

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.

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4. Cash and cash equivalents

	2025	2024
	(thousands of dollars)	
Bank balances	\$ 65,009	\$ 54,056
Cash on hand	<u>59</u>	<u>63</u>
	<u><u>\$ 65,068</u></u>	<u><u>\$ 54,119</u></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	<u>631</u>	<u>568</u>
	<u><u>\$ 178,728</u></u>	<u><u>\$ 150,117</u></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	<u>8,409</u>	<u>4,158</u>
	<u><u>\$ 45,599</u></u>	<u><u>\$ 41,272</u></u>

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

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
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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.

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7. Portfolio investments

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

	Quoted prices (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total 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

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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
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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:

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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
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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
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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.

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Notes to Consolidated Financial Statements
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11. Investment in government business enterprises (continued)

(d) Commitments

Yukon Development Corporation

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

(f) Regulatory deferral accounts

Yukon Development Corporation

Regulatory deferral accounts in YDC's financial statements are accounted for differently than they would be in the absence of rate regulation. Where regulatory decisions dictate, YDC defers certain expenses or revenues as regulatory deferral account debit balances or regulatory deferral account credit balances and recognizes them in the net movement 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	<u>20,254</u>	<u>6,812</u>
	<u><u>\$ 272,071</u></u>	<u><u>\$ 254,154</u></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	<u>11,132</u>	<u>10,989</u>
	<u><u>\$ 66,999</u></u>	<u><u>\$ 69,460</u></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.

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Notes to Consolidated Financial Statements
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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).

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Notes to Consolidated Financial Statements
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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
March 31, 2025

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
March 31, 2025

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
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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
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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
March 31, 2025

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
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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
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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
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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>\$ 2,407,167</u>	<u>\$ 2,200,213</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>\$ 338</u>

GOVERNMENT OF YUKON
Notes to Consolidated Financial Statements
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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.

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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
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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
March 31, 2025

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
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 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
March 31, 2025

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
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 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	<u>(13,322)</u>	<u>-</u>	<u>-</u>	<u>(142)</u>	<u>(287)</u>	<u>(13,751)</u>	<u>(13,757)</u>
Accrued benefit obligation at end of year	124,584	1,461	-	2,257	8,709	137,011	127,397
Unrecognized net actuarial gain (loss)	<u>10,573</u>	<u>74</u>	<u>-</u>	<u>348</u>	<u>(761)</u>	<u>10,234</u>	<u>15,976</u>
Accrued benefit liability	135,157	1,535	-	2,605	7,948	147,245	143,373
Liabilities that are not included in actuarial valuation	<u>726</u>	<u>-</u>	<u>2,800</u>	<u>-</u>	<u>2,564</u>	<u>6,090</u>	<u>7,523</u>
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)	<u>(1,327)</u>	<u>(11)</u>	<u>-</u>	<u>(82)</u>	<u>(154)</u>	<u>(1,574)</u>	<u>(1,560)</u>
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.