YUKON HOSPITAL CORPORATION

FINANCIAL STATEMENTS

March 31, 2025

(audited)

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Yukon Hospital Corporation

Management Responsibility Statement

The accompanying consolidated financial statements of the Yukon Hospital Corporation are the responsibility of management and have been approved by the Board of Trustees.

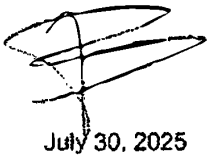
These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The consolidated financial statements include some amounts that are necessarily based on management's best estimates and judgement. Management has determined such amounts on a reasonable basis.

Management maintains a system of internal accounting and administrative controls designed to provide reasonable assurance as to the reliability of financial information and the safeguarding of assets.

The Board of Trustees of the Yukon Hospital Corporation is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls. The Board of Trustees exercises this responsibility for financial reporting through approval of the consolidated financial statements upon review and recommendation by the Executive Committee, which consists of four non-management members. The Executive Committee meets regularly with management and with the external auditors to review the scope, results of the annual audit, and to review and recommend approval to the Board of Trustees for the consolidated financial statements and related financial reporting matters.

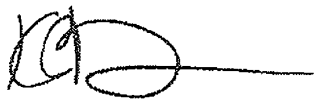
These consolidated financial statements have been independently audited by the Auditor General of Canada, and her report is included with these consolidated financial statements.

Tiffany Boyd
Chief Executive Officer



July 30, 2025

Katherine Davidson
Director of Finance



July 30, 2025

Office of the Auditor General of Canada
Bureau du vérificateur général du Canada

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the Yukon Hospital Corporation

Opinion

We have audited the consolidated financial statements of the Yukon Hospital Corporation and its controlled entity (the Group), which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of operations, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

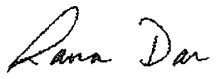
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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



Lana Dar, CPA, CA
Principal
for the Auditor General of Canada

Vancouver, Canada
30 July 2025

Yukon Hospital Corporation
Consolidated Statement of Financial Position
As at March 31
(in thousands of dollars)

	2025 $	2024 $
ASSETS		
Current assets		
Cash (note 4)	7,355	6,082
Accounts receivable (note 19)	12,816	14,416
Inventory (note 3)	4,290	3,895
Prepaid expenses	1,000	877
Short-term contributions receivable (note 7)	5,204	5,001
	30,665	**30,271**
Non-current assets		
Accrued pension benefit (note 5)	72,243	69,499
Capital assets (note 6)	171,612	167,159
Long-term contributions receivable (note 7)	8,599	13,803
	252,454	**250,461**
	283,119	**280,732**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 19)	18,031	16,902
Accrued payroll and benefits (note 19)	5,841	5,300
Short-term debt (note 8)	13,803	21,867
Deferred revenue (note 9)	264	1,103
	37,939	**45,172**
Non-current liabilities		
Long-term debt (note 10)	–	85
Employee future benefits other than pensions (note 11)	2,800	3,369
Deferred capital contributions (note 12)	169,335	166,260
Asset retirement obligation (note 13)	1,182	1,174
	173,317	**170,888**
	211,256	**216,060**
NET ASSETS		
Investment in capital assets (note 14)	2,571	1,221
Restricted for First Nations Health Program, external (note 15)	81	(28)
Restricted for capital purchases, internal (note 20)	850	1,320
Restricted for pension, internal (note 5)	72,243	69,499
Unrestricted	(3,882)	(7,340)
	71,863	**64,672**
	283,119	**280,732**
Contractual obligations and contingencies (note 18)		

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

On behalf of the Board of Trustees,

Chair

Director

Yukon Hospital Corporation
Consolidated Statement of Operations
For the year ended March 31
(in thousands of dollars)

	2025 $	2024 $
Revenues		
Government of Yukon contribution (note 17)	124,475	121,630
Amortization of deferred capital contributions (note 12)	8,693	9,050
Patients	6,739	6,245
Other government contracts (note 17)	3,116	4,471
Other	1,162	1,292
Fundraising	985	763
Interest	984	643
Cafeteria	368	302
	146,522	**144,396**
Expenses		
Compensation and benefits	82,167	71,232
Supplies	22,389	21,744
Contracted services	11,267	11,187
Amortization of capital assets (note 6)	9,706	10,552
Other (note 16)	9,672	8,881
Equipment and building services	4,937	4,278
Interest on short-term debt	1,075	1,272
Fundraising	383	375
Asset retirement obligation accretion (note 13)	40	39
Loss on disposal of capital assets	–	32
Pension benefits cost (note 5)	(2,305)	(513)
	139,331	**129,079**
Surplus of revenues over expenses	**7,191**	**15,317**

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

Yukon Hospital Corporation
Consolidated Statement of Changes in Net Assets
For the year ended March 31
(In thousands of dollars)

	Investment in Capital Assets (note 14) $	Restricted for First Nations Health Program (note 15) $	Restricted for Capital Purchases Internal (note 20) $	Restricted for Pension (note 5 and 20) $	Unrestricted (note 20) $	2025 Total $	2024 Total $
Balance, beginning of year	1,221	(28)	1,320	69,499	(7,340)	64,672	49,355
Surplus (Deficiency) of revenues over expenses	(1,013)	109	(470)	2,744	5,821	7,191	15,317
Net change in investment in capital assets (note 14 c)	2,363				(2,363)	-	-
Balance, end of year	2,571	81	850	72,243	(3,882)	71,863	64,672

The accompanying notes are an integral part of the consolidated financial statements.

Yukon Hospital Corporation
Consolidated Statement of Cash Flows
For the year ended March 31
(in thousands of dollars)

	2025 $	2024 $
Operating Activities		
Surplus of revenues over expenses	7,191	15,317
Items not involving cash		
Amortization of capital assets (note 6)	9,706	10,552
Loss on disposal of capital assets	-	32
Asset retirement obligation accretion (note 13)	40	39
Amortization of deferred capital contributions (note 12)	(8,693)	(9,050)
Bad debt expense (note 16)	816	849
Increase in prepaid expenses	(123)	(126)
Increase in accrued pension benefit	(2,744)	(6,373)
Decrease (increase) in non-cash working capital	227	(6,095)
Forgiveness of short-term debt (note 8)	(3,063)	-
Forgiveness of long-term debt (note 10)	(85)	-
Cash generated in operating activities	**3,272**	**5,145**
Capital Activities		
Purchases of capital assets	(13,767)	(15,086)
Cash used in capital activities	**(13,767)**	**(15,086)**
Financing Activities		
Repayment of short-term debt	(5,001)	(4,808)
Cash received for capital purchases	16,769	18,110
Cash generated through financing activities	**11,768**	**13,302**
Increase in cash	**1,273**	**3,361**
Cash, beginning of year	6,082	2,721
Cash, end of year	**7,355**	**6,082**
Interest paid	1,075	1,272
Interest received	984	643

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

Yukon Hospital Corporation
Notes to the Consolidated Financial Statements
March 31, 2025
(in thousands of dollars)

1. Purpose

a) The Yukon Hospital Corporation ("Corporation") is a charitable organization established under the *Hospital Act* of the Yukon. The Corporation operates hospitals in Whitehorse, Watson Lake and Dawson City. The objectives of the Corporation are to provide hospital and medical services to meet the needs of people in the Yukon. The Corporation is a registered charity and accordingly is exempt from income taxes, provided certain requirements of the Federal *Income Tax Act* are met. The Corporation has historically been dependent on the Government of Yukon to maintain its operations and meet its liabilities. It is expected that the ongoing operations of the Corporation will depend on continued financial support from the Government of Yukon.

b) The Yukon Hospital Foundation ("Foundation") is a society incorporated under the *Societies Act* of the Yukon. The purpose of the Foundation is to promote health of people in the Yukon and to raise money for hospital and medical care and services, supervised residential care and continuing care, and rehabilitative care and services. The Foundation also grants funds and provides equipment, services and facilities to health facilities in the Yukon, and in particular to the Corporation.

2. Significant Accounting Policies

a) Basis of Accounting
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The Corporation has elected to apply the Section 4200 series for government not-for-profit organizations.

b) Basis of Consolidation
The consolidated financial statements include the accounts of the Corporation and its controlled entity, the Foundation. All significant inter-company transactions and balances have been eliminated on consolidation.

c) Cash
Cash includes cash held in Canadian bank accounts including amounts designated for the First Nations Health Program ("FNHP") and externally restricted funds. The FNHP is administered by the Corporation.

d) Inventory
Inventories are comprised of pharmacy, medical and general operating supplies, and are valued at the lower of cost and net realizable value. Inventories are determined on a first in/first out and cost basis.

e) Capital Assets
Capital assets are recorded at cost except for contributed capital assets which are recorded at fair market value at the date of contribution. The cost of a capital asset includes the cost to acquire, construct, develop or better the capital asset and includes all costs directly attributable to the acquisition, construction, development or betterment of the capital asset including the cost of installation and overhead costs. Except for land, all capital assets are recorded net of accumulated amortization.

Interest on loans during construction of capital assets is capitalized. Amortization is calculated by the straight line method over the assets' expected useful lives. Construction in progress costs are capitalized as incurred. They are transferred to various categories of capital assets and are amortized on a basis consistent with similar assets, once the assets are placed in service.

2. Significant Accounting Policies (continued)

e) Capital Assets (continued)

Capital Asset	Estimated Useful Life
Computer hardware & systems development	2-10 years
Equipment & vehicles	5-15 years
Buildings	10-40 years
Building improvements	10-20 years
Land improvements	8-20 years

When a capital asset no longer has any long-term service potential to the Corporation, the excess of its net carrying amount over any residual value is recognized as an expense in the Consolidated Statement of Operations. Write-downs are not reversed.

f) Revenue Recognition

The Corporation follows the deferral method of accounting for Government of Yukon contribution. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase and construction of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from transactions with performance obligations occur when there is an enforceable promise to transfer goods or services directly to a payor in return for promised consideration. These revenues are recognized when control of the benefits associated with the goods or services have transferred and there is no unfulfilled performance obligation. Where consideration is received from a payor prior to the provision of goods or services, these amounts are initially included in unearned revenue provided the definition of a liability is met. They are subsequently recognized as revenue as performance obligations are met.

Patient revenue is comprised of fees earned for specific medical services provided by the Corporation. Each service provided is a separate performance obligation that is satisfied at a point in time.

Other government contracts revenue is comprised of fees earned for goods or services provided under contract with other parties. Each good or service provided is a separate performance obligation. Revenue under these contracts is recognized at a point in time as each performance obligation is satisfied.

There is no revenue from transactions without performance obligations presented in these consolidated financial statements.

There is no significant revenue from non-recurring activities presented in these consolidated financial statements.

Interest income is recorded on an accrual basis and is recognized as revenue when earned.

2. Significant Accounting Policies (continued)

g) Inter-entity Transactions

The Corporation is related in terms of common ownership to all Government of Yukon departments, corporations, and agencies. Inter-entity transactions are those occurring between commonly controlled entities.

The Corporation records inter-entity transactions undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length and inter-entity cost allocation and recovery transactions at the exchange amount.

The exchange amount is the amount of consideration given for the item transferred or service provided as established and agreed to by the related parties.

Inter-entity transfers of assets or liabilities for nominal or no consideration are measured at the carrying amount by the Corporation, as transferor, and at the carrying amount or fair value by the Corporation, as transferee. As transferor, any difference between the exchange amount and the carrying amount of the transferred asset or liability results in the recognition of a gain or loss in the Consolidated Statement of Operations.

h) Donated Services

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, these donated services are not recognized in the consolidated financial statements.

i) Short-Term Debt

Short-term debt includes embedded interest rate swap derivatives. These embedded derivatives are not separated from the short-term debt agreement and are not accounted for as a standalone derivative instrument as management believes that the economic characteristics and risks associated with these embedded derivatives are closely related to those of the short-term debt agreements. Therefore, they are included in the measurement of the short-term debt.

Short-term debt includes a demand loan with the Government of Yukon. The loan is repayable in full at the end of the term of the loan. Interest compounds on a semi-annual basis and is accrued within accounts payable and accrued liabilities on the Consolidated Statement of Financial Position.

j) Financial Instruments

The Corporation's financial instruments include cash, accounts receivable, contributions receivable, accounts payable and accrued liabilities, accrued payroll and benefits and short and long-term debt. The carrying values of cash, accounts receivable, accounts payable and accrued liabilities, accrued payroll and benefits approximate their fair values due to the short-term nature of these financial assets and liabilities.

The following is a list of the Corporation's financial instruments and their related measurement basis as at March 31, 2025.

Financial Assets	Measurement Basis
Cash	Cost
Accounts receivable	Cost
Contributions receivable	Cost

2. Significant Accounting Policies (continued)

j) Financial Instruments (continued)

Financial Liabilities	Measurement Basis
Accounts payable and accrued liabilities	Cost
Accrued payroll and benefits	Cost
Short-term debt	Amortized Cost
Long-term debt	Amortized Cost

As all financial instruments are measured at cost or amortized cost, there have been no re-measurement gains or losses. Therefore, the Consolidated Statement of Re-measurement Gains and Losses has been excluded.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the Consolidated Statement of Operations.

Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability. Transaction costs are added to the carrying value of the instruments when they are initially recognized.

k) Contingent Liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably determined.

l) Pensions

Eligible employees of the Corporation participate in the Yukon Hospital Corporation Employees' Pension Plan, a defined benefit plan administered by the Corporation's Board of Trustees. Contributions to the plan are required from both the employees and the Corporation.

In general, pensions are based on 2% of the best five years of continuous service minus any adjustments required by the Canada Pension Plan and provisions under the Special Reciprocal Transfer Agreement. The plan members can accumulate up to 30 years of continuous service. Cost of living increases are provided annually to pensioners, as well as upon retirement for deferred pensions.

The expected return on plan assets is based on the fair value of plan assets at the beginning of each fiscal year. Cumulative unrecognized actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service lifetime ("EARSL") of active employees expected to receive benefits under the plan. Past service credits and costs arising from retroactive plan amendments are recognized in the year of plan amendments.

m) Employee Future Benefits Other Than Pensions

Employees earn specified severances, sick leave and special leave benefits as provided for under union contracts and conditions of employment. The benefits are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. The cost of the benefits has been determined based on management's best estimates using expected compensation levels and employee leave credits.

2. Significant Accounting Policies (continued)

n) Asset Retirement Obligation

A liability for an asset retirement obligation (ARO) is recognized at the best estimate of the amount required to retire a capital asset at the financial statement date when there is a legal obligation for the Corporation to incur retirement costs, a past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods. The discount rate used reflects the Government of Yukon's cost of borrowing, associated with the estimated number of years to complete the retirement or remediation.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related capital asset and amortized over the asset's estimated useful life. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period. An asset retirement obligation may arise in connection with a capital asset that is not recognized or no longer in productive use. In this case, the asset retirement cost would be expensed.

At each financial reporting date, the carrying amount of the liability is reviewed. The Corporation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related capital asset. Once the related capital asset is no longer in productive use, changes to the liability are recognized as an expense in the period they are incurred. The Corporation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

o) Use of Estimates and Measurement Uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards applicable for government not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. By their nature, these estimates and assumptions are subject to measurement uncertainty. Significant areas requiring the use of management estimates relate to the estimated asset retirement obligations, useful lives of capital assets, determination of the defined benefit pension plan obligation, deferred capital contributions and actuarial gains or losses, and the liabilities for accrued severance, special leave, retirements and sick leave benefits. Financial results as determined by actual events could differ significantly from these estimates.

3. Inventory

	2025 $	2024 $
Operating Room	1,557	1,470
Pharmacy	1,405	1,116
Material Management	920	925
Laboratory	408	384
Total Inventory	4,290	3,895

4. Restricted Funds

Included in cash are the following amounts:

	2025 $	2024 $
Externally restricted – capital	295	322
Externally restricted – other	221	263
	516	585

a) Externally Restricted for Capital

The Corporation has control over restricted funds which have been contributed for specific capital purchases. The balance in the fund represents the difference between restricted contributions received for capital assets and the funds spent thus far based on the restrictions attached to the contributions.

	2025 $	2024 $
Balance, beginning of year	322	278
Contributions received during the year	137	44
Amounts used for capital purchases during the year	(164)	-
Balance, end of year	295	322

b) Externally Restricted for Other

The Corporation has control over restricted funds which have been contributed for specific disbursements to eligible Yukon residents. The balance in the fund represents the difference between restricted contributions received and the funds disbursed thus far based on the restrictions attached to the contributions.

	2025 $	2024 $
Balance, beginning of year	263	276
Contributions received during the year	26	51
Amounts disbursed during the year	(68)	(64)
Balance, end of year	221	263

5. Pension Costs and Obligations

The Corporation sponsors a defined benefit pension plan. The Corporation contributes amounts as prescribed by an independent actuary. Effective January 1, 2015 changes to the pension plan outlined below divides the Corporation's employees into two groups. In calendar 2025, Group 1 members were required to contribute to the plan at a rate of 6.00% (calendar 2024 – 6.50%) of annualized earnings up to the Year's Maximum Pensionable Earnings ("YMPE") plus 8.00% (calendar 2024 – 8.50%) of annualized earnings in excess of YMPE. Group 2 members were required to contribute to the plan at a rate of 4.90% (calendar 2024 – 5.40%) of annualized earnings up to the YMPE plus 6.90% (calendar 2024 – 7.40%) of annualized earnings in excess of YMPE.

A separate pension fund is maintained to hold plan assets. The Corporation has contracted with external organizations to provide trustee and investment management services for the fund. Pension fund assets are invested in balanced pooled funds of the investment manager. The market value of plan assets was $210,770 as at March 31, 2025 (2024 - $198,197).

An actuarial valuation for accounting purposes was performed as at December 31, 2024 using the projected benefits method prorated on services to March 31, 2025. The actuarial valuation included services rendered by members under the Yukon Hospital Corporation Employees' Pension Plan since the inception of the plan in 1993, as well as service credits in respect of pre-1993 service transferred to the Yukon Hospital Corporation Employees' Pension Plan from the Public Service Pension Plan under the Special Reciprocal Transfer Agreement dated June 1995. The next actuarial valuation for accounting purposes will be performed as at March 31, 2026.

The Corporation has made changes to the Yukon Hospital Corporation Employees' Pension Plan to be consistent with changes made to the Public Service Superannuation Plan in January 2013. These changes affect all employees who are employed by the Corporation after January 1, 2015, with exception of the 50/50 cost sharing that will affect all employees enrolled in the pension plan. Changes include an increase to the early retirement age and the age of eligibility for an unreduced pension as well as a gradual change in cost sharing of contributions to the plan.

Increases to the age of eligibility for an unreduced pension
The normal retirement age for all members is age 65. Existing plan members as of December 31, 2014 may retire with an unreduced pension at age 60, or after having completed 30 years of continuous service. Plan members who join the Corporation on or after January 1, 2015, will be able to retire with an unreduced pension at age 65, or after having completed 30 years of continuous service.

5. Pension Costs and Obligations (continued)

Increases to the early retirement age
Existing plan members as of December 31, 2014 may retire as early as age 50 with a reduced pension, if they have two years of continuous employment service. Plan members who join the Corporation on or after January 1, 2015, will be able to retire early with a reduced pension at age 55, if they have two years of continuous employment service.

Contributions
As of March 31, 2019, employee and employer contributions to the Plan are at a 50/50 cost-sharing rate.

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases, employee turnover and mortality. The assumptions used reflect management's best estimate of these future events. Key assumptions are summarized below:

	2025	2024
Weighted Average Assumptions for Net Period Pension Cost for Fiscal Year		
Discount rate	**6.75%**	6.75%
Expected long-term rate of return on plan assets	**6.75%**	6.75%
Rate of compensation increase (exclusive of seniority, merit)	**2.50%**	2.50%
Expected average remaining service lifetime (EARSL)	**9.3**	9.2
Inflation rate	**2.00%**	2.00%

	2025	2024
Weighted Average Assumptions for Benefit Obligation at Fiscal Year		
Discount rate	**6.75%**	6.75%
Rate of compensation increase (exclusive of seniority, merit)	**2.50%**	2.50%
Expected average remaining service lifetime (EARSL)	**9.3**	9.2

As at March 31, 2025, pension fund assets are valued at market value. No adjustment is made for benefits payable or contributions receivable.

	2025 $	2024 $
Change in Accrued Benefit Obligation		
Accrued benefit obligation, beginning of year	**122,937**	111,847
Current period benefit cost (employee and employer), excludes provision for non-investment expenses	**5,104**	4,688
Interest cost	**8,277**	7,504
Benefits paid	**(5,745)**	(6,029)
Actuarial losses	**604**	4,927
Accrued benefit obligation, end of year	**131,177**	122,937

5. Pension Costs and Obligations (continued)

Change in Plan Assets	2025 $	2024 $
Fair value of plan assets, beginning of year	198,197	173,606
Actual return on plan assets	16,309	22,407
Employer contributions	439	5,860
Employee contributions	2,125	2,605
Benefits paid	(5,745)	(6,029)
Actual plan expenses	(555)	(252)
Fair value of plan assets, end of year	210,770	198,197

Reconciliation of Funded Status		
Accrued benefit obligation	131,177	122,937
Fair value of plan assets	(210,770)	(198,197)
Funded surplus	(79,593)	(75,260)
Unamortized actuarial gains	7,350	5,761
Accrued pension benefit asset	(72,243)	(69,499)

Pension Benefits Cost	2025	2024
Current period benefit cost, includes provision for non-investment expenses	5,169	5,087
Amortization of actuarial losses	(374)	1,293
Employee contributions	(2,125)	(2,605)
Benefit expense	2,670	3,775
Interest on expected average accrued benefit obligation	8,277	7,504
Expected return on plan assets	(13,252)	(11,792)
Pension benefits cost	(2,305)	(513)

As at December 31, 2024 the pension plan had a solvency surplus of $22,468 (December 31, 2023 – surplus of $16,491) if valued on the basis that the pension plan were terminated/wound up as at December 31, 2024. The solvency ratio of the plan is 111% (109% in 2023). In accordance with the *Pension Benefits Standards Act, 1985*, the Corporation is required to make special payments when applicable to address the pension solvency requirements. The Corporation is permitted to cover up to a specified maximum with a conforming letter of credit. As at March 31, 2025 the Corporation has a conforming letter of credit totaling $19,450 (2024 - $27,992). Starting June 1, 2024, the Corporation has taken a contribution holiday in accordance with the Federal *Income Tax Act*.

6. Capital Assets

	Land	Land Improvements	Buildings	Building Improvements	Equipment & Vehicles	Computer Hardware & Systems Development	Construction & Work In Progress	2025 Total	2024 Total
	$	$	$	$	$	$	$	$	$
Cost, beginning of year	1,751	1,480	195,123	7,552	30,592	25,977	17,270	279,745	264,907
Acquisitions	-	171	(32)	63	974	311	12,672	14,159	15,926
Disposals	-	-	-	-	(148)	-	-	(148)	(1,088)
Cost, end of year	1,751	1,651	195,091	7,615	31,418	26,288	29,942	293,756	279,745
Accumulated amortization, beginning of year	-	967	74,787	4,270	21,425	11,137	-	112,586	103,090
Amortization expense	-	145	4,749	501	2,254	2,057	-	9,706	10,552
Disposals	-	-	-	-	(148)	-	-	(148)	(1,056)
Accumulated amortization, end of year	-	1,112	79,536	4,771	23,531	13,194	-	122,144	112,586
Net book value	1,751	539	115,555	2,844	7,887	13,094	29,942	171,612	167,159

7. Contributions Receivable

The Corporation received financing from CIBC for the construction of the Crocus Ridge building, Watson Lake Hospital, and Dawson City Hospital, as well as for the (note 8) calendar 2023 Pension Solvency obligation. The Government of Yukon has committed funds to repay these loans. As a result, the Corporation has recognized a contribution receivable for the amount committed by the Government of Yukon as outlined in the following tables.

	Commitment	Principal Payment	Total
	$	$	$
March 31, 2025			
Crocus Ridge building	5,080	(1,172)	3,908
Watson Lake Hospital	4,905	(1,704)	3,201
Dawson City Hospital	4,900	(1,200)	3,700
Pension solvency and Letter of Credit interest	3,919	(925)	2,994
	18,804	(5,001)	13,803
Short-term contributions receivable			5,204
Long-term contributions receivable			8,599
			13,803

	Commitment	Principal Payment	Total
	$	$	$
March 31, 2024			
Crocus Ridge building	6,192	(1,112)	5,080
Watson Lake Hospital	6,524	(1,619)	4,905
Dawson City Hospital	6,100	(1,200)	4,900
Pension solvency and Letter of Credit interest	4,796	(877)	3,919
	23,612	(4,808)	18,804
Short-term contributions receivable			5,001
Long-term contributions receivable			13,803
			18,804

8. Short-Term Debt

	2025 $	2024 $
Demand term installment loan with CIBC with interest calculated at Bankers' Acceptance with stamping fees calculated at 85 bps per annum exchanged for fixed rate by way of interest rate swap fixed at 5.15% per annum for the Watson Lake Hospital construction project. Blended payments of $160 due monthly beginning on December 30, 2011 with the final payment due on December 31, 2026.	**3,201**	4,905
Demand term installment loan with CIBC with interest calculated at Bankers' Acceptance with stamping fees calculated at 85 bps per annum exchanged for fixed rate by way of interest rate swap fixed at 4.525% per annum for the Dawson City Hospital construction project. Principal payments of $100 due monthly beginning on May 1, 2013 with the final payment due on April 1, 2028.	**3,700**	4,900
Demand term installment loan with CIBC with interest calculated at Bankers' Acceptance with stamping fees calculated at 85 bps per annum exchanged for a fixed rate by way of interest rate swap fixed at 5.23% per annum for the Crocus Ridge construction project. Blended payments of $117 due monthly beginning December 15, 2010 with the final payment due on March 15, 2028.	**3,908**	5,080
Demand term loan with Government of Yukon with interest on letter of credit portion at 65 bps. Annual interest rate is prime (5.1%). Term of loan is 15 years, with final payment of principal and interest due on December 11, 2034.	**0**	3,063
Demand term installment loan with CIBC with interest calculated at Bankers' Acceptance with stamping fees calculated at 80 bps per annum exchanged for a fixed rate by way of interest rate swap fixed at 5.30% per annum for the Pension solvency and Letter of Credit interest. Blended payments of $93 due monthly beginning March 31, 2023 with the final payment due on February 28, 2028.	**2,994**	3,919
	13,803	21,867

8. Short-Term Debt (continued)

Due to the conditions in the loans with CIBC, all debt has been classified as current as CIBC has the ability to call the loans at any time.

In 2020, the Government of Yukon loaned the Corporation funds to meet solvency and Letter of Credit requirements for the Corporation's pension plan. The initial loan was for $3,063 with interest accruing annually until the loan was repaid. Effective March 31, 2025, the Government of Yukon forgave the loan plus interest, totaling $3,898 (note 17).

In 2023, the Corporation was requested by the Government of Yukon to obtain a loan for $4,867 with a financial institution to cover the current year's Pension Solvency and Letter of Credit obligation.

Principal Repayment Schedule
Principal repayment on the indebtedness over the next five years and thereafter are as follows:

	$
2026	5,204
2027	4,937
2028	3,562
2029	100
2030 and thereafter	0
	13,803

In addition to its repayment schedule, the demand term instalment loans with CIBC require that the Corporation exchange the variable interest payment with a fixed interest payment. Under these agreements, the Corporation exchanged with CIBC $738 (2024 - $883) of variable interest payments representing an average variable rate of 4.53% (2024 – 4.16%) to a fixed interest payment of $834 (2024 - $1,081), representing an average fixed rate of 5.12% (2024 – 5.1%). These exchanges were made on a net cash basis.

9. Deferred Revenue

The balance of $264 (2024 - $1,103) includes $246 in restricted contributions related to the Yukon Hospital Foundation and Run for Mom, and $18 in other externally restricted funds from the Government of Yukon.

10. Long-Term Debt

In 2003, Yukon Development Corporation, a common control entity of the Government of Yukon, financed an electric boiler system for the Corporation for a total cost of $596. The long-term debt bears interest of 7.5% which is payable in an annual installment. The principal is repayable based on 50% of the realized annual energy savings.

10. Long-Term Debt (continued)

The long-term debt is secured by a general security agreement on building improvements with a net book value of $0 (2024 - $85).

An initial payment on principal of $200 was made by the Corporation in 2004 and since then, $311 has been repaid from the realized annual energy savings, including $0 repaid in the current year based on realized energy savings of $0 (2024 - $0). The Corporation has not received access to secondary sales and a request was approved by Yukon Development Corporation to forgive the remaining balance of $85, consistent with section 4.7 of the Secondary Power Infrastructure Loan Agreement. On July 10, 2024, the Government of Yukon forgave the balance in accordance with section 14(1) (b) of the *Financial Administration Act*.

11. Employee Future Benefits Other Than Pensions

In addition to pension benefits, the Corporation provides severance, sick leave and special leave benefits to its employees. The cost of these benefits accrues either as employees render service or upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation.

	2025 $	2024 $
Severance	2,606	2,945
Sick leave	817	888
Less: short-term portion (included in accrued payroll and benefits)	(623)	(464)
	2,800	3,369

12. Deferred Capital Contributions

Deferred capital contributions represent restricted contributions received or receivable to purchase capital assets. The changes in the deferred capital contributions balance for the year are as follows:

	2025 $	2024 $
Balance, beginning of year	166,260	162,007
Restricted Government of Yukon contributions	11,739	13,269
Restricted non-government contributions	29	34
Amount amortized to revenue	(8,693)	(9,050)
Balance, end of year	169,335	166,260

13. Asset Retirement Obligation

The Corporation's Asset Retirement Obligation consists of the following:

1) Asbestos liability

The Corporation owns and operates several buildings that are known to contain asbestos, which represents a health hazard upon demolition of the building. Per Occupational Health and Safety Legislation, there is a legal obligation to remove the asbestos when the building is retired. Following the adoption of PS 3280 – *Asset Retirement Obligations*, the Corporation estimates and recognizes an obligation relating to the removal and post-removal care of the asbestos in these buildings. The buildings have a remaining estimated useful life ranging from 5 to 31 years since they were acquired. Estimated costs have been discounted to the present value using a discount rate of 3.50% (2024 – 3.45%) per annum, to be incurred over the remaining estimated useful life of the buildings.

2) Fuel tanks liability

The Corporation has recognized asset retirement obligations for its fuel tanks, allocated to buildings, at the Whitehorse General Hospital site. Asset retirement activities for the fuel tanks may include decommissioning or dismantling the tanks, remediation of contamination from their normal use, and post-retirement monitoring. Following the adoption of PS 3280 – *Asset Retirement Obligations*, the Corporation estimates and recognizes an obligation relating to the removal and post-removal care of the fuel tanks. The fuel tanks have an estimated remaining useful life of 10 years. Estimated costs have been discounted to the present value using a discount rate of 3.50% (2024 – 3.45%) per annum, to be incurred over the remaining estimated useful life of the fuel tanks.

Changes to the asset retirement obligation in the year are as follows:

	Asbestos	***Fuel Tanks***	***2025***
	$	**$**	**$**
Opening balance,	938	236	1,174
Change in estimate	(27)	(5)	(32)
ARO accretion	32	8	40
Closing balance	**943**	**239**	**1,182**

	Asbestos	*Fuel Tanks*	*2024*
	$	**$**	**$**
Opening balance,	1,040	234	1,274
Change in estimate	(133)	(6)	(139)
ARO accretion	31	8	39
Closing balance	**938**	**236**	**1,174**

The undiscounted asset retirement obligation adjusted for inflation is $2,163 (2024 – $1,174).

14. Investment in Capital Assets

a) Net assets invested in capital assets is calculated as follows:

	2025 $	2024 $
Capital assets (note 6)	171,612	167,159
Amounts financed by deferred capital contributions (net of unexpended externally restricted contributions)	(169,041)	(165,938)
	2,571	1,221

Change in net assets invested in capital assets is calculated as follows:

b) Change in amortization

	2025 $	2024 $
Amortization of deferred capital contributions	8,693	9,050
Amortization of capital assets	(9,706)	(10,552)
	(1,013)	(1,502)

c) Net change in invested capital assets

	2025 $	2024 $
Purchase of capital assets (net of contributed land)	14,159	15,926
Amounts funded by deferred capital contributions	(11,796)	(13,261)
Disposal of capital assets (net of accumulated amortization)	-	(32)
	2,363	2,633

Contributed Land and Building
Certain assets in Whitehorse, including land were transferred from the Government of Canada and the Government of Yukon to the control of the Corporation on April 1, 1993 and January 19, 1994. Contributed land also includes land transferred from the Government of Yukon on May 14, 2010 in Watson Lake, in April 2011 in Dawson City, and on May 12, 2011 for the escarpment behind the existing Whitehorse General Hospital.

In fiscal 2012, the Government of Yukon transferred land and building in Dawson City, as well as land behind Whitehorse General Hospital to the Corporation at no cost. The value of this additional land and buildings is $741. The land and buildings were recorded at fair value.

14. Investment in Capital Assets (continued)

Contributed Equipment
In fiscal 2021, the Government of Yukon transferred to the Corporation six drug dispensers and six drug cabinets at no cost. These assets were recorded at a fair value of $746.

In fiscal 2021, in response to the COVID-19 pandemic, the Government of Canada transferred to the Corporation two sterilizers for N95 masks at no cost. These assets were recorded at a fair value of $240.

The Corporation did not receive any contributed equipment in fiscal 2025 (2024 - $0).

15. First Nations Health Program

Under an annual contribution agreement, the Government of Yukon provides funds to the Corporation for the purpose of operating the FNHP at the Whitehorse General Hospital. The FNHP includes a health liaison worker program, child life worker for the pediatric ward, traditional medicine, traditional diet, employment equity and training program, interpretation services and in-service training.

The FNHP was established in 1993 under the Whitehorse General Hospital Programs and First Nations Health Services and Community Health Transfer Agreement. Core funding was provided by the Government of Yukon. The programs could not all be implemented in the year which the funding was received and as a result a substantial surplus was realized. An agreement between the Government of Yukon and the First Nations Health Committee restricted this surplus to be used for First Nations programming only. The FNHP is outlined in the *Hospital Act*.

The following amounts pertain to the FNHP and have been included in the Consolidated Statement of Operations.

	2025 $	2024 $
Revenues		
Government of Yukon contribution (note 17)	**1,500**	1,200
Other	**203**	274
Government of Yukon – Other (note 17)	**79**	24
Interest	**19**	25
	1,801	1,523
Expenses		
Payroll	**1,465**	1,336
Sundry	**153**	115
Material and supplies	**26**	24
Travel	**24**	61
Equipment	**14**	12

15. First Nations Health Program (continued)

Honorariums	8	13
Amortization	2	3
Contracted Services	0	75
	1,692	1,639
Surplus (deficit) of revenues over expenses	109	(116)
Opening (deficit) surplus	(28)	88
Net surplus (deficit), restricted for FNHP	81	(28)

16. Other Expenses

	2025 $	2024 $
Software maintenance	2,015	1,421
Property tax	1,461	1,397
Delivery/courier/taxi	1,162	967
Communications	817	788
Bad debt	816	849
Legal and professional fees	776	942
Conference fees/travel	702	792
Insurance	572	531
Recruitment and relocation	416	270
Miscellaneous	411	399
Membership fees	330	310
Honorariums	114	103
Advertising	80	112
	9,672	8,881

17. Related Party Transactions

	2025 $	2024 $
Government of Yukon contribution		
Basic funding	115,319	114,969
First Nations Health Program (note 15)	1,500	1,200
Total basic funding	116,819	116,169
Other – Forgiveness of short-term debt (note 8)	3,898	-
Other	3,679	5,437
Other – First Nations Health Program (note 15)	79	24
Total Government of Yukon contribution	124,475	121,630

The 2025 Government of Yukon contribution includes $93 (2024 - $93) of flow-through funding provided to the Foundation.

17. Related Party Transactions (continued)

	2025 $	2024 $
Other government contracts		
Government Service contracts	800	892
Cost recovery arrangement	2,316	3,579
Total other government contracts	3,116	4,471

In fiscal 2025, the Corporation held various service contracts relating to the provision of food, laundry and housekeeping services with Government of Yukon. The revenue recognized from these agreements is included in Other government contracts in the Consolidated Statement of Operations.

In compliance with the agreement outlined in Appendix H of the 1994 Whitehorse General Hospital Transfer Agreement between the Corporation, the Government of Yukon and the Government of Canada (Appendix H), the Corporation provided goods in the amount of $2,316 (2024 - $3,579) to related parties which includes a 15% administration charge on material management supplies purchased in excess of $80. The Corporation recovered only the cost of goods of $2,085 (2024 - $3,403). As this is a cost recovery arrangement, the revenues and cost of sales have been reported on a gross basis.

Services Without Charge
The Corporation leases space to the Government of Yukon. The leases for the ambulance station, #2 Hospital Road, #4 Hospital Road, and 29,679 square feet of office space located in the Thomson Centre building are at an annual nominal amount of $1.

Appendix H outlines Whitehorse General Hospital's obligation to provide residual services to Yukon communities at no charge. The total cost of providing these services for 2025 was $760 (2024 - $778).

Other Related Party Transactions
In addition to those related party transactions disclosed elsewhere in these consolidated financial statements (notes 4, 7, 8, 9, 10, 12, 14 and 15) the Corporation entered into the following transactions with related entities on similar terms and conditions as entities at arm's length.

As at March 31, 2025 there were $323 (2024 - $799) of accounts payable and accrued liabilities and $10,224 (2024 - $11,631) of accounts receivable related to the Government of Yukon.

The Government of Yukon and the Corporation entered into an agreement transferring ownership of the Watson Lake Hospital to the Corporation effective April 1, 2010. The Watson Lake Hospital transfer included land, buildings and medical equipment worth $2,424.

17. Related Party Transactions (continued)

The transaction was recorded at fair value. The Corporation agreed that it may transfer part of the old building back to the Government of Yukon at the request of, and subject to any conditions imposed by the Government of Yukon. In addition, the Corporation may be required to grant to the Government of Yukon a lease on such terms as the Government of Yukon may require. No transfers were made back to Government of Yukon in fiscal 2025.

In fiscal 2014, the Corporation (the Lessor) entered into a lease with the Government of Yukon (the Lessee) for approximately 2,540 square feet of clinical space located in the Dawson City Hospital. This lease is recorded at the exchange amount which approximates fair value.

In fiscal 2015, the Corporation (the Lessor) entered into a lease with the Government of Yukon (the Lessee) for approximately 2,206 square feet of office space located in the Dawson City Hospital. This lease is recorded at the exchange amount which approximates fair value.

In fiscal 2016, the Corporation (the Lessor) amended a lease from fiscal 2014 with the Government of Yukon (the Lessee) for approximately 2,660 square feet of rentable space to add 2,858 square feet of space in the lower level of the Watson Lake Hospital. This lease is recorded at the exchange amount which approximates fair value.

In fiscal 2019, the Corporation (the Lessor) entered into a lease with the Government of Yukon (the Lessee) for approximately 153 square feet of clinical space and approximately 22 square feet of storage space located in the Dawson City Hospital. This lease is recorded at the exchange amount which approximates fair value.

In fiscal 2022, the Corporation (the Lessor) amended a lease from fiscal 2012 with the Government of Yukon (the Lessee) for approximately 22,075 square feet of office space located on the 1st and 2nd floor of the Crocus Ridge building. This lease is recorded at the exchange amount which approximates fair value.

In fiscal 2022, the Corporation (the Lessor) amended a lease from fiscal 2019 with the Government of Yukon (the Lessee) for approximately 97 square feet of office space located in the Dawson City Hospital. This lease is recorded at the exchange amount which approximates fair value.

In fiscal 2022, the Corporation (the Lessor) amended a lease from fiscal 2019 with the Government of Yukon (the Lessee) for approximately 147 square feet of office space located in the Dawson City Hospital. This lease is recorded at the exchange amount which approximates fair value.

17. Related Party Transactions (continued)

Details of the leases are outlined as follows:

	Annual Lease Payments $	Term Years
Crocus Ridge 1st and 2nd floor office space	825	5
Dawson City Hospital clinical space	95	15
Dawson City Hospital office space	69	15
Dawson City Hospital office space	5	5
Dawson City Hospital office space	3	5
Dawson City Hospital clinical space	7	10
Watson Lake Hospital rentable space	69	15
Watson Lake Hospital space	74	13
	1,147	

18. Contractual Obligations and Contingencies

Contingencies
In the normal course of operations, the Corporation is subject to legal claims and possible claims. While the outcome of legal claims or possible claims is subject to future resolution, management's evaluation and analysis of such matters indicates that, individually or in the aggregate, the probable ultimate resolution of all legal claims and possible claims will not have a material impact on the Corporation's consolidated financial position, results of its operations or its cash flows.

Contractual Obligations
The Corporation has contractual obligations whereby the minimum required payments for the next five years and thereafter are as follows:

	$
2026	14,466
2027	10,683
2028	4,395
2029	1,084
2030 and thereafter	364
	30,992

Contractual obligations fall under the following major categories: capital projects, medical and other equipment service agreements, software maintenance agreements, and professional/service level agreements. Contractual commitments over the next 5 years for capital projects (wholly attributed to the Mental Wellness Unit project) and for the other categories of contracts are $3,053 (2024 - $10,523), $27,939 (2024 - $37,430) respectively.

18. Contractual Obligations and Contingencies (continued)

The Corporation has included in accounts payable and accrued liabilities holdbacks of $1,499 (2024 - $946) and $811 for March construction costs payable to Unitech. The holdbacks are to be released to the contractor upon substantial completion of the Mental Wellness Unit project. These holdbacks are expected to be released in fiscal 2026.

19. Financial Risks

The Corporation has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk.

The Board of Trustees is responsible for ensuring that the Corporation has identified its major risks and ensures that management monitors and controls them. The Executive Committee oversees the Corporation's systems and practices of internal control, and ensures that these controls contribute to the assessment and mitigation of risk. The Executive Committee reports regularly to the Board of Trustees on its activities. The Corporation has experienced no change in its risk exposure and has not made any changes to its risk management policies and procedures.

a) Credit Risk

Credit risk is the risk of a financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the Corporation consisting of cash, accounts receivables, and contributions receivable.

Cash:
The Corporation's exposure to credit risk associated with cash is assessed as low because the Corporation's cash deposits are held by a Canadian Schedule 1 Chartered bank.

Accounts Receivable:
The Corporation's exposure to credit risk associated with accounts receivable is assessed as low because it is due largely from governments.

Allowances for doubtful accounts are provided for potential losses that have been incurred at the reporting date. The amounts disclosed on the Consolidated Statement of Financial Position are net of these allowances for doubtful accounts. All accounts receivable are considered for impairment based on the type of revenue and historical repayment information.

19. Financial Risks(continued)

The maximum exposure to credit risk for accounts receivable by type of customer is as follows:

	2024 $	2024 $
Government of Yukon	10,224	11,631
Consumers	1,242	1,575
Other governments	820	864
Other	530	346
	12,816	14,416

The Corporation's accounts receivable has a carrying value of $12,816 as at March 31, 2025 (2024 - $14,416). As at March 31, 2025, approximately 23% (2024 - 28%) of accounts receivable were over 90 days past due, whereas 6% (2024 – 4%) was between 31 – 90 days and 71% (2024 – 68%) were current or less than 30 days past due. The Corporation's allowance for doubtful accounts is $1,161 as at March 31, 2025 (2024 - $2,191).

Contributions Receivable:
The Corporation's exposure to credit risk associated with contributions receivable is assessed as low because the amount is due from the Government of Yukon.

b) Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation's objective is to have sufficient liquidity to meet these liabilities when due. The Corporation monitors its cash balance and cash flows generated from operations to meet its liquidity requirements.

The liquidity risk arises from the financial liabilities consisting of accounts payable and accrued liabilities, accrued payroll and benefits, short-term debt and long-term debt. The Corporation's accounts payable and accrued liabilities had a carrying value of $18,031 as at March 31, 2025 (2024 - $16,902). As at March 31, 2025, approximately 8% (2024 – 4%) of accounts payable were over 90 days past due, whereas 33% (2024 – 57%) were current or less than 30 days past due. The Corporation's accrued payroll and benefits has a carrying value of $5,841 as at March 31, 2025 (2024 – $5,300) and is payable in the next fiscal year.

The Corporation's short-term debt has remaining undiscounted contractual cash flows of $14,787 as at March 31, 2025 (2024 - $27,849) and may be repayable in the next fiscal year.

The Government of Yukon has committed the funds to repay the short-term debt owed to third parties (note 7). The Corporation's long-term debt to a related party (note 10) has remaining undiscounted contractual cash flows of $0 as at March 31, 2025 (2024 - $85).

19. Financial Risks(continued)

c) Market Risk

Currency Risk
Currency risk is the risk that the value of financial assets and liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates. The Corporation is not exposed to any significant currency risk.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Corporation is not exposed to any significant interest rate risk.

Long-term debt has interest rates fixed for long periods of time with the debt intended to be repaid in accordance with corresponding energy savings.

For its short-term debt with CIBC, the Corporation mitigates interest rate risk through interest rate swaps that exchange the variable rate inherent in the term debt for a fixed rate. Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the short-term debt. The short-term loan with the Government of Yukon is at the Government's prime rate and is subject to market fluctuations. Due to the loan balance the variability in interest rates is not expected to have a significant impact on the Corporation.

20. Capital Management

The Corporation is subject to the financial management and accountability provisions of the *Hospital Act*, the Yukon *Financial Administration Act*, and the *Yukon Act* which impose restrictions in relation to borrowings and acquisitions of investments. The Corporation receives its principal source of capital through funding received from the Government of Yukon. The Corporation's financial objectives are to comply with externally imposed restrictions and manage its capital as a by-product of managing revenues, expenses, assets and liabilities. The Corporation considers its capital to be its net assets related to restricted for capital purchases, internal; restricted for pension; and unrestricted. The Corporation's financial objectives as stated above have remained unchanged from the prior year. The Corporation has complied with the externally imposed restrictions on the funding provided.

Internally restricted capital purchases are used to cover commitments or obligations that are expected to arise in the future. The restricted for pension capital is the difference between the contributions to the pension plan and the actuarially determined pension expense and is recorded as an accrued pension benefit asset (non-current assets) and restricted for pension (net assets) on the Consolidated Statement of Financial Position. This entry reflects trapped capital as these contributions cannot be touched and remain in the plan.

20. Capital Management (continued)

The Corporation defines and computes its capital as follows:

	2025 $	2024 $
Restricted for capital purchases, internal	850	1,221
Restricted for pension	72,243	69,499
Unrestricted	(3,882)	(7,340)
	69,211	63,380

21. Subsequent Event

In June 2025, the Corporation reached substantial completion on an 8 bed Mental Wellness Unit following 2 years of construction. The unit adds approximately 10,000 square feet, representing a significant expansion of the Corporation's mental health facilities. Funding for the construction of the unit included $9,900 funded through the Government of Canada's Investing in Canada Infrastructure Program, $22,800 funded by way of contribution agreements with Government of Yukon and a $2,000 commitment from the Yukon Hospital Foundation, for a total project cost of $34,700. The unit was under construction and recorded as construction-in-progress at the reporting date.