

SECTION I  
GOVERNMENT OF YUKON  
FINANCIAL STATEMENTS  
(unaudited)

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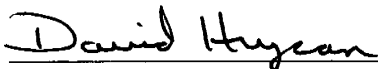
GOVERNMENT OF YUKON  
**Statement of Financial Position**  
as at **March 31, 2010**

	2010	2009
	(thousands of dollars)	
<b>Financial assets</b>		
Cash and cash equivalents (Note 3)	\$ 64,664	\$ 67,293
Temporary investments (Note 4)	57,184	109,376
Due from Government of Canada (Note 5)	62,627	60,426
Accounts receivable (Note 6)	17,686	15,651
Portfolio investments (Note 7)	25,592	24,114
Advances to Territorial corporations (Note 8)	51,705	26,821
Loans receivable (Note 9)	17,435	29,056
Land held for sale (Note 10)	13,013	5,803
	309,906	338,540
<b>Liabilities</b>		
Due to Government of Canada (Note 5)	20,314	17,106
Accounts payable and accrued liabilities (Note 11)	91,263	74,184
Unearned revenues (Note 12)	34,602	22,116
Post-employment benefits (Note 13)	64,611	59,103
Retirement benefits (Note 14)	29,017	26,608
Capital lease obligations (Note 15)	2,632	3,879
	242,439	202,996
<b>Net financial resources</b>	<b>67,467</b>	<b>135,544</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 17)	978,130	907,788
Less: Deferred capital contributions (Note 18)	(531,942)	(503,640)
Inventories of supplies	6,002	5,729
Prepaid expenses	1,915	1,826
	454,105	411,703
<b>Accumulated surplus</b>	<b>\$ 521,572</b>	<b>\$ 547,247</b>

Contingencies, commitments, contractual obligations and guarantees  
(Notes 21, 22, 24, 25, 26 and 27)

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

Approved:



David Hrycan, FCMA  
Deputy Minister of Finance



Dennis Fentie  
Minister of Finance

GOVERNMENT OF YUKON

**Statement of Operations and Accumulated Surplus  
for the year ended March 31, 2010**

	2010		2009
	Main Estimates (Note 1(b)) (Schedule E)	Actual	Actual
	(thousands of dollars)		
Revenues (Schedule A)			
From Government of Canada			
Formula Financing grant	\$ 611,707	\$ 611,707	\$ 564,032
Other grants	71,208	44,170	49,168
Contributions and service agreements	64,823	67,525	62,179
Taxes and general revenues	109,754	116,602	114,348
Funding and service agreements with other parties	18,844	17,761	21,912
Amortization of deferred capital contributions	16,875	15,878	14,755
	<u>893,211</u>	<u>873,643</u>	<u>826,394</u>
Expenses (Note 19 and Schedule B)	<u>873,823</u>	<u>900,540</u>	<u>825,838</u>
Recovery of prior years' expenses	-	1,222	812
Surplus (deficit) for the year	<u>\$ 19,388</u>	(25,675)	1,368
Accumulated surplus at beginning of year		<u>547,247</u>	<u>545,879</u>
Accumulated surplus at end of year		<u>\$ 521,572</u>	<u>\$ 547,247</u>

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

GOVERNMENT OF YUKON

**Statement of Change in Net Financial Resources  
for the year ended March 31, 2010**

	2010		2009
	Main		Actual
	Estimates (Note 1(b))	Actual	Actual
	(thousands of dollars)		
Surplus (deficit) for the year	\$ 19,388	\$ (25,675)	\$ 1,368
Effect of change in tangible capital assets			
Acquisitions	(89,883)	(106,935)	(64,194)
Capital contributions received and deferred	23,596	44,220	39,264
Amortization of tangible capital assets	34,488	36,356	34,352
Amortization of deferred capital contributions	(16,875)	(15,878)	(14,755)
(Gain) loss on disposal of tangible capital assets	-	(138)	858
Proceeds on disposal of tangible capital assets	-	242	190
Write-down of tangible capital assets	-	133	-
Write-down of deferred capital contributions	-	(40)	4
	<u>(48,674)</u>	<u>(42,040)</u>	<u>(4,281)</u>
Effect of change in other non-financial assets			
Increase in inventories of supplies	-	(273)	(1,376)
Increase in prepaid expenses	-	(89)	(251)
	-	<u>(362)</u>	<u>(1,627)</u>
Decrease in net financial resources	<u>\$ (29,286)</u>	<u>(68,077)</u>	<u>(4,540)</u>
Net financial resources at beginning of year		135,544	140,084
Net financial resources at end of year		<u>\$ 67,467</u>	<u>\$ 135,544</u>

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

GOVERNMENT OF YUKON

**Statement of Cash Flows  
for the year ended March 31, 2010**

	2010	2009
	(thousands of dollars)	
<b>Operating transactions</b>		
Cash received from:		
Government of Canada	\$ 735,915	\$ 704,392
Taxes and general revenues	113,573	109,765
Funding and service agreements with other parties	18,312	23,487
Interest from investments and loans	2,349	4,969
	<u>870,149</u>	<u>842,613</u>
Cash paid for:		
Salary, wages and benefits	346,836	330,896
Transfer payments	217,841	209,359
Other expenses	277,818	242,494
Interest on loans and capital leases	404	546
	<u>842,899</u>	<u>783,295</u>
Cash provided by operating transactions	<u>27,250</u>	<u>59,318</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(101,863)	(63,417)
Contributions received for acquisition	39,775	33,332
Proceeds on sale of tangible capital assets	242	190
Cash used for capital transactions	<u>(61,846)</u>	<u>(29,895)</u>
<b>Investing transactions</b>		
Decrease in temporary investments	52,192	8,625
Decrease in portfolio investments	50	1,622
Investment in land held for sale	(7,931)	(6,627)
Proceeds from sale of land held for sale	13,388	1,438
Advances to Territorial corporations	(25,334)	-
Repayment of advances from Territorial corporations	450	450
Loans advanced	(937)	(1,061)
Loans repaid	1,336	936
Cash provided by investing transactions	<u>33,214</u>	<u>5,383</u>
<b>Financing transactions</b>		
Repayment of capital lease obligations	<u>(1,247)</u>	<u>(1,105)</u>
Cash used for financing transactions	<u>(1,247)</u>	<u>(1,105)</u>
<b>(Decrease) increase in cash and cash equivalents</b>	<b>(2,629)</b>	<b>33,701</b>
Cash and cash equivalents at beginning of year	<u>67,293</u>	<u>33,592</u>
<b>Cash and cash equivalents at end of year (Note 3)</b>	<b>\$ 64,664</b>	<b>\$ 67,293</b>

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

GOVERNMENT OF YUKON

**Notes to Financial Statements**  
**March 31, 2010**

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 comparative figures are from the Main Estimates approved in the Legislative Assembly in 2009. These figures do not reflect changes arising from the Supplementary Estimates approved later in the year by the Legislative Assembly.

(c) Investments

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

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

The duration of the securities held depends on cash projections but usually averages under a year in length.

2. **Significant accounting policies**

(a) Financial statements

These financial statements are prepared on a non-consolidated basis for the purpose of determining the financial resources realistically available to the Government to meet its program responsibilities.

The Government also prepares a set of consolidated financial statements following the recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(b) Basis of accounting

**Revenues**

Revenues are recorded on an accrual basis.

## GOVERNMENT OF YUKON

### Notes to Financial Statements March 31, 2010

Grants from the Government of Canada are recognized as revenues when entitlement for the transfer occurs. The Government receives a Formula Financing grant from the Government of Canada. For the years 2007/2008 to 2013/2014, the Government of Canada has, under Bill C-52, the *Budget Implementation Act, 2007*, restored the Formula Financing grant to a principle-based arrangement. Health and social transfers are received in accordance with the *Federal-Provincial Fiscal Arrangements Act* (Canada). Adjustments for health and social transfers are made in the year they are known.

The Government receives funds from the Government of Canada and other sources under various transfers including infrastructure funding such as the reconstruction of the Alaska Highway. These capital transfers are made for the purpose of acquiring assets that will provide government services for many years in the future. As a result, revenues are recognized in the year in which the related expenses are incurred. Any adjustments upon finalization are reflected in the accounts in the year they are identified.

Income taxes, levied under the *Income Tax Act* (Yukon), are collected by the Government of Canada on behalf of the Government under a tax collection agreement and are remitted to the Government monthly. The remittances are based on the Government of Canada's Department of Finance's best estimates for the taxation year, which are periodically adjusted until the income tax assessments for the year are final. The Government recognizes income tax revenues based on the estimates made by the Government of Canada, adjusted for known factors. Any adjustments upon finalization are reflected in the accounts in the year they are identified.

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.

#### 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, funds held in trust accounts on behalf of the Government, and short-term investments that have terms to maturity of less than 90 days from the dates of acquisition.

Temporary investments include bankers' acceptances, provincial treasury bills and promissory notes and Government of Canada treasury bills with terms of maturity of more than 90 days but less than one year from the date of acquisition. When the market value of temporary investments has declined below the carrying value, they are carried at market value.



## GOVERNMENT OF YUKON

### Notes to Financial Statements March 31, 2010

Portfolio investments are long-term investments and accounted for by the cost method. Any discount or premium arising on purchase is amortized over the period to maturity, and the carrying value of the investment is adjusted systematically, during the period it is held, toward the amount expected to be realized at maturity. The Government periodically re-estimates the expected cash flows, and any impact from changes is recorded as part of the discount or premium amortization and is included in investment income. When there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss.

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 collectibility of either principal or interest is not reasonably assured.

Land held for sale comprises the costs of acquiring, planning and developing serviced lots for eventual sale. 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. Gains or losses on the sale of lots are recognized at the time of sale.

#### Non-financial assets

The costs of acquiring land, buildings, equipment and other capital property are capitalized as tangible capital assets and are amortized to expense over the estimated useful lives of the assets.

Inventories of supplies consist primarily of fuel and lubricants, repair parts, stationery and office supplies, 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.

#### Liabilities

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

Unearned revenues are cash received for which goods and services have not been provided by year-end, and are primarily comprised of motor vehicle licence fees for the following fiscal years and transfer payments from the Government of Canada, which have not yet been expended in accordance with funding agreements.

Capital lease obligations are recorded with a corresponding asset 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 at the time the obligation is incurred.

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

GOVERNMENT OF YUKON

**Notes to Financial Statements  
March 31, 2010**

(c) Tangible capital assets

Tangible capital assets are buildings, roads, equipment, and other items, whose useful life extends beyond the fiscal year and are intended to be used on an ongoing basis for delivering services. These assets are recorded at cost, or fair value if donated. For certain tangible capital assets that have previously been transferred from the Government of Canada or where the original costs are not readily available, estimated costs have been extrapolated back in time in a systematic and rational manner to approximate the appropriate transfer value of the assets at the time of transfer.

Transferred and cost-shared tangible capital assets are recorded upon acquisition with an offsetting deferred capital contribution that represents the value of the contribution. This deferred capital contribution is amortized as revenue on the same basis as the related asset is amortized. Tangible capital assets, when placed in service, are amortized on a straight-line basis over their estimated useful life.

The value of works of art, historical treasures, all intangibles and items inherited by right of the Crown, such as Crown lands, forests, water, and mineral resources are not recorded as tangible capital assets. The existence of historical treasures and the total estimated value of works of art are disclosed in Note 17 of these financial statements.

Tangible capital assets that are held and available for use by the Government are reported based on the following capitalization thresholds and estimated useful lives:

<u>Asset category</u>	<u>Threshold</u>	<u>Estimated useful life</u>
Land	Nil	N/A
Land improvements and fixtures	\$50,000	up to 50 years
Buildings	\$50,000	40 - 50 years
Portable classrooms/housing trailers	\$50,000	20 years
Heavy equipment	\$10,000	7 - 30 years
Operating equipment	\$10,000	7 - 25 years
Vehicles	\$10,000	6 - 20 years
Computer hardware	\$10,000	5 years
Computer software	\$100,000	7 years
Mobile radio system infrastructure	\$100,000	15 years
Leasehold improvements	\$50,000	Shorter of the lease term or useful economic life
Sewage and water systems	\$50,000	50 years
Forestry access roads	\$50,000	10 years
Highways	\$250,000	30 - 50 years
Pavement	\$250,000	26 years
Bridges	\$250,000	30 - 50 years
Airport runways	\$50,000	26 - 50 years

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

GOVERNMENT OF YUKON

**Notes to Financial Statements**  
**March 31, 2010**

(d) Post-employment benefits

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. The Government recognizes the obligation for these benefits as a liability and uses an actuary to estimate the amount of the obligation. Expenses related to post-employment benefits are recognized in the period in which the employee's service is rendered and the benefit is earned. The accrued benefit liability for these plans is calculated as the accrued benefit obligation adjusted by unamortized actuarial gains or losses.

(e) 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 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. Liabilities for these benefits are valued on an actuarial basis.

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 services, with an actuarial valuation for accounting purposes updated annually. Pension expenses for these two plans are recognized as members render 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.

(f) Environmental liabilities

Environmental liabilities consist of the estimated costs related to the remediation of environmentally contaminated sites. An environmental liability is accrued and an expense recorded based on management's best estimates when the contamination occurs, when the Government becomes aware of the contamination or, in the case of a solid waste landfill closure and post-closure care, as the landfill sites capacity is used, and the Government is obligated to incur such costs. If the likelihood of the Government's obligation to incur these costs is not determinable or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements. Accrued environmental liabilities are reported as part of accrued liabilities.

(g) Measurement uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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 statements, the Government believes the estimates and assumptions to be reasonable.

GOVERNMENT OF YUKON

**Notes to Financial Statements  
March 31, 2010**

Some of the more significant management estimates relate to portfolio investments, post-employment and retirement benefits, environmental liabilities, contingencies and revenue accruals such as Canada health and social transfer payments, and corporate and personal income tax revenue.

3. **Cash and cash equivalents**

	<u>2010</u>	<u>2009</u>
	(thousands of dollars)	
Bank balances	\$ 44,063	\$ 39,106
Short-term investments	17,096	14,989
Funds held for the Government by trustees	3,432	13,131
Cash on hand	<u>73</u>	<u>67</u>
	<u>\$ 64,664</u>	<u>\$ 67,293</u>

4. **Temporary investments**

	<u>2010</u>		<u>2009</u>	
	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>
	(thousands of dollars)			
Bankers' acceptances	\$ 43,914	\$ 43,918	\$ 80,600	\$ 80,525
Provincial treasury bills and promissory notes	12,271	12,267	8,982	8,946
Government of Canada treasury bills	999	999	-	-
Bearer deposit notes	<u>-</u>	<u>-</u>	<u>19,917</u>	<u>19,905</u>
	<u>\$ 57,184</u>	<u>\$ 57,184</u>	<u>\$ 109,499</u>	<u>\$ 109,376</u>

Temporary investments during the year had a weighted average effective yield of 0.7% (2009 – 2.7%) per annum.

GOVERNMENT OF YUKON

**Notes to Financial Statements  
March 31, 2010**

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

	<u>2010</u>	<u>2009</u>
	(thousands of dollars)	
Due from Government of Canada		
Cost-sharing agreements and projects delivered on behalf of the Government of Canada	\$ 57,270	\$ 53,381
Income tax receivable	5,319	6,996
Other	<u>38</u>	<u>49</u>
	<u>\$ 62,627</u>	<u>\$ 60,426</u>
Due to Government of Canada		
RCMP	\$ 10,503	\$ 8,132
Public Service Pension Plan contribution payable	4,372	4,125
Payroll deductions payable	4,106	3,849
Other	<u>1,333</u>	<u>1,000</u>
	<u>\$ 20,314</u>	<u>\$ 17,106</u>

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

6. **Accounts receivable**

	<u>2010</u>	<u>2009</u>
	(thousands of dollars)	
Taxes, interest and other revenue receivables	\$ 9,191	\$ 7,762
Less valuation allowances	<u>(464)</u>	<u>(688)</u>
	8,727	7,074
Due from Territorial corporations	<u>8,959</u>	<u>8,577</u>
	<u>\$ 17,686</u>	<u>\$ 15,651</u>

GOVERNMENT OF YUKON

**Notes to Financial Statements  
March 31, 2010**

7. **Portfolio investments**

On March 31, 2010 the Government held portfolio investments in floating rate notes with a carrying value of \$25.6 million as a result of a restructuring process related to previous investments in asset-backed commercial paper. Upon the restructuring, on January 21, 2009, the Government received notes with a face value of \$36.3 million of various classes issued by a trust referred to as the "Master Asset Vehicle II" (MAV II).

As the Government's investments in MAV II notes are not current in nature, these investments are classified as portfolio investments. The investments were recorded at a discount to their face value. This discount is amortized over time as the investments move closer to their maturity dates. During the year \$1,528,000 of discount was amortized resulting in a March 31, 2010 carrying value of \$25,592,000. The \$1,528,000 amortized discount was recognized as current year revenue from portfolio investments.

The Government held the following investments in MAV II notes:

	2010		2009	
	Face Value	Carrying Value	Face Value	Carrying Value
	(thousands of dollars)			
Master Asset Vehicle II (MAV II)				
Class A-1 Notes	\$ 15,726	\$ 12,180	\$ 15,777	\$ 11,421
Class A-2 Notes	16,455	12,054	16,455	11,516
Class B Notes	2,986	1,248	2,986	1,098
Class C Notes	1,089	110	1,089	79
	<u>\$ 36,256</u>	<u>\$ 25,592</u>	<u>\$ 36,307</u>	<u>\$ 24,114</u>

Generally all notes are expected to be repaid on January 22, 2017 except for Class A-1 notes that are expected to start returning principal beginning in 2013 as the underlying assets mature. Class A-1 and A-2 notes pay quarterly interest at a rate equivalent to a bankers' acceptance rate minus 0.5%. Class B notes accrue interest at the same rate as A-1 and A-2 notes but will not pay interest until after the principal and interest on Class A-1 and A-2 notes have been fully paid. Class C notes accrue interest at a bankers' acceptance rate plus 20% but will not pay interest until after the principal and interest on Class B notes have been fully paid. A one-time principal repayment of \$51,000 attributable to excluded securities was made on the Class A-1 notes and was received in two distributions that occurred during the year.

All notes are backed by a combination of structured and traditional assets. Class A-1 and A-2 notes were assigned a rating of "A" by DBRS Limited ("DBRS"). In August 2009, DBRS downgraded the rating of the Class A-2 from "A" to "BBB (low)" and maintained the trend of Under Review with Negative Implications which had been in place since April 24, 2009. On February 9, 2010, DBRS removed the Under Review with Negative Implications trend from the Class A-2 notes and maintained the rating at "BBB" (low)". Class B and C notes are not rated.

GOVERNMENT OF YUKON

**Notes to Financial Statements  
March 31, 2010**

8. **Advances to Territorial corporations**

	<u>2010</u>	<u>2009</u>
	(thousands of dollars)	
Yukon Housing Corporation		
Working capital advances	\$ 26,705	\$ 26,821
Yukon Development Corporation		
Loan advance	<u>25,000</u>	<u>-</u>
	<u>\$ 51,705</u>	<u>\$ 26,821</u>

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

In December 2009, the Government entered into a loan advance agreement with the Yukon Development Corporation (YDC) and advanced the principal sum of \$25 million to YDC in order to assist in the Carmacks-Stewart transmission project and the Mayo hydro enhancement project, which are being carried out by the Yukon Energy Corporation, YDC's wholly-owned subsidiary. The initial term of the loan advance was June 22, 2010. Pursuant to the agreement, the Government and YDC agreed to extend the loan for a second term, with a maturity date of September 20, 2010. Subsequently, on August 11, 2010, YDC repaid the \$25 million. The per annum interest rate applicable to the principal amount during the first term was the three month banker's acceptance rate on December 14, 2009 plus 70 basis points (1.01%). The per annum interest rate during the second term was the three month banker's acceptance rate on June 15, 2010 plus 50 basis points (1.29).

GOVERNMENT OF YUKON

Notes to Financial Statements  
March 31, 2010

9. Loans receivable

	<u>2010</u>	<u>2009</u>
	(thousands of dollars)	
Due from Yukon Housing Corporation for lands agreements, due in periodic instalments to the year 2015, bearing interest at 0.00%	\$ 6,533	\$ 15,859
Local improvement loans, due in varying annual amounts to the year 2036, bearing interest rates ranging from 0.5% to 8.21%	3,801	3,723
Debenture loans to municipalities, due in varying annual amounts to the year 2030, bearing interest rates ranging from 4.00% to 9.25%	3,478	4,011
Domestic well loans, due in varying annual amounts to the year 2023, bearing interest rates ranging from 0.5% to 4.75%	1,938	1,587
Business development assistance loans, due in varying annual amounts with varying terms, bearing interest rates ranging from 0.00% to 12.00%	1,653	1,723
Agreements for sale of land, due in varying annual amounts over a three or five year term to the year 2015, bearing interest rates ranging from 4.25% to 7.25%	825	2,777
Loan to Yukon Housing Corporation, due in periodic instalments to the year 2014, bearing interest at 0.00%	580	733
Energy infrastructure development loan due in periodic instalments bearing interest at 6.40%	205	205
Loan to Yukon Housing Corporation, due in periodic instalments to the year 2021, bearing interest at 0.00%	173	189
Energy conservation loans due in varying annual amounts with varying rates of interest	155	155
Less valuation allowances	<u>(1,906)</u>	<u>(1,906)</u>
	<u>\$ 17,435</u>	<u>\$ 29,056</u>



GOVERNMENT OF YUKON

**Notes to Financial Statements  
March 31, 2010**

10. **Land held for sale**

	<u>2010</u>	<u>2009</u>
	(thousands of dollars)	
Undeveloped land	\$ 465	\$ 465
Land under development	9,163	4,379
Developed land	<u>3,385</u>	<u>959</u>
	<u>\$ 13,013</u>	<u>\$ 5,803</u>

11. **Accounts payable and accrued liabilities**

	<u>2010</u>	<u>2009</u>
	(thousands of dollars)	
Accrued liabilities	\$ 47,895	\$ 39,861
Accounts payable	30,971	24,937
Due to Territorial corporations	7,573	4,438
Contractors' holdbacks and security deposits	<u>4,824</u>	<u>4,948</u>
	<u>\$ 91,263</u>	<u>\$ 74,184</u>

12. **Unearned revenues**

	<u>2010</u>	<u>2009</u>
	(thousands of dollars)	
Unspent transfer payments from Government of Canada	\$ 32,030	\$ 20,017
Motor vehicle fees for future years	2,358	2,064
Other	<u>214</u>	<u>35</u>
	<u>\$ 34,602</u>	<u>\$ 22,116</u>

13. **Post-employment benefits**

	<u>2010</u>	<u>2009</u>
	(thousands of dollars)	
Severance benefits	\$ 43,155	\$ 41,029
Sick leave obligation	19,951	18,995
Vacation leave obligation	<u>16,758</u>	<u>15,955</u>
Accrued benefit obligation	79,864	75,979
Unrecognized net actuarial loss	<u>(15,253)</u>	<u>(16,876)</u>
Accrued benefit liability	<u>\$ 64,611</u>	<u>\$ 59,103</u>

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Severance benefits are paid on termination of service or upon retirement.

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 actuarial obligation for sick and vacation leave and severance benefits is calculated using the projected benefit method prorated on service. In projecting the accrued obligation for these benefits as at March 31, 2010, the Government assumed a discount rate of 5.75% and general salary increases of 2.5% per annum. The net actuarial loss is amortized over the expected average remaining service life of the active employees of 10.4 years. The Government is conducting an actuarial valuation of post-employment benefits at March 31, 2010. The information from this valuation will be reflected in the 2010/2011 financial statements.

Expenses related to post-employment benefits for the year ended March 31, 2010 were \$11,977,000 (2009 - \$11,454,000). Benefits paid by the Government from the post-employment benefits liability during the year amounted to \$6,531,000 (2009 - \$7,140,000). Post-employment benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

14. **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. Until December 2009, the Government contributed \$1.91 for every dollar contributed by the employee, and \$7.50 for every dollar contributed by the employee for the portion of the employee's salary above \$136,700. Effective January 1, 2010, the Government contributes \$1.94 for every dollar contributed by the employee, and \$8.90 for every dollar contributed by the employee for the portion of the employee's salary above \$139,500. The Government's contributions to the Public Service Pension Plan during the year and recorded as expenses were \$29,205,000 (2009 - \$28,370,000).

(b) Legislative Assembly Retirement Allowances Plan

The Legislative Assembly Retirement Allowances Plan is a contributory defined benefit pension plan. These benefits are based on service and/or 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. It is the Government's policy to fully fund Parts 1 and 2 of this pension plan.

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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 accrued benefit obligation as at March 31, 2010 is based on an extrapolation of an actuarial valuation for funding purposes conducted as at March 31, 2008 using best estimate assumptions accepted by the Members' Services Board of the Legislative Assembly.

(c) Territorial Court Judiciary Pension Plan

The Territorial Court Judiciary Pension Plan 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).

The judiciary registered pension plan is a contributory defined benefit pension plan. In this plan, benefits are accumulated at an annual amount of 2% multiplied by the number of years of credited service multiplied by the annual average of the member's highest five consecutive years of earnings. A member's credited service is limited to a maximum of 35 years. The judiciary retirement compensation arrangement was established for the purpose of providing benefits to members with respect to pensionable service earnings that are in excess of the maximum pension limits of the judiciary registered pension plan as required by the *Income Tax Act* (Canada). Pursuant to the *Territorial Court Judiciary Pension Plan Act* (Yukon), the pension fund assets for these two plans are held separate and distinct from the Government's operations, and are managed by an investment manager.

The supplementary judiciary pension plan is supplemental to benefits provided under the judiciary registered pension plan and the judiciary retirement compensation arrangement. The *Territorial Court Judiciary Pension Plan Act* (Yukon) stipulates that no contributions are to be made to this plan, and no fund is to be maintained for the plan. In this plan, the annual amount of pension payable to a member equals 3% of the average annualized pensionable earnings of a member over the 24 months during which pensionable earnings are highest multiplied by the number of years of credited service, subject to a maximum of 70% of those earnings, minus actual benefits accumulated under the judiciary registered pension plan and the judiciary retirement compensation arrangement.

Actuarial valuations for the Plan for accounting and funding purposes were conducted using the membership data as at March 31, 2008.

GOVERNMENT OF YUKON

**Notes to Financial Statements  
March 31, 2010**

(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 defined benefit plans. The extended health care plan is self-insured. The accrued benefit obligation as at March 31, 2010 is based on an extrapolation of an actuarial valuation conducted as at April 1, 2007. An actuarial valuation as at March 31, 2010 is currently in progress. The information from this valuation will be reflected in the financial statements for the year ended March 31, 2011. 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.

The accrued benefit liability for the above retirement benefits as of March 31, 2010 was as follows:

	<u>2010</u>	<u>2009</u>
	(thousands of dollars)	
Accrued benefit liability (asset) (Schedule D)		
Extended health care retirement benefit	\$ 25,164	\$ 23,364
Territorial Court Judiciary Pension Plan	3,881	3,742
Life insurance retirement benefit	1,131	1,083
Legislative Assembly Retirement Allowances Plan	<u>(1,159)</u>	<u>(1,581)</u>
	<u>\$ 29,017</u>	<u>\$ 26,608</u>

15. **Capital lease obligations**

	<u>2010</u>	<u>2009</u>
	(thousands of dollars)	
Building lease obligation payable monthly until the year 2013, with imputed interest rate of 13.5%.	\$ 1,517	\$ 1,930
Building lease obligation payable monthly until the year 2012, with imputed interest rate of 11.0%. The building is to be transferred to the Government for \$1.00 at the end of the lease term.	970	1,609
Building lease obligation payable monthly until the year 2011, with imputed interest rate of 13.3%.	<u>145</u>	<u>340</u>
	<u>\$ 2,632</u>	<u>\$ 3,879</u>

Interest expense related to capital lease obligations for the year was \$404,000 (2009 - \$546,000) at an imputed average interest rate of 12.6% (2009 - 12.6%).

GOVERNMENT OF YUKON

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March 31, 2010**

The following is a schedule of future minimum lease payments under the capital lease obligations.

	(thousands of dollars)
2011	\$ 2,043
2012	1,273
2013	755
2014	-
2015	-
	<hr/>
Total minimum lease payments	4,071
Less: amount representing executory costs	(859)
amount representing rental of land	(210)
amount representing interest	(370)
	<hr/>
	<u>\$ 2,632</u>

16. **Financial instruments**

The balances in cash and cash equivalents, temporary investments, due to/from Government of Canada, accounts receivable, and accounts payable and accrued liabilities are non-interest bearing and have fair values that approximate their carrying amount due to their short term to maturity.

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

	2010		2009	
	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>
	(thousands of dollars)			
Portfolio investments				
Master Asset Vehicle II	\$ 25,592	\$ 28,815	\$ 24,114	\$ 21,960
Loans receivable	17,435	17,435	29,056	29,056

The estimated fair value for portfolio investments is calculated using a probability-weighted discounted cash flow valuation technique. The valuation technique takes into consideration the specific attributes of each class of note and general market observations including available information relating to the expected risk and return profile of the notes in comparison to market returns.

Since the above valuation approach and assumptions are based on market information available at March 31, 2010, the fair value of portfolio investments may change materially in future periods as a result of fluctuations in the major elements of the valuation methodology. These changes are, however, not expected to result in a significant impact on the Government's future operations.

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**Notes to Financial Statements  
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The carrying value, at the lower of cost or net recoverable value, is estimated to be the fair value of loans receivable due to the nature of these loans. The carrying value of these loans receivable should not be seen as the realizable value on immediate settlement of the loans due to the uncertainty associated with such a settlement.

17. **Tangible capital assets**

	<u>2010</u>	<u>2009</u>
	Net Book Value	Net Book Value
	(thousands of dollars)	
Land	\$ 6,648	\$ 6,671
Buildings	275,935	245,975
Equipment and vehicles	33,582	31,142
Computer hardware and software	11,205	9,816
Transportation infrastructure	616,558	593,856
Other	<u>34,202</u>	<u>20,328</u>
(Schedule C)	<u>\$ 978,130</u>	<u>\$ 907,788</u>

The Government owns and/or maintains various historical sites. The Government also holds works of art with a total estimated value of \$5.4 million (2009- \$4.8 million).

Leased 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 \$653,000 (2009 - \$653,000). The cost and accumulated amortization of leased capital assets that are included in the schedule of tangible capital assets are as follows:

	<u>2010</u>	<u>2009</u>
	(thousands of dollars)	
Buildings (cost)	\$ 9,549	\$ 9,549
Less accumulated amortization	<u>(4,826)</u>	<u>(4,173)</u>
	<u>\$ 4,723</u>	<u>\$ 5,376</u>

No interest was capitalized during the year.

GOVERNMENT OF YUKON

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18. **Deferred capital contributions**

Where the fair value has been capitalized for tangible capital assets that were transferred from a third party such as Government of Canada, an offset is recorded as a deferred capital contribution. Funding received from a third party for the acquisition, development, construction or betterment of tangible capital assets is also treated as a deferred capital contribution. The most significant of these assets are highways, bridges and airport infrastructure. The deferred capital contribution is recognized as revenue over the useful life of the related asset.

	<u>2010</u>	<u>2009</u>
	(thousands of dollars)	
Deferred capital contributions, beginning of year	\$ 503,640	\$ 479,127
Add: Assets transferred or funded during the year	44,220	39,264
Less: Disposal and write-down	(40)	4
Amortization	<u>(15,878)</u>	<u>(14,755)</u>
Deferred capital contributions, end of year (Schedule C)	<u>\$ 531,942</u>	<u>\$ 503,640</u>

19. **Expenses by object**

	<u>2010</u>	<u>2009</u>
	(thousands of dollars)	
Personnel	\$ 359,894	\$ 333,590
Transfer payments	218,716	207,401
Contract and special services	153,425	125,425
Materials, supplies and utilities	75,567	69,672
Amortization expenses	36,356	34,352
Communication and transportation	34,597	26,832
Other	<u>21,985</u>	<u>28,566</u>
	<u>\$ 900,540</u>	<u>\$ 825,838</u>

20. **Trust assets**

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

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. The remaining trust assets are invested primarily in long-term bonds, bankers' acceptances, bearer's deposit notes and the Government of Canada treasury bills.

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Investments of 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.

	<u>2010</u>	<u>2009</u>
	(thousands of dollars)	
Compensation Fund (Yukon)	\$ 144,833	\$ 129,219
Federal Gas Tax Funds under the New Deal	18,633	13,963
Forest Sector Fund	5,221	5,175
Water Resources Bonds	3,846	2,516
Crime Prevention and Victim Services	3,827	3,498
Land Title Office – Assurance Fund	3,498	3,349
Lottery Commission	2,751	2,838
Historic Resources Trust Fund	1,216	1,230
Public Guardian Trust	1,048	935
Other	2,905	2,297
	<u>\$ 187,778</u>	<u>\$ 165,020</u>

21. **Contractual obligations**

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2010:

	<u>Expiry Date</u>	<u>2011</u>	<u>2012 – 2025</u>	<u>Total</u>
		(thousands of dollars)		
Capital projects				
- in progress at March 31, 2010	2025	\$ 44,127	\$ 28,466	\$ 72,593
(recoverable amount)		(22,785)	(7,742)	(30,527)
Yukon College	2016	20,660	35,537	56,197
Mobile radio network system	2025	1,522	50,478	52,000
Yukon Hospital Corporation	2013	40,887	1,836	42,723
RCMP policing agreement	2012	20,257	20,865	41,122
Building/office space leases	2016	7,898	7,631	15,529
Faro mine site	2012	7,773	7,283	15,056
(recoverable amount)		(7,773)	(7,283)	(15,056)
Miscellaneous operational commitments	2012	12,914	2,839	15,753
		<u>\$ 125,480</u>	<u>\$ 139,910</u>	<u>\$ 265,390</u>



GOVERNMENT OF YUKON

**Notes to Financial Statements  
March 31, 2010**

22. **Commitments**

In July 2009, the Government provided its consent for the Yukon Hospital Corporation to borrow up to \$17 million from a financial institution for the construction of a new staff residence and health services facility. The Government made a commitment to the Yukon Hospital Corporation to fund, upon project completion, additional net annual costs incurred by the Corporation as a result of this project. The Yukon Hospital Corporation plans to rent out approximately 50% of the new building space in order to offset additional costs.

Subsequent to the financial statement date, in June 2010, the Government authorized the Yukon Hospital Corporation to borrow up to \$50 million for the construction of the Watson Lake Hospital and the Dawson City Hospital. The Government indicated its plan to assist the Yukon Hospital Corporation to fund, upon project completion, additional net annual costs incurred by the Corporation as a result of financing these projects. The Yukon Hospital Corporation plans to rent out approximately 1/3 of each of the new building space in order to offset additional costs.

Also subsequent to the financial statement date, in June 2010, the Yukon Development Corporation issued 30-year bonds in the amount of \$100 million at a fixed coupon rate of 5.0% per annum in order to partially finance the Mayo hydro enhancement project, the Carmacks-Stewart transmission project and other miscellaneous projects. The Government indicated its plan to assist the Yukon Development Corporation by contributing towards a portion of principal and interest payments up to \$52.5 million. This amount will be reduced on a pro rata basis by any revenues from new industrial customers connecting to the Carmacks-Stewart transmission line.

23. **Overexpenditure**

During the year, one (2009 – three) department exceeded their vote with a total of \$3,700,000 (2009 - \$1,973,000). Overexpenditure of a vote contravenes subsection 17(2) of the *Financial Administration Act* (Yukon) which specifies that “a vote does not authorize any payment to be made in excess of the amount specified in the vote”.

(thousands of dollars)

The vote that was overexpended is as follows:

Operation and maintenance	
Health and Social Services	\$ 3,700

The *Appropriation Acts* (Yukon) state that the Government is not to expend grant payments except in accordance with the Act. During the year, two (2009 – two) departments exceeded the authorized amounts as follows:

Operations and maintenance grants	
Health and Social Services	
- Medical travel subsidies	269
- Child care subsidies	215
- Adoption subsidies	43
Education	
- Student accommodation (boarding subsidy)	15

GOVERNMENT OF YUKON

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March 31, 2010**

24. **Guarantees**

The Government has guaranteed repayment of loans payable by the Yukon Housing Corporation of \$16.4 million (2009 - \$17.8 million) and debts of the Yukon Energy Corporation, the wholly-owned subsidiary of the Yukon Development Corporation, of \$6.5 million (2009 - \$7.0 million). In addition, the Government has guaranteed an operating demand overdraft facility to the Yukon Housing Corporation of up to \$11.0 million. At March 31, 2010, on a consolidated basis, the Yukon Development Corporation had total debts of \$34.2 million (2009 - \$32.7 million) and a credit facility of up to \$17.5 million. While the Government has not issued guarantees for all of these instruments, as the Yukon Development Corporation is an agent of the Government, lenders may have recourse to the Government. It is expected that no significant costs will be incurred by the Government with respect to these guarantees and debts.

25. **Land claims**

Between February 1995 and March 31, 2010, eleven Yukon First Nation Final and Self-government Agreements came into effect. The Government of Canada's negotiating mandate expired prior to the completion of the remaining three Yukon agreements. Settlements for these outstanding claims would not result in a general liability to the Government as they are to be funded by the Government of Canada. The Government would, however, be responsible for any financial obligations it might agree to during the negotiations.

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

The Government incurred expenses of \$4.6 million during the year (2009 - \$5.0 million) with cumulative expenditures of approximately \$58.5 million (2009 - \$55.2 million), of which \$57.4 million (2009 - \$55.1 million) was funded by the Government of Canada.

26. **Contingencies**

In the normal course of operations, the Government is subject to legal claims. At March 31, 2010 the Government estimated the total claimed amount, excluding the claim from the Commission scolaire francophone du Yukon which is described below, to be about \$1.9 million (2009 - \$3.1 million). No provision for claims has been made in these financial statements as it is not likely that any future event will confirm that a liability has been incurred at the date of the financial statements.

GOVERNMENT OF YUKON

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In the Statement of Claim filed by the Commission scolaire francophone du Yukon (CSFY) in 2009, the Government was named as defendant. Among its claims for the exclusive management and control of resources for French language schooling, CSFY is seeking payment in the amount of \$2.9 million as it claims that the Government breached previous years' contribution agreements and funding obligations. The claim amount also includes damages for infringing language rights. It is expected that the court's ruling on the claims will be made sometime in 2011. No provision for these claims has been made in these financial statements as the likelihood that the Government has incurred a liability at the date of the financial statements is undeterminable.

The Government established a Risk Management Revolving Fund in December 2004, with a limit of \$5 million, which is to be used for providing insurance and risk management services to Government departments. Any expenses relating to property and liability losses incurred by the Government are to be paid out of this fund. The Government carries no insurance policy for its property losses, but carries a legal liability insurance policy with a \$2 million deductible. In 2009/2010, the Government paid \$220,000 (2009 - \$397,000) for general liability claims such as bodily injury and property damage and automobile liability. The Government had unpaid claims against the fund in the amount of \$1,057,000 as at March 31, 2010 (2009 - \$1,133,000). This amount is reported as part of the Government's accrued liabilities. The fund balance as at March 31, 2010 was \$4.2 million (2009 - \$3.9 million).

27. **Environmental liabilities**

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which the Government is responsible.

The *Environment Act* (Yukon) – *Solid Waste Regulations* include requirements for closure and abandonment of a dump. There are 23 active or decommissioned landfill sites that are outside incorporated communities, and therefore are the responsibility of the Government. As at March 31, 2010, a liability in the amount of \$535,000 (2009 - \$535,000) has been recorded for these sites using the method recommended by the Canadian Institute of Chartered Accountants' Public Sector Accounting Board.

In addition to the above landfill sites, as at March 31, 2010, the Government was aware of 41 sites (2009 – 38 sites) where the Government is obligated or is likely obligated to incur such costs. Of the 41 sites, 10 are airports and 21 are highway maintenance camps, the majority of which have been investigated but are still awaiting full environmental assessments. Quantifiable portions of remediation costs for some of the sites that are known to be contaminated are currently estimated at \$7,106,000 (2009 - \$6,789,000), which has been recorded as a liability and reported as part of accrued liabilities. As estimates are based on the information available as of the financial statement date, those amounts could result in material changes from one year to the next. The Government estimates the contingent environmental liabilities for the sites that are awaiting assessments to be another \$3.4 million (2009 - \$2.1 million). The Government is committed to assessing all sites in a systematic manner.

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**Notes to Financial Statements**  
**March 31, 2010**

One site on the Commissioner's Land has been formally designated as contaminated under the *Environment Act* (Yukon) and the *Contaminated Sites Regulation*. The Government is not a Responsible Party for this site. The Government of Canada was the landowner when the contamination occurred. On September 7, 2010, the Government and the Government of Canada entered into an agreement to remediate the site over 10 years with a total estimated cost of \$6.8 million, of which the Government is to fund 30% or \$2 million and the Government of Canada \$4.8 million.

Pursuant to the Devolution Transfer Agreement, 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, where they have been abandoned by their owner/operator. The Government is not aware of any financial obligations in relation to these mine sites.

28. **Related parties**

Related party transactions are as follows:

	2010	2009
	(thousands of dollars)	
Revenues from:		
Yukon Liquor Corporation	\$ 7,778	\$ 8,222
Yukon Housing Corporation	1,503	1,999
Compensation Fund (Yukon)	830	1,001
Yukon Lotteries Commission	621	588
Yukon Development Corporation	153	277
Yukon College	132	196
Yukon Hospital Corporation	45	58
	<u>\$ 11,062</u>	<u>\$ 12,341</u>
Expenses to:		
Yukon Hospital Corporation	\$ 43,536	\$ 40,385
Yukon College	23,505	21,476
Yukon Development Corporation	13,032	18,480
Compensation Fund (Yukon)	7,005	6,455
Yukon Housing Corporation	4,657	9,301
Yukon Arts Centre Corporation	1,645	904
Yukon Legal Services Society	1,642	1,766
Yukon Human Rights Commission	539	479
Yukon Liquor Corporation	14	15
	<u>\$ 95,575</u>	<u>\$ 99,261</u>

29. **Comparative figures**

Certain comparative figures for 2009 have been reclassified to conform with the 2010 presentation.

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Schedule A

**Schedule of Revenues  
for the year ended March 31, 2010**

	2010		2009
	Main Estimates (Note 1(b))	Actual	Actual
	(thousands of dollars)		
From Government of Canada			
Formula Financing grant	\$ 611,707	\$ 611,707	\$ 564,032
Other grants	71,208	44,170	49,168
Contributions and service agreements	64,823	67,525	62,179
	<u>747,738</u>	<u>723,402</u>	<u>675,379</u>
Taxes and general revenues			
Income taxes	62,472	63,440	66,340
Other taxes	27,065	26,996	25,424
Licences, permits and fees	8,582	11,744	10,654
Yukon Liquor Corporation - net income	7,229	7,546	7,029
Investment and interest revenue	1,987	1,783	552
Income from portfolio investments	-	1,545	266
Gain on sale of lots	150	1,389	1,467
Aviation operations	869	826	860
Oil and gas resource revenue	715	444	1,193
Fines	408	393	306
Other revenues	277	496	257
	<u>109,754</u>	<u>116,602</u>	<u>114,348</u>
Funding and service agreements with other parties	18,844	17,761	21,912
Amortization of deferred capital contributions	16,875	15,878	14,755
	<u>\$ 893,211</u>	<u>\$ 873,643</u>	<u>\$ 826,394</u>

GOVERNMENT OF YUKON

Schedule B

**Schedule of Expenses  
for the year ended March 31, 2010**

	2010	Actual 2010				2009	
	Main Estimates (Note 1(b))	Personnel	Transfer Payments	Other	Amortization Expenses	Total (Note 19)	Actual
	(thousands of dollars)						
Health and Social Services	\$ 235,034	\$ 78,359	\$ 101,155	\$ 76,444	\$ 1,621	\$ 257,579	\$ 233,778
Highways and Public Works	163,981	53,871	827	79,667	21,658	156,023	149,616
Education	132,856	76,498	33,148	19,539	5,704	134,889	130,373
Community Services	87,984	24,286	40,321	20,009	1,695	86,311	81,365
Justice	53,359	21,550	4,332	30,534	1,152	57,568	48,237
Energy, Mines and Resources	57,526	22,315	5,450	24,905	323	52,993	38,760
Public Service Commission	36,115	30,991	-	3,718	11	34,720	27,440
Environment	27,878	16,911	2,105	9,818	171	29,005	29,450
Tourism and Culture	23,777	8,156	7,721	7,606	641	24,124	21,406
Executive Council Office	25,419	11,619	6,604	3,072	14	21,309	19,947
Economic Development	16,126	4,807	6,675	2,918	40	14,440	13,695
Restricted Funds	-	-	-	4,497	3,301	7,798	(2,059)
Finance	7,206	4,862	606	1,210	4	6,682	6,274
Yukon Development Corporation (Transfer Payment)	4,250	-	6,000	-	-	6,000	10,750
Yukon Legislative Assembly	5,464	4,383	-	1,088	21	5,492	5,954
Yukon Housing Corporation (Transfer Payment)	6,550	-	3,406	-	-	3,406	8,860
Women's Directorate	1,245	590	366	179	-	1,135	1,152
Office of the Ombudsman	534	409	-	125	-	534	521
Elections Office	362	241	-	80	-	321	319
Child and Youth Advocate	-	46	-	165	-	211	-
Adjustments	(11,843)	-	-	-	-	-	-
	<b>\$ 873,823</b>	<b>\$ 359,894</b>	<b>\$ 218,716</b>	<b>\$ 285,574</b>	<b>\$ 36,356</b>	<b>\$ 900,540</b>	<b>\$ 825,838</b>

GOVERNMENT OF YUKON

Schedule C

**Schedule of Tangible Capital Assets  
for the year ended March 31, 2010**

	Land	Buildings	Equipment and Vehicles	Computer Hardware and Software	Transportation Infrastructure	Other <sup>1</sup>	2010 Total	2009 Total
(thousands of dollars)								
Cost of tangible capital assets, opening	\$ 6,671	\$ 427,592	\$ 82,679	\$ 30,985	\$ 790,042	\$ 24,836	\$ 1,362,805	\$ 1,303,972
Acquisitions	-	41,617	7,561	3,129	40,168	14,460 <sup>3</sup>	106,935	64,194
Write-downs	(23)	-	(2)	(108)	-	-	(133)	-
Disposals	-	-	(2,123)	(54)	(300)	-	(2,477)	(5,361)
Cost of tangible capital assets, closing	6,648	469,209	88,115	33,952	829,910	39,296 <sup>3</sup>	1,467,130	1,362,805
Accumulated amortization, opening	-	181,617	51,537	21,169	196,186	4,508	455,017	424,978
Amortization expense	-	11,657	5,015	1,632	17,466	586	36,356	34,352
Disposals	-	-	(2,019)	(54)	(300)	-	(2,373)	(4,313)
Accumulated amortization, closing	-	193,274	54,533	22,747	213,352	5,094	489,000	455,017
Net book value (Note 17)	<b>\$ 6,648</b>	<b>\$ 275,935</b>	<b>\$ 33,582</b>	<b>\$ 11,205</b>	<b>\$ 616,558</b>	<b>\$ 34,202<sup>3</sup></b>	<b>\$ 978,130</b>	<b>\$ 907,788</b>
Work-in-progress <sup>2</sup>		\$ 51,497	\$ -	\$ 4,794	\$ 35,103	\$ 20,263 <sup>3</sup>	\$ 111,657	\$ 63,251
Deferred capital contributions (Note 18)		\$ 33,850	\$ 3,910	\$ 2,139	\$ 478,688	\$ 13,355 <sup>3</sup>	\$ 531,942	\$ 503,640

<sup>1</sup> Includes portable classrooms, land improvements and fixtures, and sewage/water systems.

<sup>2</sup> Included in net book value.

<sup>3</sup> Includes \$4.4 million of work-in-progress and \$2.9 million of deferred capital contributions for a sewage treatment plant, which the Government plans to transfer to the Town of City of Dawson once it is completed.

GOVERNMENT OF YUKON

Schedule D

**Schedule of Retirement Benefits  
for the year ended March 31, 2010**

					2010	2009
	Legislative Assembly Retirement Allowances Plan	Territorial Court Judiciary Pension Plan	Extended Health Care Retirement Benefit	Life Insurance Retirement Benefit	Total	Total
(thousands of dollars)						
Pension and retirement plan assets are valued at fair market value.						
Accrued benefit obligation						
Obligation at beginning of year	\$ 20,664	\$ 5,921	\$ 22,439	\$ 1,263	\$ 50,287	\$ 51,702
Current service costs	1,095	309	940	29	2,373	2,566
Past service cost	-	-	-	-	-	(5,545)
Interest cost on benefit obligation	1,354	397	1,333	72	3,156	3,307
Actuarial (gain) loss	-	(156)	-	-	(156)	(397)
Benefits paid	(775)	(190)	(384)	(77)	(1,426)	(1,346)
Accrued benefit obligation at end of year	\$ 22,338	\$ 6,281	\$ 24,328	\$ 1,287	\$ 54,234	\$ 50,287
Plan assets						
Value at beginning of year	\$ 20,825	\$ 3,084	\$ -	\$ -	\$ 23,909	\$ 27,374
Actual return on plan assets	3,802	529	-	-	4,331	(2,505)
Government contributions	722	190	384	77	1,373	1,212
Member contributions	144	57	-	-	201	199
Transfers	-	-	-	-	-	(1,025)
Benefits paid	(775)	(190)	(384)	(77)	(1,426)	(1,346)
Value at end of year	\$ 24,718	\$ 3,670	\$ -	\$ -	\$ 28,388	\$ 23,909
Funded status - plan deficit (surplus)	\$ (2,380)	\$ 2,611	\$ 24,328	\$ 1,287	\$ 25,846	\$ 26,378
Unrecognized net actuarial gain (loss)	1,221	1,270	836	(156)	3,171	230
Accrued benefit liability (asset) (Note 14)	\$ (1,159)	\$ 3,881	\$ 25,164	\$ 1,131	\$ 29,017	\$ 26,608
Net benefit cost						
Current service costs	\$ 1,095	\$ 309	\$ 940	\$ 29	\$ 2,373	\$ 2,566
Less: Member contributions	(144)	(57)	-	-	(201)	(199)
Past service cost	-	-	-	-	-	(5,545)
Interest cost on benefit obligation	1,354	397	1,333	72	3,156	3,307
Expected return on plan assets	(1,356)	(202)	-	-	(1,558)	(1,781)
Amortization of net actuarial (gain) loss	195	(118)	(89)	24	12	(540)
Net cost for the year	\$ 1,144	\$ 329	\$ 2,184	\$ 125	\$ 3,782	\$ (2,192)



GOVERNMENT OF YUKON

**Schedule of Retirement Benefits  
for the year ended March 31, 2010**

Schedule D  
Continued

	Legislative Assembly Retirement Allowances Plan	Territorial Court Judiciary Pension Plan	Extended Health Care Retirement Benefit	Life Insurance Retirement Benefit
<b>Assumptions</b>				
Expected long-term rate of return on assets	6.5%	6.5%	N/A	N/A
Discount rate on accrued benefit obligation	6.5%	6.5%	5.75%	5.75%
Discount rate on benefit costs	6.5%	6.5%	5.75%	5.75%
Inflation	2.5%	2.5%	N/A	N/A
Rate of compensation increase	2.5%	3.0%	N/A	see below <sup>1</sup>
Health care cost trend rate	N/A	N/A	see below <sup>2</sup>	N/A
<b>Amortization period (expected average remaining service life)</b>	<b>8.5 years</b>	<b>7.7 years</b>	<b>10.4 years</b>	<b>7.6 years</b>

<sup>1</sup> 1.2% on June 1, 2009, 2.5% per annum thereafter.

<sup>2</sup> 12.0 % per annum, grading down annually by 1.4% per annum to 5.0% per annum and remaining at that level thereafter.

GOVERNMENT OF YUKON

Schedule E

**Reconciliation of 2009-2010 Main Estimates  
to the Main Estimates reported on the Statement of Operations**

Main Estimates as Published <sup>1</sup> (Note 1(b))	Main Estimates reported on the Statement of Operations		
	(thousands of dollars)		
<b>Revenues</b>			<b>Revenues</b>
			From Government of Canada
			Formula Financing grant
			Other grants
Transfers from Canada	\$ 682,915	\$ 611,707	
		71,208	
Recoveries from Canada	80,070		
Less: Yukon Housing Corporation's recoveries <sup>2</sup>	(14,791)		
Deferred capital contributions	<u>(456)</u>	64,823	Contributions and service agreements
Taxes and general revenue	109,548		
Add loan interest revenue	<u>206</u>	109,754	Taxes and general revenues
Third-party recoveries	89,569		
Less: Yukon Housing Corporation's recoveries <sup>2</sup>	(17,118)		
Deferred capital contributions	(23,140)		
Loan interest revenue	(206)		
Balance sheet transactions			
- Land held for sale	(29,061)		
- Loans receivable	<u>(1,200)</u>	18,844	Funding and service agreements with other parties
<b>Effect of change in tangible capital assets</b>			Amortization of deferred capital contributions
Amortization of deferred capital contributions		<u>16,875</u>	
		<b><u>893,211</u></b>	
<b>Expenditures</b>			
Operation and maintenance	762,613		
Capital	<u>240,618</u>		
	1,003,231		
Less: Remove expenditures of Yukon Housing Corporation <sup>2</sup>			
- Operation and maintenance	(14,046)		
- Capital	(24,413)		
Balance sheet transactions			
- Land held for sale	(29,061)		
- Loans receivable	(1,200)		
Add net expenditures of Yukon Housing Corporation - transfer payments <sup>2</sup>	6,550		
<b>Effect of change in tangible capital assets</b>			
Acquisitions	(89,883)		
Amortization expense	34,488		
<b>Adjustments</b>			
Estimated year-end lapses	(36,901)		
Estimated revotes of prior year lapses	<u>25,058</u>	<b><u>873,823</u></b>	<b>Expenses</b>
<b>Surplus for the year</b>		<b><u>\$ 19,388</u></b>	<b>Surplus for the year</b>

<sup>1</sup> The Government's Main Estimates are prepared on a modified cash basis.

<sup>2</sup> The Government's Main Estimates include expenditures and revenues of the Yukon Housing Corporation. Net expenditures of the Yukon Housing Corporation become transfer payments of the Government of Yukon