

SECTION I  
GOVERNMENT OF YUKON  
FINANCIAL STATEMENTS  
(unaudited)

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


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

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

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

Approved on: October 20, 2025

  
 Jessica Schultz  
 Deputy Minister of Finance

  
 Sandy Silver  
 Minister of Finance

GOVERNMENT OF YUKON

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

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

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

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

	2025	2024
	(thousands of dollars)	
<b>Accumulated remeasurement gains at beginning of year</b>	<b>\$ 2,174</b>	<b>\$ 599</b>
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)
<b>Net remeasurement gains for the year</b>	<b>1,495</b>	<b>1,575</b>
<b>Accumulated remeasurement gains at year end</b>	<b>\$ 3,669</b>	<b>\$ 2,174</b>

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

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

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

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

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

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

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

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

**1. Authority and operations**

**(a) Authority**

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

**(b) Main Estimates**

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

**(c) Investments**

The *Financial Administration Act* (Yukon) allows the Government to invest money from the Consolidated Revenue Fund in the following investments:

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

**(d) Basis of accounting**

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

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



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

**2. Significant accounting policies**

**Revenues**

Revenues are recorded on an accrual basis.

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

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

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

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

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

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

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

**2. Significant accounting policies (continued)**

**Revenues (continued)**

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

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

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

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

**Expenses**

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

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

**Assets**

**Financial assets**

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

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

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

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

**2. Significant accounting policies (continued)**

**Assets (continued)**

**Financial assets (continued)**

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

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

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

**Non-financial assets**

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

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

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

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

**2. Significant accounting policies (continued)**

**Assets (continued)**

**Non-financial assets (continued)**

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

<u>Asset category</u>	<u>Estimated useful life</u>
Land	Indefinite
Buildings	
Buildings	50-100 years
Leasehold Improvements	Lease term
Portable classroom/housing trailers	10-40 years
Equipment and vehicles	
Heavy equipment	7-30 years
Operating equipment	5-25 years
Vehicles	6-20 years
Computer hardware and software	
Computer hardware	3-7 years
Computer software	3-20 years
Infrastructure	
Transportation infrastructure <sup>1</sup>	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

<sup>1</sup> Includes Highways, Surfaces, Bridges and Airport runways

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

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

**2. Significant accounting policies (continued)**

**Assets (continued)**

**Other non-financial assets**

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

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

**Liabilities**

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

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

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

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

**Post-employment benefits and compensated absences**

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

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

**2. Significant accounting policies (continued)**

**Liabilities (continued)**

**Retirement benefits**

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

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

Retirement benefits to Members of the Legislative Assembly and territorial court judges are defined benefit plans and are valued on an actuarial basis. Actuarial valuations of these benefits are performed triennially using the projected benefit method prorated on service, with an actuarial valuation for accounting purposes updated annually. Pension expenses for these plans are recognized as the member renders services. Actuarial gains and losses are amortized on a straight-line basis over the estimated average remaining service lives of the participants. The accrued benefit liability for these plans is calculated as the accrued benefit obligation less plan assets, if any, adjusted by unamortized actuarial gains or losses. Plan assets are valued at fair market value.

**Environmental liabilities**

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

**Asset retirement obligation liabilities**

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

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

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

**2. Significant accounting policies (continued)**

**Liabilities (continued)**

**Asset retirement obligation liabilities (continued)**

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

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

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

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

**Other**

**Financial instruments**

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

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

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

**2. Significant accounting policies (continued)**

**Other (continued)**

**Financial instruments (continued)**

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

**Fair value measurement**

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

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

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

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

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

**Measurement uncertainty**

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

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



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

**2. Significant accounting policies (continued)**

**Other (continued)**

**Measurement uncertainty (continued)**

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

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

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

**3. Future changes in accounting standards**

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

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

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

**4. Cash and cash equivalents**

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

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

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

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

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

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

**6. Accounts receivable**

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

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

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

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

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

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

**7. Portfolio investments**

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

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

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

**8. Designated assets**

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

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

**9. Advances to Territorial corporations**

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

In 2018 the Government advanced \$39,200,000 to the Yukon Development Corporation ("YDC") for the development of the Whitehorse diesel – natural gas conversion project, which was completed by the Yukon Energy Corporation, YDC's wholly owned subsidiary. The term of the loan is to March 31, 2028, and pursuant to the agreement, the loan may be extended for additional five-year terms upon mutual consent of the parties.

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

**9. Advances to Territorial corporations (continued)**

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

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

**10. Loans receivable**

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

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

**10. Loans receivable (continued)**

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

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

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

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

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

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

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

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

**11. Inventories for resale**

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

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

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

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

**12. Bank advances and short-term borrowings**

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

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

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

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

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

**13. Accounts payable and accrued liabilities**

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

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

**14. Unearned revenues**

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

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



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

**15. Environmental liabilities**

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

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

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

The Government has recorded environmental liabilities for contaminated sites of \$173,985,000 (2024 - \$184,466,000). These liabilities consist of estimated costs related to the remediation of contaminated sites as well as estimated costs associated with other liabilities related to these sites. The liabilities are determined on a site-by-site basis and are based on preliminary environmental assessments or estimation for those sites where an assessment has not been conducted. The amount recorded is based on management's best estimates utilizing the information available at the financial statement date. The amount of liabilities becomes determinable over a continuum of events and activities as information becomes available. As a result, the actual amount of liabilities to remediate these sites could vary significantly.

As at March 31, 2025, the Government was aware of 160 sites (2024 – 113 sites) where the Government is obligated or is likely obligated to incur such costs. Phase I Environmental Site Assessments (ESA) have been undertaken on 148 of the 160 sites (2024 - 109 of the 113 sites). During the year remediation work was undertaken at 10 sites (2024 - 16 sites).

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

**15. Environmental liabilities (continued)**

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

One of the 160 contaminated sites, Marwell Tar Pit, has been formally designated as contaminated under the Environment Act (Yukon) and the Contaminated Sites Regulation. The Government is not a “responsible party” as defined by the Environment Act (Yukon) and determined by the Contaminated Sites Regulation. The Government of Canada was the landowner when the contamination occurred. In September 2010, the Government and the Government of Canada entered into an agreement to remediate the site with a total estimated cost of \$6,800,000, of which the Government is to fund 30% or \$2,040,000 and the Government of Canada \$4,760,000. As at March 31, 2025, \$797,000 (2024 – \$25,000) was recorded as the remaining liability for this site.

A site known as Wellgreen ceased operations in the 1970's. The Government of Canada approved the tailings dam and resulting pond built at that time as meeting required specifications; however, concerns regarding the level of water in the pond were raised. Initial assessment confirmed that further remediation of the site is required. Negotiations with the previous owner and the Government of Canada are underway to establish final levels of responsibility and liability. Remediation has been estimated at \$20,165,000 (2024 - \$20,625,000), which reflects the Government's potential exposure before any potential recoveries from the other parties.

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

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

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

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

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

**16. Asset retirement obligation liabilities**

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

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

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

(a) Asbestos & other hazardous building materials liability

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

(b) Forestry access roads liability

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

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

**16. Asset retirement obligation liabilities (continued)**

(c) Fuel tank liability

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

(d) Landfill liability

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

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

**17. Post-employment benefits and compensated absences**

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

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

(a) Yukon Government employees

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

If an employee has at least five years of continuous service, a cash-in of sick leave will be paid on termination of service or upon retirement. The cash-in amount is calculated as 1/3 of unused sick leave credits to a maximum of 60 days multiplied by the daily pay rate at termination or retirement.

The accrued benefit obligation at March 31, 2025 is based on an actuarial valuation conducted as at December 31, 2022. In projecting the accrued obligation for these benefits as at March 31, 2025, the Government assumed a discount rate of 4.60% and general salary increases of 2.00% per annum. The net actuarial gain or loss is amortized over the expected average remaining service life of the active employees of 13 years.

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

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

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

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

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

(a) Yukon Government employees (continued)

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

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

(b) Members of the Legislative Assembly

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

**18. Retirement benefits**

(a) Public Service Pension Plan

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

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

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

The Government's contributions to the Public Service Pension Plan during the year and recorded as expenses were \$47,963,000 (2024 - \$47,051,000).

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

**18. Retirement benefits (continued)**

**(b) Legislative Assembly Retirement Allowances Plan**

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

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

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

**(c) Territorial Court Judiciary Pension Plan**

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

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

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

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

The Government provides optional extended health care benefits to retired employees as well as life insurance coverage to eligible retirees. They are both non-pension defined benefit plans. The extended health care plan is self-insured. The accrued benefit obligation as at March 31, 2025 is based on an extrapolation of an actuarial valuation conducted as at December 31, 2022. Extended health care and life insurance retirement benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.



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

**18. Retirement benefits (continued)**

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

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

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

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

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

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

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

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

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

**20. Tangible capital assets**

	2025	2024
	Net Book Value	Net Book Value
	(thousands of dollars)	
Land	\$ 17,000	\$ 13,010
Buildings	652,189	624,692
Equipment & vehicles	89,344	91,190
Computer hardware & software	37,891	36,094
Transportation infrastructure	1,064,046	926,190
Land improvements & fixtures	57,945	51,604
Waste & water systems	57,937	57,508
Communications technology	<u>109,351</u>	<u>102,773</u>
(Schedule C)	<u><u>\$ 2,085,703</u></u>	<u><u>\$ 1,903,061</u></u>

Leased tangible capital assets are reported as part of the respective asset category. These leased assets are amortized on a straight-line basis over the lease term or estimated economic life. The amortization expense for the year was \$338,000 (2024 – \$317,000). The cost and accumulated amortization of leased capital assets that are included in the schedule of tangible capital assets are as follows:

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

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

**21. Expenses by object**

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

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

**22. Trusts under administration**

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

The largest such trust account, the Compensation Fund (Yukon) has a fiscal year-end of December 31. Details of the assets of the Compensation Fund (Yukon), principally investments, are available from its financial statements, which are reproduced in Section III of the Public Accounts of the Government. At March 31, 2025, the remaining trust account balances were held in bank accounts or invested in term deposits and GICs.

Investments of the Compensation Fund (Yukon) are valued at fair value. Investments of the remainder of the trust accounts are valued at the lower of cost and market. Any other assets held under administration such as property, securities and valuables are reflected in trust accounts only upon conversion to cash. The following is a summary of the trusts under administration as at March 31, 2025, except for the Compensation Fund (Yukon) which is at December 31, 2024.

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

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

**23. Contractual rights**

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

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

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

**24. Contractual obligations**

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

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

**25. Commitments**

In June 2010, the Yukon Development Corporation ("YDC") issued 30-year bonds in the amount of \$100,000,000 at a fixed coupon rate of 5.0% per annum in part to finance the grant from the Yukon Development Corporation Fund and ratepayers' future contributions towards the construction of the Mayo B hydro enhancement and the Carmacks-Stewart transmission phase II projects. In the Memorandum of Understanding ("the MOU") between the Government and YDC dated March 10, 2011, the Government agreed to provide YDC with financial assistance to a maximum of \$2,625,000 annually from April 1, 2011, to March 31, 2042, based on a prescribed formula where, depending on the annual financial results of YDC, the Government funding will be reduced or eliminated. In 2025, the Government paid \$2,625,000 (2024 - \$2,428,000) to YDC based on the MOU.

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

**26. Overexpenditure**

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

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

**27. Guarantees**

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

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

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

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

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

**28. Risk management of financial instruments**

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

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

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

**28. Risk management of financial instruments (continued)**

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

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

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

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

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

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

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

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

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

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



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

**28. Risk management of financial instruments (continued)**

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

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

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

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

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

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

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

**29. Land claims**

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

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

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

### **30. Contingencies**

#### Contingent liabilities

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

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

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

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

#### Contingent assets

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

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

**31. Subsequent events**

Bond issuance

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

Legal settlements

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

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

**32. Comparative figures**

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

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

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

## GOVERNMENT OF YUKON

Schedule B

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

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

## GOVERNMENT OF YUKON

Schedule C

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

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

<sup>(a)</sup>Included in net book value

## GOVERNMENT OF YUKON

Schedule D

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

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



## GOVERNMENT OF YUKON

Schedule D

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

	Extended health care retirement benefit	Legislative Assembly Retirement Allowances Plan	Life insurance retirement benefit	Territorial Court Judiciary Pension Plan
<b>Key Assumptions</b>				
Expected long-term rate of return on assets at beginning of year	N/A	5.60 %	N/A	5.30 %
Discount rate on benefit costs	4.90 %	5.70 %	4.90 %	5.40 %
Discount rate on accrued benefit obligation at end of year	4.60 %	5.60 %	4.60 %	5.30 %
Inflation rate at end of year	2.00 %	2.00 %	2.00 %	2.00 %
Rate of compensation increase	see below <sup>1</sup>	2.50 %	see below <sup>1</sup>	3.00 %
Health care cost trend rate	see below <sup>2</sup>	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

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

<sup>2</sup> 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.