operations of the insurance business and other administrative activities, there is no compensation required or earned by the Fund for such risk and as such, the risk adjustment was determined to be approximately nil or negligible.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

4. Material Accounting Policies (continued)

(j) Insurance contract liability (continued)

Measurement (continued)

Risk adjustment for non-financial risk (continued)

The Board estimated the risk adjustment using a 50% confidence level, which is the probability that the actual outcome of future cash flows associated with the Funds claims and expenses will be less than the liability.

Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at the sum of a risk-free yield curve derived from Government of Canada bonds and an illiquidity premium derived from a reference portfolio. The bottom-up approach was applied in the determination of the discount rate using the Fiera Capital Corporation IFRS 17 reference curve.

Fulfillment cash flows

Fulfillment cash flows comprise the probability-weighted estimates of future cash flows, discounted to reflect the time value of money and the associated financial risks, plus a risk adjustment for non-financial risk which is determined to be negligible. Fulfillment cash flows are comprised of direct expenditures related to insurance activities plus an allocation of indirect expenditures. Management has applied judgement as to the allocation of general and administrative expenses in the determination of the amounts attributable to insurance activities.

Subsequent measurement

Liability for remaining coverage

The Board measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period, plus premiums received in the period, and minus the amount recognized as insurance revenue for the services provided in the period.

Where the Board's insurance contracts all align to the Board's annual reporting period, the liability for remaining coverage at the end of each annual reporting period is \$nil.

Liability for incurred claims

The Board estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, reflect current estimates from the Board, and include an explicit adjustment for non-financial risk. The Board adjusts all future cash flows for the time value of money and the effect of financial risk.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

4. Material Accounting Policies (continued)

(j) Insurance contract liability (continued)

Measurement (continued)

Subsequent measurement (continued)

Liability for incurred claims (continued)

The liability for incurred claims represents the present value of expected future payments in respect of claims arising from accidents that occurred prior to the end of the fiscal year as well as an allowance for all recognized latent occupational disease claims expected to arise in the future as a result of past exposures. Occupational diseases differ from other types of occupational injuries in that there can be a considerable time lag between the exposure, the manifestation of the disease and the identification of the ensuing disability as a claim. Further, it may be difficult to establish a link between an occupational disease and the workplace. A portion of the total liability is held based on the accumulated exposure up to the valuation date relative to total exposure before manifestation of the occupational disease. The liability for incurred claims also includes an allowance for future claims management costs.

The liability for incurred claims includes provision for all benefits provided by current legislation, policies, and administrative practices.

During the normal course of business, the Board will enter into agreements with other workers compensation boards or other parties as listed in section 9(1) of the Act. Under section 9.10 of the Interjurisdictional Agreement on Worker's Compensation Consolidation, the Adjudicating Board shall notify a Reimbursing Board of a potential reimbursement claim within two years of the date the claim is accepted by the Adjudicating Board.

As such, it is possible for the Fund to not be aware of liabilities for accidents that occurred in the Yukon but are adjudicated by another board at year-end.

Onerous contracts

If, during the contract period, facts and circumstances indicate that a group of insurance contracts is onerous, the Board recognizes a loss in comprehensive income for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Board for the liability for remaining coverage for the onerous group showing the losses recognized.

Under the PAA, contracts are not considered onerous unless indicated by certain facts and circumstances. A contract becomes onerous if it's expected to generate losses over its coverage period. The determination of whether a contract is onerous at initial recognition involves comparing the expected return from assessment premiums, less premium rate adjustments related to funding surpluses and deficits, and the present value of the expected benefit payments and administration costs.

Modification and derecognition

The Board derecognizes insurance contracts when the rights and obligations relating to the contract are extinguished or the contract is modified such that the modification results in a change in the measurement model, substantially changes the contract boundary or requires the modified contract to be included in a different group. As a result, the Board derecognizes the initial contract and recognizes the modified contract as a new contract. When a modification does not result in derecognition, the Board recognizes amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

4. Material Accounting Policies (continued)

(j) Insurance contract liability (continued)

Measurement (continued)

Insurance finance income and loss

Insurance finance income or loss comprise the change in the carrying amount of the insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

The Board recognizes all insurance finance income and loss through total comprehensive income.

(k) Employee benefits

Short-term employee benefits

Employee benefits that are expected to be settled within twelve months of the reporting date are measured on an undiscounted basis. These benefits include annual vacation leave earned but not yet used.

Other long-term employee benefits

Benefits that are expected to be settled beyond twelve months are determined based on an actuarial valuation as the best estimate of future cash flows discounted to present value with actuarial gains and losses recognized in total comprehensive income as incurred. These benefits include long service vacation leave, sick leave and special leave benefits earned but not used.

Post-employment benefits

(i) Retirement and severance benefits

Retirement or severance benefits are available to employees who have completed five years of service with the Board. Payments are made upon retirement or termination, with benefits increasing with additional length of service. The benefit obligation is determined based on an actuarial valuation using estimates of future inflation and interest rates. Actuarial gains and losses are recognized in other comprehensive income as incurred. The obligation is calculated using the projected unit credit method prorated on service.

(ii) Public Service Pension Plan

Substantially all of the employees of the Board are covered by the Public Service Pension Plan (the "Plan"), a multi-employer contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both employees and the Fund to cover current service cost. Pursuant to legislation currently in place, the Fund has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Fund.

(l) Funding policy surplus distributions

The Board may issue surplus distributions in accordance with its Funding Policy. These are recorded as an expense in the period in which they are approved by the Board of Directors. Surplus distributions that are approved but not issued are recorded as credit to eligible employers' 2024 assessments when an obligation exists, when the amount of such distributions can be reliably estimated, and when it is probable a payment will be issued in the future to settle the obligation.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

5. Risk Management

The Fund has exposure to the following financial risks: credit risk, liquidity risk and market risk (which also includes inflation risk, interest rate risk and currency risk). The Fund's exposure to these risks arises primarily in relation to its investment portfolio, but also in relation to its other financial assets and financial liabilities.

The Board's management is responsible for monitoring performance and recommending changes to the Investment Policy. The Board of Directors is ultimately responsible for governance and strategic direction of the investment portfolio through its review and approval of the Investment Policy and selection of investment managers. The investment managers' compliance with this Investment Policy is monitored on a regular basis. Quarterly, independent consultants benchmark the performance of the Fund's investment managers and advise on the appropriateness and effectiveness of the Fund's Investment Policy and practices.

The following sections present information about the Fund's exposure to each of the above risks and the Board's objectives, policies and processes for measuring and managing each risk. There were no changes to these risks or the Board's objectives, policies and process for managing them during the year ended December 31, 2024.

Credit risk

Credit risk on financial instruments arises from the possibility that the issuer of a fixed-term instrument fails to meet its obligations. Short-term deposits are rated as R-1 (high). To manage this risk, the Board, as prescribed in the Investment Policy, has determined that short-term investments must have a credit rating of at least R1L, and long-term investments require a rating of BBB or higher by the Dominion Bond Rating Service or the equivalent rating by Moody's, in order to be eligible for consideration as an investment. Diversification of credit risk is managed by limiting the exposure in a single private institution to 15% of the portfolio. The Board has stayed within these guidelines during the year.

The table below presents the Fund's fixed income bond credit ratings:

Ratings	AAA	AA	A	BBB	31-Dec-24	31-Dec-23
Fixed Income Securities	\$ 42,782	\$ 42,548	\$ 28,888	\$ 9,357	\$ 123,575	\$ 106,565

The Fund's exposure to credit risk associated with its receivables is the risk that an employer or a cost recovery customer (the "customer") will be unable to pay amounts due to the Fund. The Fund's maximum exposure to credit risk associated with its accounts receivable and insurance contract assets is \$1,712,000 (2023 – \$3,111,000).

An estimated expected credit loss has been recorded for accounts receivable and insurance contract assets that may not be collectible as at the reporting date. The amounts disclosed on the Statement of Financial Position are net of these expected credit losses. At December 31, 2024, there were no significant accounts receivable or insurance contract assets that were past due but not impaired. The Board takes into consideration payment and collections history, and the current economic environment in which the Board operates to assess expected credit losses. The Board recognizes an expected credit losses when management considers that the expected recovery is less than the carrying amount.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

5. Risk Management (continued)

Credit risk (continued)

The Board believes that the credit risk associated with receivables is mitigated by the following:

- The employer base is dispersed across various industries, with government comprising a significant concentration. The non-government-based employers may be affected by any downturns due to prevailing economic conditions.
- As at December 31, 2024, approximately 75% (2023 – 81%) of accounts receivable and insurance contract assets were outstanding for less than 90 days. The Board does not require collateral or other security from employers or customers for accounts receivable.
- The Board has the power and remedies to enforce payment owing to the Fund.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Fund's operations are financed through a combination of the cash flows from operations and investments. One of management's primary goals is to maintain an optimal level of liquidity through the active management of the assets and liabilities as well as the cash flows.

The Fund has access to the Government of Yukon's overall line of credit facility with the Government's banker. This access provides the Fund with overdraft coverage of \$10,000,000 if needed. The Fund has not used the overdraft coverage.

The Fund's accounts payable and accrued liabilities and surplus distributions payable had a carrying value of \$7,969,000 as at December 31, 2024 (2023 – \$2,583,000) and were all payable within a year.

Liquidity risk related to the insurance contract liability is included in note 11(e).

Market risk

The Fund is exposed to market risk which is the risk that the fair value or future cash flows of its investments will fluctuate in the future because of economic conditions. Market risk is managed through diversification between different asset classes and geographic locations, and by limiting the concentration in any single entity to 15 per cent or less of the fair value of the investment fund (note 7).

The table below presents the Fund's investment targets and actual asset mix at fair value:

	Target		Actual	
	Minimum	Maximum	31-Dec-24	31-Dec-23
Equities				
Canadian	0 %	25 %	18.6 %	17.9 %
United States	0 %	25 %	20.3 %	20.4 %
International	0 %	25 %	16.8 %	17.0 %
Fixed income				
Short-term investments	0 %	10 %	1.2 %	2.3 %
Bonds	35 %	85 %	43.1 %	42.4 %
			100.0 %	100.0 %

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

5. Risk Management (continued)

Market risk (continued)

The table below presents the effect on the investment portfolio of a material adverse change in the fair value of each of the categories of equities in the Fund's investments portfolio:

	31-Dec-24		31-Dec-23	
	-10%	-20%	-10%	-20%
Equities				
Canadian	\$ (5,340)	\$ (10,679)	\$ (4,514)	\$ (9,029)
United States	(5,843)	(11,685)	(5,154)	(10,308)
International	(4,831)	(9,662)	(4,293)	(8,586)
Total impact on investment portfolio	\$ (16,014)	\$ (32,026)	\$ (13,961)	\$ (27,923)

Inflation risk

Inflation risk is the risk that a general increase in price level may result in loss of future purchasing power of current monetary assets. The Board manages inflation risk through its investment allocation between equities and fixed income investments.

Interest rate risk

Interest rate risk is the risk that the value of a financial security will fluctuate due to changes in market interest rates. The Fund's investment portfolio is exposed to interest rate risk through its holdings of short- and long-term fixed income investments. Interest rate risk is minimized by actively managing the duration of the fixed income investments.

The table below presents the effects on the investment portfolio of a 50 and 100 basis point ("bp")¹ adverse change in the nominal interest rate on the fair value of the bond portfolio:

Positive bp change in nominal interest rate	31-Dec-24		31-Dec-23	
	+50bp	+100bp	+50bp	+100bp
Bonds	\$ (4,479)	\$ (8,957)	\$ (3,788)	\$ (7,576)
Total impact on the investment portfolio	\$ (4,479)	\$ (8,957)	\$ (3,788)	\$ (7,576)

(1) One basis point (bp) equals 1/100 of 1%; 50 bps = 50/100 of 1%, or 0.5%.

In the event the nominal interest rates decrease by 50 and 100 basis points, the impact will be equal and opposite to the above stated values.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

5. Risk Management (continued)

Interest rate risk (continued)

The table below presents the remaining terms to maturity at fair value, along with the average effective yields for each maturity, for fixed income investments exposed to inflation and interest rate risk:

	Remaining term to maturity ¹				31-Dec-24	31-Dec-23
	< 1 year	1 - 5 years	5 - 10 years	> 10 years		
Bonds	\$ 14,761	\$ 43,308	\$ 27,962	\$ 37,544	\$ 123,575	\$ 106,565
Average effective yield	1.99%	7.23%	4.15%	4.07%	4.95%	5.71%

(1) Maturity is defined as the earliest a bond can be redeemed without penalty by the bond issuer.

The Fund is also exposed to the risk that interest rate movements may materially impact the value of its insurance contract liability (note 11(d)).

Currency risk

Currency risk is the risk that the value of financial assets and financial liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates relative to the Canadian dollar.

The Fund is exposed to exchange rate volatility that is managed by the contracted fund managers. The Board does not undertake long-term hedging strategies for the currency risk of foreign investments. The Fund's most significant exposure is to the US dollar, Euro, British pound, Swiss franc, Japanese yen and Hong Kong dollar.

The Fund held foreign currency denominated holdings, at fair value, as follows:

Currency	31-Dec-24	31-Dec-23
US Dollar	\$ 65,412	\$ 59,492
Euro	\$ 18,304	\$ 16,312
British Pound	\$ 10,845	\$ 8,283
Swiss Franc	\$ 5,964	\$ 5,160
Japanese Yen	\$ 5,466	\$ 5,229
Hong Kong Dollar	\$ 1,256	\$ 1,071

The sensitivity analysis below presents the effect on the investment portfolio of a 10 per cent appreciation in the Canadian dollar as compared to the Fund's most significant currencies:

Currency	31-Dec-24	31-Dec-23
US Dollar	\$ (5,947)	\$ (5,408)
Euro	\$ (1,664)	\$ (1,483)
British Pound	\$ (986)	\$ (753)
Swiss Franc	\$ (542)	\$ (469)
Japanese Yen	\$ (497)	\$ (475)
Hong Kong Dollar	\$ (114)	\$ (97)

In the event there is a 10 per cent depreciation in the Canadian dollar, the impact will be equal and opposite to the above stated values.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

6. Accounts Receivable

	31-Dec-24	31-Dec-23
Accounts receivable		
Other receivables and recoveries	\$ 194	\$ 274
Expected credit loss	(96)	(34)
Total accounts receivable	\$ 98	\$ 240

Included in other receivables and recoveries are amounts due from related parties, which are disclosed in note 14.

Reconciliation of expected credit loss

The provision for potential credit losses and amounts are subsequently written off once reasonable collection efforts have been made. The reconciliation details are as follows:

	31-Dec-24	31-Dec-23
Balance, beginning of year	\$ 34	\$ 28
Allowance written off	(3)	(13)
Recoveries and other adjustments	(8)	(8)
Current year provision	73	27
Balance, end of year	\$ 96	\$ 34

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

7. Investments

	31-Dec-24 Fair Value	31-Dec-23 Fair Value
Fixed-term securities		
Corporate bonds	\$ 45,559	\$ 44,779
Federal bonds	39,948	32,618
Provincial bonds	36,487	28,994
Municipal bonds	1,581	173
	123,575	106,564
Equities		
United States	58,426	51,539
Canadian	53,396	45,172
International	48,312	42,932
	160,134	139,643
Other investments		
Short-term investments	3,571	5,860
Accrued interest receivable	851	754
	4,422	6,614
Investments, subtotal	288,131	252,821
Investment fees accrual	-	(8)
Total investments	\$ 288,131	\$ 252,813

The total funds held by investment custodians is \$288,323,000 (2023 - \$253,278,000) which includes the investments above and cash on account of \$192,000 (2023 - \$465,000).

Net investment income:

	31-Dec-24	31-Dec-23
Interest revenue calculated using the fair value through profit and loss	\$ 4,025	\$ 3,485
Other interest and similar income	3,241	2,916
Net fair value gains on financial assets at fair value through profit and loss	12,580	5,452
Net fair value gains on derecognition of financial assets at fair value through profit and loss	18,200	18,524
Investment fees	(835)	(763)
Total net investment income	\$ 37,211	\$ 29,614

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

7. Investments (continued)

Fair value hierarchy

The Fund's investments are categorized into the fair value hierarchy based, on type, frequency and visibility of pricing, source of pricing and liquidity. There are three levels of classification:

- Level 1 classification reflects public daily market or quote pricing in active markets.
- Level 2 classification is used when pricing is:
 - a) model or matrix based (using observable inputs and/or market information);
 - b) based on closely-related securities;
 - c) derived pricing (when no public quote exists); or
 - d) from a broker quote on less active markets.
- Level 3 classification is used when a security has no public pricing and poor to non-existent liquidity.

As at December 31, 2024, the Fund held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
Accrued interest, net of investment fee accrual	\$ 851	\$ -	\$ -	\$ 851
Short-term investments	3,571	-	-	3,571
Bonds	12,524	111,051	-	123,575
Equities	75,139	-	-	75,139
Pooled funds	-	84,995	-	84,995
Total investments	\$ 92,085	\$ 196,046	\$ -	\$ 288,131

As at December 31, 2023, the Fund held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
Accrued interest, net of investment fee accrual	\$ 745	\$ -	\$ -	\$ 745
Short-term investments	13,134	-	-	13,134
Bonds	3,714	81,747	-	85,461
Equities	63,594	-	-	63,594
Pooled funds	-	89,879	-	89,879
Total investments	\$ 81,187	\$ 171,626	\$ -	\$ 252,813

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

8. Property and Equipment

A reconciliation of the changes in the carrying amount of property, plant and equipment is as follows:

	Land	Buildings & Fixtures	Furniture & Equipment	Computer & Equipment	Assets Under Construction	Total
Cost						
At January 1, 2024	\$ 1,804	\$ 11,056	\$ 1,638	\$ 1,765	\$ 2,349	\$ 18,612
Additions	-	-	133	123	2,749	3,005
Disposals	-	-	(56)	(80)	-	(136)
At December 31, 2024	\$ 1,804	\$ 11,056	\$ 1,715	\$ 1,808	\$ 5,098	\$ 21,481
Depreciation						
At January 1, 2024	\$ -	\$ 3,974	\$ 1,245	\$ 1,252	\$ -	\$ 6,471
Depreciation	-	263	73	207	-	543
Disposals	-	-	(55)	(73)	-	(128)
At December 31, 2024	\$ -	\$ 4,237	\$ 1,263	\$ 1,386	\$ -	\$ 6,886
Net Book Value						
At December 31, 2024	\$ 1,804	\$ 6,819	\$ 452	\$ 422	\$ 5,098	\$ 14,595

	Land	Buildings & Fixtures	Furniture & Equipment	Computer & Equipment	Assets Under Construction	Total
Cost						
At January 1, 2023	\$ 1,804	\$ 10,903	\$ 1,542	\$ 1,613	\$ 154	\$ 16,016
Additions	-	12	101	152	2,336	2,601
Disposals	-	-	(5)	-	-	(5)
Transfers	-	141	-	-	(141)	-
At December 31, 2023	\$ 1,804	\$ 11,056	\$ 1,638	\$ 1,765	\$ 2,349	\$ 18,612
Depreciation						
At January 1, 2023	\$ -	\$ 3,694	\$ 1,185	\$ 1,014	\$ -	\$ 5,893
Depreciation	-	280	65	238	-	583
Disposals	-	-	(5)	-	-	(5)
At December 31, 2023	\$ -	\$ 3,974	\$ 1,245	\$ 1,252	\$ -	\$ 6,471
Net Book Value						
At December 31, 2023	\$ 1,804	\$ 7,082	\$ 393	\$ 513	\$ 2,349	\$ 12,141

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

9. Intangible Assets

A reconciliation of the changes in the carrying amount of intangible assets is as follows:

	Internal Software Development Costs ⁽¹⁾	Software Systems Under Development	Software Costs	Total
Cost				
At January 1, 2024	\$ 11,261	\$ 272	\$ 1,445	\$ 12,978
Additions	78	858	71	1,007
At December 31, 2024	\$ 11,339	\$ 1,130	\$ 1,516	\$ 13,985
Amortization				
At January 1, 2024	\$ 8,683	\$ -	\$ 1,308	\$ 9,991
Amortization	623	-	105	728
At December 31, 2024	\$ 9,306	\$ -	\$ 1,413	\$ 10,719
Net Book Value				
At December 31, 2024	\$ 2,033	\$ 1,130	\$ 103	\$ 3,266

	Internal Software Development Costs ⁽¹⁾	Software Systems Under Development	Software Costs	Total
Cost				
At January 1, 2023	\$ 10,742	\$ -	\$ 1,403	\$ 12,145
Additions	-	1,223	42	1,265
Disposals	(432)	-	-	(432)
Transfers	951	(951)	-	-
At December 31, 2023	\$ 11,261	\$ 272	\$ 1,445	\$ 12,978
Amortization				
At January 1, 2023	\$ 8,479	\$ -	\$ 1,172	\$ 9,651
Amortization	636	-	136	772
Disposals	(432)	-	-	(432)
At December 31, 2023	\$ 8,683	\$ -	\$ 1,308	\$ 9,991
Net Book Value				
At December 31, 2023	\$ 2,578	\$ 272	\$ 137	\$ 2,987

⁽¹⁾ Included in internal software development costs is the claims management system which has a net book value of \$981,000 (2023 - \$1,226,000) and a remaining amortization period of 3 years.

System research and analysis costs expensed in 2024 were \$Nil (2023 - \$24,775)

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

10. Other Provisions

Prior to 1993, the Government of Yukon did not pay assessment fees and prepaid certain claims. The amount prepaid was equal to the estimated lifetime cost of the claims. The claimants receive fixed monthly payments that are indexed on an annual basis. The estimated duration over which payments will be made is set based on the life expectancy of the claimants.

	31-Dec-24
Balance, beginning of year	\$ 1,881
Amount charged against the provision during the year	87
Effect of discounting	(805)
Balance, end of year	\$ 1,163

The net change in other provisions of \$718,000 is recognized in Government grants and miscellaneous income on the Statement of Comprehensive income.

11. Insurance Contract Liability

The reconciliation of the net asset or liability for insurance contracts issued, which shows the liabilities for remaining coverage and the liabilities for incurred claims is disclosed as follows:

	<u>Liabilities for remaining coverage</u>		<u>Liabilities for incurred claims</u>	
	<u>Excluding loss component</u>	<u>Loss component</u>	<u>Present value of future cash flows</u>	<u>2024 Total</u>
Insurance contract liabilities, balance January 1, 2024	\$ 3,411	\$ -	\$ 199,324	\$ 202,735
Insurance contract assets, balance January 1, 2024	(2,871)	-	-	(2,871)
Net insurance contract liability, balance January 1, 2024	\$ 540	\$ -	\$ 199,324	\$ 199,864
Insurance revenue	\$ (38,762)	\$ -	\$ -	\$ (38,762)
Insurance service expenses:				
Insurance administrative expenses	-	-	16,564	16,564
Incurred claims expenses	-	-	19,084	19,084
Changes to liabilities for incurred claims	-	-	12,362	12,362
Total insurance service expenses	-	-	48,010	48,010
Insurance service result	(38,762)	-	48,010	9,248
Insurance finance (income) loss	-	-	6,910	6,910
Total changes in the Statement of Comprehensive Income	\$ (38,762)	\$ -	\$ 54,920	\$ 16,158

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

11. Insurance Contract Liability (continued)

	<u>Liabilities for remaining coverage</u>		<u>Liabilities for incurred claims</u>	
	Excluding loss component	Loss component	Present value of future cash flows	2024 Total
Cash flows:				
Insurance revenue received	\$ 38,809	\$ -	\$ -	\$ 38,809
Insurance service payments	-	-	(34,548)	(34,548)
Net cash flows before non-cash adjustments	\$ 38,809	\$ -	\$ (34,548)	\$ 4,261
Adjustments for non-cash surplus distribution applied	1,692	-	-	1,692
Adjustments for non-cash insurance administration	-	-	(1,100)	(1,100)
Closing insurance contract liabilities, balance December 31	\$ 3,894	\$ -	\$ 218,596	\$ 222,490
Closing insurance contract assets, balance December 31	(1,615)	-	-	(1,615)
Net insurance contract liability, as at December 31	\$ 2,279	\$ -	\$ 218,596	\$ 220,875

	<u>Liabilities for remaining coverage</u>		<u>Liabilities for incurred claims</u>	
	Excluding loss component	Loss component	Present value of future cash flows	2023 Total
Insurance contract liabilities, balance January 1, 2023	\$ 2,161	\$ -	\$ 183,471	\$ 185,632
Insurance contract assets, balance January 1, 2023	(3,098)	-	-	(3,098)
Net insurance contract liability, balance January 1, 2023	\$ (937)	\$ -	\$ 183,471	\$ 182,534
Insurance revenue	\$ (36,846)	\$ -	\$ -	\$ (36,846)
Insurance service expenses:				
Insurance administrative expenses	-	-	14,642	14,642
Incurred claims expenses	-	-	18,514	18,514
Losses on onerous contracts	-	989	-	989
Reversal of losses on onerous contracts	-	(989)	-	(989)
Changes to liabilities for incurred claims	-	-	(149)	(149)
Total insurance service expenses	-	-	33,007	33,007
Insurance service result	(36,846)	-	33,007	(3,839)
Insurance finance (income) loss	-	-	16,002	16,002
Total changes in the Statement of Comprehensive Income	\$ (36,846)	\$ -	\$ 49,009	\$ 12,163

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

11. Insurance Contract Liability (continued)

	<u>Liabilities for remaining coverage</u>		<u>Liabilities for incurred claims</u>	
	Excluding loss component	Loss component	Present value of future cash flows	2023 Total
Cash flows:				
Insurance revenue received	\$ 38,323	\$ -	\$ -	\$ 38,323
Insurance service payments	-	-	(32,066)	(32,066)
Net cash flows before non-cash adjustments	\$ 38,323	\$ -	\$ (32,066)	\$ 6,257
Adjustment for non-cash insurance administration	-	-	(1,090)	(1,090)
Closing insurance contract liabilities, balance December 31	\$ 3,411	\$ -	\$ 199,324	\$ 202,735
Closing insurance contract assets, balance December 31	(2,871)	-	-	(2,871)
Net insurance contract liability, as at December 31	\$ 540	\$ -	\$ 199,324	\$ 199,864

(a) Objectives in managing risks arising from insurance contracts and policies for mitigating those risks

The Board has an objective to control insurance risk, thus reducing the volatility of operating results. In addition, due to the inherent uncertainty of insurance risk, which can lead to significant variability in the loss experience, operating results from the Fund's workers' compensation business are affected by market factors, particularly movements in asset values. Short-term variability is, to some extent, a feature of the workers' compensation business.

Key aspects of processes established to mitigate insurance risks include:

- The maintenance and use of management information systems, which provides data on the risks that the Fund is exposed to at any point in time;
- Actuarial models, using information from the management information system, are used to monitor claims patterns and calculate assessment premiums. Past experience and statistical methods are used as part of the process; and
- The asset mix of the Fund investments is driven by the nature and term of insurance liabilities. The management of assets and liabilities is closely monitored to attempt to match maturity dates of assets with the expected pattern of claim payments.

(b) Terms and conditions of the Act

The terms and conditions attaching to the Act affect the level of insurance risk accepted by the Fund. All workers' compensation coverage entered into is subject to substantially the same terms and conditions under the Act.

(c) Development of claims

There is a possibility that changes may occur in the estimate of the Fund's obligations over time. The tables in part (i) of this note show the estimates of total net and gross claims outstanding for each underwriting year at successive year ends.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

11. Insurance Contract Liability (continued)

(d) Market risk - Interest rate risk

The Fund is exposed to market risk, more specifically to the risk that movements in interest rates may impact the discount rate selected to perform the valuation of the insurance contract liability. A small change in the discount rate can cause a material impact in the valuation of the insurance contract liability as disclosed in part (g) of this note.

(e) Liquidity risk

The Fund's exposure to liquidity risk is set out in note 5.

The following table estimates the expected amounts and timing of future benefit payments for the provision of outstanding claims. The expected timing of payments from the provision for outstanding claims involves considerable uncertainty. The projections presented below do not include a provision for future administration expenses or latent occupational diseases.

Expected timing of future payments for outstanding claims:

	31-Dec-24	31-Dec-23
Up to 1 year	5 %	5 %
Over 1 year and up to 5 years	15 %	16 %
Over 5 years and up to 10 years	18 %	19 %
Over 10 years	62 %	60 %
	100 %	100 %

(f) Actuarial assumptions and methods

The insurance contract liability was determined using accepted actuarial practice in accordance with standards established by the Canadian Institute of Actuaries. The actuarial present value of future benefits reflects management's and the actuary's best estimates of long-term economic and actuarial assumptions.

The overall valuation approach is designed to reflect emerging trends without placing too much emphasis on temporary fluctuations. The factors used in the valuation have been developed on a best-estimate basis by taking the Board's historical experience into consideration along with recent trends in that experience. The general philosophy is to avoid reacting too strongly to temporary fluctuations until there is sufficient evidence that a change in assumption is required.

The degree to which the valuation reflects trends is partly impacted by formulas intended to place the appropriate amount of weight on observed experience for each recent year and partly affected by professional judgement based on observation of payment and claiming trends, including discussions with the Board's staff about the underlying factors that might be causing an observed trend.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

11. Insurance Contract Liability (continued)

(f) Actuarial assumptions and methods (continued)

The following economic assumptions are used in the valuation of the insurance contract liability: discount rate 4.87% (2023 - 4.85%), long-term inflation rate for compensation 2.25% (2023 - 2.25%), and inflation rate for medical benefits 4.50% (2023 - 4.75%). The discount rate net of inflation is used to calculate the present value of expected future payments.

The administration rate represents the present value of the expected future costs required to provide administrative services for the continuation of claims management and maintenance of existing claims. The administration rate applied at December 31, 2024 is 17% (2023 - 17%).

As these assumptions may change over time to reflect underlying economic or legislated conditions, it is possible that such changes could cause a material change to the actuarial present value of future benefit payments.

(g) Liability sensitivity

The most significant assumption in the determination of the insurance contract liability is the net discount rate. The net discount rate is the assumed rate of return in excess of the assumed inflation rate. A reduction in the net discount rate would increase the actuarial present value of the insurance contract liability resulting in an increase in the insurance service expense and insurance contract liability. An increase in the discount rate would decrease the actuarial present value, resulting in a decrease in the insurance service expense and insurance contract liability.

Medical benefits represent approximately 13% (2023 - 14%) of the insurance contract liability. A change in the assumed excess medical inflation rate (above the assumed inflation rate) and the net discount rate would result in a change in insurance service expense and the insurance contract liability as follows:

Percentage change in assumed rates	31-Dec-24		31-Dec-23	
	+1%	-1%	+1%	-1%
Increase (decrease) from change in net discount rate	\$ (18,176)	\$ 21,703	\$ (16,802)	\$ 19,349
Increase (decrease) from change in general inflation	\$ 20,039	\$ (17,031)	\$ 17,590	\$ (14,647)
Increase (decrease) from change in excess medical inflation rate	\$ 3,027	\$ (2,530)	\$ 3,701	\$ (2,700)

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

11. Insurance Contract Liability (continued)

(h) Claims development

The following table shows the development of claims cost estimates for the nine most recent injury years:

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Estimate of Ultimate Claim Payments:											
At end of accident year	19,067	18,600	21,347	25,921	21,877	21,869	28,488	26,858	28,616	33,332	
One year later	19,126	25,298	21,507	26,159	23,627	20,864	29,145	27,867	29,564		
Two years later	20,206	25,960	21,396	26,454	24,671	21,429	30,071	30,683			
Three years later	17,997	25,536	21,396	27,147	24,900	24,293	32,991				
Four years later	17,221	25,446	21,578	27,060	22,255	23,591					
Five years later	16,992	26,207	24,240	27,106	26,614						
Six years later	18,297	29,758	23,868	30,854							
Seven years later	17,918	29,921	23,325								
Eight years later	17,720	28,765									
Nine years later	18,989										
Total Estimate of Ultimate Claims Payments	183,533	235,491	178,657	190,701	143,944	112,046	120,695	85,408	58,180	33,332	
Cumulative Payments:											
At end of accident year	3,801	3,879	4,129	4,094	3,821	3,319	4,226	4,827	4,178	4,551	
One year later	6,081	6,673	6,654	6,662	6,323	5,256	7,127	8,453	6,804		
Two years later	6,773	7,856	7,717	7,959	7,614	6,107	8,757	10,260			
Three years later	7,225	8,478	8,332	8,644	8,164	6,770	9,878				
Four years later	7,590	9,340	8,843	9,364	8,822	7,163					
Five years later	7,899	9,971	9,451	9,874	9,073						
Six years later	8,705	10,468	9,945	10,301							
Seven years later	8,481	10,963	10,362								
Eight years later	8,750	11,493									
Nine years later	9,099										
Total Cumulative Payments	73,904	79,121	65,433	56,898	43,817	28,615	29,988	23,540	10,982	4,551	
Estimate of Future Payments	9,891	17,272	12,962	20,553	17,540	16,428	23,114	20,423	22,759	28,781	189,723
2014 and prior claims											110,945
Effect of Discounting											(136,880)
Effect of Admin Expenses											24,907
Effect of Occupational Disease Liability											29,717
Effect of Occupational Disease Liability for Other Provisional											184
Liability for Incurred Claims											\$ 218,596

During the year ended December 31, 2024, the Investigations Unit continued to monitor ongoing investigations. The outcome of the investigations is not determinable at this time and therefore, the potential future effect of these claims is not reflected in the insurance contract liability.

12. Employee Benefits

	31-Dec-24	31-Dec-23
Short-term employee benefits	\$ 691	\$ 792
Other long-term employee benefits (a)	1,252	1,163
Post-employment benefits (b)	2,130	1,904
	\$ 4,073	\$ 3,859

Short-term benefits included in the above amounts are expected to be paid within the next 12 months.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

12. Employee Benefits (continued)

(a) Other long-term employee benefits

Long service vacation leave is an additional five days of vacation leave available to employees who have completed five years of continuous service with the Board and on each five year anniversary date thereafter.

Employees receive six days of special leave credits for each year of service up to a maximum of 30 days. Unused special leave is not payable upon termination or retirement.

Unused sick leave credits accumulate and are carried forward to a maximum of 180 days. A retiring employee may convert up to one third as pre-retirement leave.

The balance in the liability accrual for accumulating sick and special leave benefits and long service vacation for the year was:

	31-Dec-24	31-Dec-23
Long service vacation benefits	\$ 49	\$ 52
Accumulating sick and special leave benefits	1,203	1,111
	<u>\$ 1,252</u>	<u>\$ 1,163</u>

The movement in the accrual for other long-term benefits for the year was:

	31-Dec-24	31-Dec-23
Benefits, beginning of year	\$ 1,163	\$ 1,159
Current service cost	94	89
Payments made during the year	(273)	(207)
Interest cost	49	55
Other changes	169	(16)
Actuarial loss	50	83
Benefits, end of year	<u>\$ 1,252</u>	<u>\$ 1,163</u>

Actuarial loss remeasurements:

	31-Dec-24	31-Dec-23
Effect of changes in financial assumptions	\$ 25	\$ 73
Effect of changes in demographic assumptions	25	10
Remeasurement in loss in net income before other comprehensive loss	<u>\$ 50</u>	<u>\$ 83</u>

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

12. Employee Benefits (continued)

(b) Post-employment Benefits

(i) Retirement and Severance Benefit

Retirement or severance benefits are available to employees who have completed five years of service with the Board. Retirement benefits are one week of pay for each year of service. Severance benefits are half a week of pay for each year of service to a maximum of twenty-eight weeks.

Beginning January 1, 2020, management employees are no longer eligible to receive any further accruals related to severance payable on resignation or retirement. Severance entitlements accrued up to December 31, 2019, are payable upon resignation or retirement.

The movement in the accrual for retirement and severance benefits for the year was:

	31-Dec-24	31-Dec-23
Benefits, beginning of year	\$ 1,904	\$ 1,782
Current service cost	96	89
Payments made during the year	(143)	(355)
Interest cost	89	85
Other changes	142	100
Actuarial loss	42	203
Benefits, end of year	\$ 2,130	\$ 1,904

Actuarial loss remeasurements:

	31-Dec-24	31-Dec-23
Effect of changes in financial assumptions	\$ 42	\$ 203
Remeasurement loss in other comprehensive loss	\$ 42	\$ 203

The plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. The risk of default is low as the Fund is in a strong financial position.

The key assumptions used to calculate the retirement and severance benefit are the discount rate and the wage inflation rate. The discount rate of 4.40% (2023 – 4.60%) is selected by reference to a spot curve at the valuation date of high-quality corporate and provincial debt instruments with cash flows that match the timing and amount of the expected benefit payments. The annual rate of general escalation in wages for the bargaining unit is 3.00% for 2025 and 2024 (2023 - 3.00%) and 2.25% for 2026 and beyond (2023 - 2.25% for 2025 and beyond) based on management's best estimate. The annual rate of general escalation in wages for the management group is 4.75% for 2024 and 1.50% for 2025 (2023 - 2.00%) and 2.25% for 2026 and beyond (2023 - 2.25% for 2025 and beyond) based on management's best estimate.

The expected Fund contributions for retirement and severance for the next year are \$687,000 (2023 – \$336,000). The weighted average duration of the retirement and severance benefit is 6.9 years (2023 – 6.1 years).

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

12. Employee Benefits (continued)

(b) Post-employment Benefits (continued)

(ii) Retirement and Severance Benefit Risks and Sensitivity

The retirement and severance benefit is indirectly exposed to measurement risk from assumptions based on economic factors and uncertainty of future economic conditions, such as discount rates affected by volatile bond markets and inflation risk due to payment timing uncertainty. Demographic factors such as workforce average age and earnings levels, attrition and retirement rates affect current and future benefit costs due to the amount and timing of expected payments.

A change in the key assumptions used to calculate these benefits would result in a change in the obligation and benefit expense as follows:

Percentage change in assumed rates	31-Dec-24		31-Dec-23	
	+1%	-1%	+1%	-1%
Increase (decrease) from change in discount rate	\$ (112)	\$ 128	\$ (111)	\$ 126
Increase (decrease) from change in wage inflation rate	\$ 127	\$ (114)	\$ 125	\$ (113)

The above sensitivity analysis is based on a change in an assumption while keeping all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. The same method of calculation has been applied to the sensitivity analysis as to the calculation of the retirement and severance benefit obligation, the projected unit credit method, and did not change compared to the prior year.

(iii) Public Service Pension Plan

Substantially all of the employees of the Board are covered by the Public Service Pension Plan (the "Plan"), a multi-employer contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both employees and the Fund. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution.

The employer contribution rates effective for the year were as follows:

Contribution rate for the year	31-Dec-24		31-Dec-23	
	Up to Maximum	Above Maximum	Up to Maximum	Above Maximum
For employees eligible before January 1, 2013	1.02	4.63	1.02	5.29
For employees eligible after January 1, 2013	1.00	4.63	1.00	5.29
Maximum salary limit	\$ 202,000	No limit	\$ 196,200	No limit

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of two per cent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation. For employees joining the plan after January 1, 2013, the normal retirement age has been raised from age 60 to age 65.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

12. Employee Benefits (continued)

(b) Post-employment Benefits (continued)

(iii) Public Service Pension Plan (continued)

Contributions made to the Public Service Pension Plan by the Fund and the employees for the year were as follows:

	31-Dec-24	31-Dec-23
Employees' contributions	\$ 953	\$ 782
Fund contributions	\$ 963	\$ 792

The expected contributions to the Plan for the next year are \$921,000 (2023 – \$834,000) employee contributions and \$955,000 (2023 – \$870,000) Fund contributions.

(c) Benefit expense

Benefit expense recognized in salaries and benefits within other general and administration expenses (Note 16) in the Statement of Comprehensive Income for other long-term employee benefits and post-employment benefits was \$1,602,000 in 2024 (2023 – \$1,194,000).

13. Capital Management and Surplus Distributions

(a) Capital management

The Workers' Safety and Compensation Act establishes that one of the purposes of the Act is to maintain a solvent Compensation Fund managed in the interest of workers and employers. To ensure that the Fund is able to meet its financial obligations, premiums charged to employers over time must be sufficient to cover current and future costs of all claims incurred by injured workers. These insurance revenues, combined with investment returns, are designed to provide the foundation for the Fund to meet all current and future obligations for injured workers.

The Board of Directors uses the Funding Policy to manage capital, which is the net difference between assets and liabilities or equity. The Funding Policy provides guidance to maintain a financially sustainable system. The Policy directs the Board to ensure sufficient equity is maintained in the Fund to stabilize the effect of fluctuations in the employer assessment rates and investment returns. The Fund is considered fully funded when there are sufficient funds for the payment of all present and future compensation, and other liabilities, including the cost of administration.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

13. Capital Management and Surplus Distributions (continued)

(b) Surplus Distributions

In July 2024, in order to bring the funding ratio closer to target, the Board of Directors approved a surplus distribution of \$10,041,000 (2023 - \$Nil), which was credited to eligible employers and to be deducted from eligible employers' 2024 assessments. Surplus distributions are conditional upon employers being compliant with the Act.

Surplus distribution payable at the end of the year represents the balance in customer accounts that relate to the surplus distribution that were not utilized in 2024 and will be applied to the 2025 assessment.

Reconciliation of surplus distributions payable:

	31-Dec-24	31-Dec-23
Surplus distributions payable, beginning of year	\$ -	\$ -
Current year surplus distributions approved	10,041	-
Current year surplus distributions paid out	(4,676)	-
Surplus distributions payable, end of year	\$ 5,365	\$ -

14. Related Party Transactions

(a) Government of Yukon

The Board is a territorial entity with delegated powers on behalf of the Government of Yukon (the "Government") and is related to its departments, agencies and corporations. The Board enters into transactions with the Government and its related entities in the normal course of business, and the transactions are recorded at fair value.

Included in the Fund's accounts receivable, insurance contract assets, insurance contract liabilities and accounts payable, are amounts owing to and from the Government and its related entities as follows:

	31-Dec-24	31-Dec-23
Due to the Government and its related entities	\$ (1,296)	\$ (1,036)
Due from the Government and its related entities	438	532
Due to the Government and its related entities for surplus distribution	261	-
Net amount due	\$ (597)	\$ (504)

During 2024, the Compensation Fund paid the Government and its related entities \$362,000 (2023 - \$382,000) for computer, office supplies, payroll processing, recruitment and training. The Fund also reimbursed the Government for payroll costs of \$11,915,000 (2023 - \$10,374,000).

Revenues and miscellaneous income from the Government and its related entities for the year ended December 31, 2024, totalled \$12,289,000 (2023 - \$11,144,000), including assessment premiums of \$11,613,000 (2023 - \$10,475,000), the Mine Safety Program Grant of \$330,000 (2023 - \$330,000), and reimbursements for claims costs received from the Government of \$290,000 (2023 - \$311,000).

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

14. Related Party Transactions (continued)

(a) Government of Yukon (continued)

The Workers' Advocate Office operates independently from the Board and assists workers or dependants of workers in respect of claims for compensation. The approved budget of the Workers' Advocate shall be paid out of the Compensation Fund. In 2024, the Fund reimbursed the Government \$373,000 (2023 – \$360,000) for the Workers' Advocate Office expenses.

(b) Key management personnel

The remuneration of key management personnel, which includes the members of the Board of Directors and the senior management team, recognized as an expense during the period was:

	31-Dec-24	31-Dec-23
Short-term employee compensation and benefits	\$ 1,847	\$ 1,513
Other long-term employee benefits	69	20
Post employment benefits	232	203
Total remuneration	\$ 2,148	\$ 1,736

Contributions made to the Public Service Pension Plan by the Fund for key management personnel were \$139,000 (2023 – \$143,000) and are included in post-employment benefits.

As at the reporting date, there were no business relationships, outstanding amounts or transactions other than compensation between the Fund and its key management personnel.

15. Commitments

As of December 31, 2024, the Fund had entered into the following contractual commitments for the next five years:

	Contribution agreements	Computer systems support	Professional services	Building construction & maintenance	Other	Total
2025	\$ 1,044	\$ 178	\$ 690	\$ 528	\$ 13	\$ 2,453
2026	642	-	342	46	-	1,030
2027	655	-	294	31	-	980
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
Total	\$ 2,341	\$ 178	\$ 1,326	\$ 605	\$ 13	\$ 4,463

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

16. Other General and Administration Expenses

The table below presents expenditures by type:

	31-Dec-24	31-Dec-23
Salaries and benefits	\$ 12,081	\$ 10,058
Consulting and professional	1,782	1,262
Computer systems support and licences	1,338	1,015
Prevention	856	1,020
Amortization - intangible assets	728	772
Statutory funding obligations	690	568
Depreciation - property and equipment	543	582
Building maintenance	491	472
General administration	439	824
Automobile and travel	249	122
Communications	225	181
Staff and recruitment	148	92
Board expenses	90	63
Other provisions	87	124
Printing and publications	84	54
Supplies and stationery	45	35
Furniture and equipment	35	77
	\$ 19,911	\$ 17,321
less allocation to insurance administrative expenses (Note 17)	(16,564)	(14,642)
Other general and administration expenses	\$ 3,347	\$ 2,679

The table below presents expenditures by program cost center:

	31-Dec-24	31-Dec-23
Administration	\$ 14,793	\$ 13,027
Occupational health and safety	3,040	2,056
Prevention	856	1,020
Workers' advocate	373	360
Appeal tribunal	364	207
Act and regulation amendments	273	355
Employer advisor	125	172
Other provisions	87	124
	19,911	\$ 17,321
less allocation to insurance administrative expenses (Note 17)	(16,564)	(14,642)
Other general and administration expenses	\$ 3,347	\$ 2,679

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

17. Insurance Service Expense and Insurance Finance Loss

The breakdown of insurance service expense is presented below:

	31-Dec-24	31-Dec-23
Incurrred claim expenses	\$ 19,084	\$ 18,514
Insurance administrative expenses (Note 16)	16,564	14,642
Incurred claims and other expenses	\$ 35,648	\$ 33,156
Loss on onerous contracts	-	989
Reversal of losses on onerous contracts	-	(989)
Change to liability for incurred claims	12,362	(149)
Insurance service expense	\$ 48,010	\$ 33,007

	31-Dec-24	31-Dec-23
Insurance finance income (loss) from insurance contracts issued:		
Interest accreted to insurance contracts using current financial assumptions	\$ (9,082)	\$ (9,097)
Due to changes in discount rate	331	(6,138)
Due to changes in other financial assumptions	1,841	(767)
Total insurance finance loss from insurance contracts issued	\$ (6,910)	\$ (16,002)

18. Contingencies

Due to the nature of the Board's operations, various legal matters are pending. In the opinion of management, these matters are not expected to have a material effect on the Fund's financial position or results of operations. These various legal matters include certain confidentiality clauses; to avoid prejudicing these claims, no further information is disclosed.

19. Subsequent Event

Subsequent to December 31, 2024 the United States has implemented wide ranging tariffs on international trade which have had significant financial market impact. At this time these factors present uncertainty over future cash flows and may cause significant changes to the Fund's investments. Potential impacts on the Fund's operations could include impairment of investments or a reduction in investment income. As the situation is dynamic and the ultimate duration and magnitude of the impact on the economy are not known, an estimate of the financial effects on the Fund cannot be made at this time.