

YUKON LIQUOR CORPORATION  
FINANCIAL STATEMENTS  
March 31, 2024  
(audited)

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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The management of the Yukon Liquor Corporation is responsible for establishing and maintaining a system of books, records, internal controls and management practices designed to provide reasonable assurance that reliable financial information is produced; the assets of the Corporation are safeguarded and controlled; the transactions of the Corporation are in accordance with the relevant legislation, regulations and by-laws of the Corporation; the resources of the Corporation are managed efficiently and economically; and the operations of the Corporation are carried out effectively.

Management is also responsible for the integrity and objectivity of the financial statements of the Corporation contained in this annual report. The financial statements are prepared in accordance with International Financial Reporting Standards, and include amounts based on management's best estimates as determined through experience and judgement. Other financial information included in the annual report is consistent with these financial statements.

These financial statements have been independently audited by the Corporation's external auditor, the Auditor General of Canada, and the audit report is included in this report.



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Dennis Berry  
President



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Luzelle Nagel  
Chief Financial Officer

July 10, 2024



## INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Yukon Liquor Corporation

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of the Yukon Liquor Corporation (the Corporation), which comprise the statement of financial position as at 31 March 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 March 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### *Basis for Opinion*

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

#### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be

materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

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

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

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

### **Report on Compliance with Specified Authorities**

#### *Opinion*

In conjunction with the audit of the financial statements, we have audited transactions of the Yukon Liquor Corporation coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Financial Administration Act* of Yukon and regulations, the *Liquor Act* and regulations, the *Liquor Tax Act* and regulations, the *Cannabis Control and Regulation Act* and regulations, and the by-laws of the Yukon Liquor Corporation.

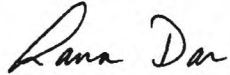
In our opinion, the transactions of the Yukon Liquor Corporation that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Liquor Act*, we report that, in our opinion, the accounting principles in IFRSs have been applied on a basis consistent with that of the preceding year. In addition, in our opinion, proper books of account have been kept by the Yukon Liquor Corporation and the financial statements are in agreement therewith.

#### *Responsibilities of Management for Compliance with Specified Authorities*

Management is responsible for the Yukon Liquor Corporation's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Yukon Liquor Corporation to comply with the specified authorities.

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

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

A handwritten signature in black ink that reads "Lana Dar". The signature is written in a cursive, flowing style.

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

Vancouver, Canada  
10 July 2024

**YUKON LIQUOR CORPORATION**

**Statement of Financial Position**


**As at March 31**

(Tabular amounts in thousands of Canadian dollars)

	2024	2023 <i>(Note 19)</i>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 2,217	\$ 1,933
Accounts receivable	41	61
Inventories <i>(Note 5)</i>	4,622	4,978
Prepaid expenses	1	41
	<hr/>	<hr/>
	6,881	7,013
Property and equipment <i>(Note 6)</i>	1,616	1,569
Intangible assets <i>(Note 7)</i>	77	77
Right-of-use assets <i>(Note 17)</i>	289	612
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 8,863</b>	<b>\$ 9,271</b>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities <i>(Note 8)</i>	\$ 1,841	\$ 2,501
Deferred revenue	103	106
Due to the Government of Yukon <i>(Notes 9, 13)</i>	2,537	1,952
Current portion of lease liabilities <i>(Note 17)</i>	276	323
Current portion of non-pension benefit liability <i>(Note 10)</i>	208	273
Deferred government grant	47	66
	<hr/>	<hr/>
	5,012	5,221
Non-pension benefit liability <i>(Note 10)</i>	1,640	1,610
Lease liabilities <i>(Note 17)</i>	22	299
	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	<b>6,674</b>	<b>7,130</b>
Equity <i>(Note 12)</i>	2,189	2,141
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 8,863</b>	<b>\$ 9,271</b>

Commitments *(Note 18)*

**APPROVED FOR ISSUE ON July 10, 2024**

  
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President

  
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Chief Financial Officer

The accompanying notes and schedule are an integral part of these financial statements



**YUKON LIQUOR CORPORATION**  
**Statement of Comprehensive Income**  
**For the year ended March 31**  
(Tabular amounts in thousands of Canadian dollars)

	2024	2023 <i>(Note 19)</i>
Revenue <i>(Note 14)</i>	\$ 53,676	\$ 50,338
Cost of goods sold <i>(Note 15)</i>	33,658	30,747
<b>GROSS PROFIT</b>	<b>20,018</b>	<b>19,591</b>
<b>OTHER INCOME</b>		
Miscellaneous	288	125
Fees, permits and licenses	148	73
Recoveries from related parties <i>(Note 13)</i>	143	-
Government grant	19	30
	<b>598</b>	<b>228</b>
<b>EXPENSES</b>		
Salaries, wages and benefits	8,606	8,482
Rent, utilities and maintenance	1,011	976
Bank charges and interest	711	604
Other operating expenses <i>(Note 16)</i>	652	760
Professional services	651	659
Depreciation of right-of-use assets	323	308
Depreciation of property and equipment	196	250
Amortization of intangible assets	33	39
Loss on disposal of property and equipment	21	-
Interest on lease liabilities	15	21
	<b>12,219</b>	<b>12,099</b>
<b>INCOME FROM OPERATIONS</b>	<b>8,397</b>	<b>7,720</b>
<b>OTHER COMPREHENSIVE INCOME, NOT TO BE RECLASSIFIED SUBSEQUENTLY TO NET INCOME</b>		
Actuarial gain <i>(Note 10)</i>	84	267
<b>COMPREHENSIVE INCOME</b>	<b>\$ 8,481</b>	<b>\$ 7,987</b>

The accompanying notes and schedule are an integral part of these financial statements

**YUKON LIQUOR CORPORATION**  
**Statement of Changes in Equity**  
**For the year ended March 31**  
(Tabular amounts in thousands of Canadian dollars)

	2024	2023
<b>EQUITY - BEGINNING OF YEAR</b>	<b>\$ 2,141</b>	<b>\$ 2,196</b>
Income from operations before other comprehensive income	8,397	7,720
Other comprehensive income	84	267
Profit to be remitted to the Government of Yukon ( <i>Note 12</i> )	<u>(8,433)</u>	<u>(8,042)</u>
<b>EQUITY - END OF YEAR</b>	<b><u>\$ 2,189</u></b>	<b><u>\$ 2,141</u></b>

The accompanying notes and schedule are an integral part of these financial statements

**YUKON LIQUOR CORPORATION**  
**Statement of Cash Flows**  
**For the year ended March 31**  
(Tabular amounts in thousands of Canadian dollars)

	2024	2023 <i>(Note 19)</i>
<b>OPERATING ACTIVITIES</b>		
Income from operations	\$ 8,397	\$ 7,720
Items not affecting cash:		
Depreciation of property and equipment	196	250
Depreciation of right-of-use assets	323	308
Amortization of intangible assets	33	39
Loss on disposal of property and equipment	21	-
	<u>8,970</u>	<u>8,317</u>
Changes in non-cash working capital:		
Accounts receivables, inventories and prepaid expenses	416	(733)
Accounts payables and other current liabilities	(425)	711
Non-pension benefit liability	30	76
	<u>21</u>	<u>54</u>
Cash flow from operating activities	<u><b>8,991</b></u>	<u><b>8,371</b></u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(215)	(193)
Purchase of intangible assets	(33)	(33)
Cash flow used by investing activities	<u><b>(248)</b></u>	<u><b>(226)</b></u>
<b>FINANCING ACTIVITIES</b>		
Cannabis fund profit remitted to the Government of Yukon <i>(Note 13)</i>	(416)	(504)
Liquor fund profit remitted to the Government of Yukon <i>(Note 13)</i>	(7,719)	(7,733)
Principal payments of lease liabilities	(324)	(318)
Cash flow used by financing activities	<u><b>(8,459)</b></u>	<u><b>(8,555)</b></u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>284</b>	<b>(410)</b>
Cash - beginning of year	<u>1,933</u>	<u>2,343</u>
<b>CASH - END OF YEAR*</b>	<u><b>\$ 2,217</b></u>	<u><b>\$ 1,933</b></u>
<b>SUPPLEMENTARY INFORMATION</b>		
Interest received	<u>\$ 234</u>	<u>\$ 117</u>
Interest paid	<u>\$ 15</u>	<u>\$ 21</u>

\*Cash, end of year is comprised of bank account balances maintained for liquor and for cannabis operations with end of year balances (in thousands of Canadian dollars) of \$1,765 (2023 - \$1,441) and \$452 (2023 - \$492) respectively.

The accompanying notes and schedule are an integral part of these financial statements

# YUKON LIQUOR CORPORATION

## Notes to Financial Statements

March 31, 2024

(Tabular amounts in thousands of Canadian dollars)

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### 1. Authority and operations

Yukon Liquor Corporation (the Corporation) was established in 1977 under the *Liquor Act* by the Government of Yukon in Canada. The Corporation is a government entity and is significantly influenced by the Government of Yukon. As a government entity, the Corporation is exempt from income taxes under Section 149(1)(d) of the Canadian *Income Tax Act*.

The Corporation's registered office is 9031 Quartz Road, Whitehorse, Yukon, Canada Y1A 4P9.

#### *Liquor Fund*

The Corporation is responsible for the purchase, distribution and sale of liquor within Yukon, controlling the sale of liquor through licensed outlets and enforcing all matters related to the *Liquor Act*. The Corporation operates a central warehouse and distribution centre in Whitehorse and six liquor stores. The rural liquor stores also provide specific government services on behalf of the Government of Yukon (Note 13).

In accordance with the *Liquor Act*, the profit from liquor operations for the year, before depreciation and amortization, less amounts expended on capital (Note 12), is remitted to the Government of Yukon on a monthly basis.

The Corporation is required by the *Liquor Tax Act* to collect liquor taxes on behalf of the Government of Yukon and to remit these taxes on a monthly basis. The current rate is 12% (2023 - 12%) and is applied to selling prices of all liquor products.

In accordance with the provisions of the Beverage Container Regulations under the *Environment Act*, the Corporation collects various beverage container deposits and recycling surcharges on the sale of its products. These amounts are remitted to the Government of Yukon on a monthly basis.

#### *Cannabis Fund*

The Corporation is responsible for the purchase, distribution and sale of cannabis within Yukon through licensees. The *Cannabis Control and Regulation Act* received assent on April 24, 2018 and governs the distribution, retail, consumption, personal cultivation and possession of non-medical cannabis in Yukon. Through Order-in-Council 2018/107, the Corporation is designated as the distributor corporation, to act as the principal supplier of cannabis for sale in Yukon.

In accordance with the *Cannabis Control and Regulation Act*, the profit from cannabis operations for the year, before depreciation and amortization, less amounts expended on property and equipment, and on intangible assets, is remitted to the Government of Yukon on a monthly basis.

### 2. Basis of presentation

These financial statements have been prepared on a historical cost basis, except where otherwise indicated in the notes below, in accordance with International Financial Reporting Standards (IFRSs). The statements are presented in Canadian dollars and are rounded to the nearest thousand (\$000) where indicated.

# YUKON LIQUOR CORPORATION

## Notes to Financial Statements

March 31, 2024

(Tabular amounts in thousands of Canadian dollars)

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### 3. Material accounting policy information

The material accounting policies summarized below have been applied to all periods presented in these financial statements.

#### Use of estimates

The preparation of financial statements in accordance with IFRSs requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Estimates are used when accounting for matters such as depreciation based on management's estimate of the useful lives of property and equipment, and the non-pension benefit liability based on the actuarial valuation. Actual results could differ materially from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

#### Financial instruments

##### *Financial assets*

The Corporation's financial assets include cash and accounts receivable and are initially measured at fair value.

After initial recognition, cash is measured at amortized cost and accounts receivable are measured at amortized cost using the effective interest method, less a provision for impairment when applicable. Accounts receivable are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. For accounts receivable, the Corporation applies the simplified approach which requires expected lifetime losses to be recognized from initial recognition of the receivables. The accounts receivable carrying amount is reduced through the use of an allowance account and the loss is recognized in the statement of comprehensive income.

A financial asset is derecognized when the contractual rights to the cash flows from the asset have expired, or when the asset and all substantial risks and rewards are transferred.

##### *Financial liabilities*

The Corporation's financial liabilities include accounts payable and accrued liabilities, and due to the Government of Yukon and are initially measured at fair value.

After initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. A financial liability is derecognized when the obligation is discharged, cancelled, or expires.

The Corporation's financial liabilities includes lease liabilities.

#### Inventories

Inventories are comprised of alcoholic beverages and cannabis for resale and are valued at the lower of cost and net realizable value. Inventory costs are determined on a first-in, first-out basis. Cost is comprised of supplier-invoiced value and freight. Net realizable value represents the estimated selling price for inventories less the cost to sell.

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# YUKON LIQUOR CORPORATION

## Notes to Financial Statements

March 31, 2024

(Tabular amounts in thousands of Canadian dollars)

### 3. Material accounting policy information *(continued)*

#### Property and equipment

Property and equipment are measured at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis and is based on the estimated useful lives of the assets as follows:

Land	Indefinite
Buildings	50 years
Leasehold improvements	5 years
Furniture and office equipment	5 years
Operating equipment	7 years
Heavy equipment	15 years
Systems equipment	5 years

The assets' residual values, estimated useful life and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within the statement of comprehensive income.

Assets are assessed for indications of impairment at each reporting date. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units), which are based on the Corporation's individual stores.

At each reporting date, assets are assessed for indications that prior impairment losses should be reversed. An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized. This reversal would be recognized immediately in the statement of comprehensive income.

#### Intangible assets

Intangible assets are comprised of purchased software and internally developed software systems. They are carried at cost less accumulated amortization and impairment losses. Amortization is recognized on a straight-line basis over the estimated useful lives of 3 to 5 years. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use. Gains or losses from de-recognition on an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the statement of comprehensive income.

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# YUKON LIQUOR CORPORATION

## Notes to Financial Statements

March 31, 2024

(Tabular amounts in thousands of Canadian dollars)

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### 3. Material accounting policy information *(continued)*

#### Employee benefits

##### *Pension benefits*

Substantially all of the employees of the Corporation are covered by the public service pension plan (the Plan), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation to cover current service cost. Pursuant to legislation currently in place, the Corporation has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Corporation.

##### *Non-pension benefits*

Under their conditions of employment, employees may qualify for and earn employment benefits for vacation, sick, and special leave, as well as severance benefits. The benefit obligation is determined on an actuarial basis. The cost of these benefits are accrued as employees render the services required to earn them and are calculated using the projected benefit method pro-rated on service. Actuarial gains and losses are recognized immediately in other comprehensive income. Other retirement benefits include extended health care and life insurance for retirees, which are paid by the Government of Yukon and not accrued for or expensed by the Corporation.

#### Revenue recognition

Revenue is generated from sales to customers through wholesale and retail stores for liquor products as well as through wholesale for cannabis products. Revenue is recognized when the customer obtains control of the asset which is when the Corporation's performance obligations are satisfied. For retail transactions, this is at the point of sale and for wholesale transactions, this is at the time of shipment. Revenue does not include beverage container recycling fees which are remitted to the Government of Yukon in accordance with the Beverage Container Regulations under the *Environment Act*. Revenue also excludes liquor tax which is remitted to the Government of Yukon in accordance with the *Liquor Tax Act*.

License revenue is initially recognized as deferred revenue and recognized to revenue over the term of the related licence.

Sales of liquor and cannabis products include a right of return. A refund liability is recognized if it is expected that consideration will be refunded to customers. This liability is updated at the end of each reporting period for changes in circumstances. Revenue is stated net of estimated returns. Historically, the return rate for products sold is nominal.

#### Expense recognition

Expenses are recognized as incurred, on an accrual basis, in the period to which they relate.

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# YUKON LIQUOR CORPORATION

## Notes to Financial Statements

March 31, 2024

(Tabular amounts in thousands of Canadian dollars)

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### 3. Material accounting policy information (*continued*)

#### Leases

For any new contracts entered into, the Corporation considers whether a contract is, or contains a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration". To apply this definition the Corporation assesses whether the contract meets three key evaluations which are whether:

- (a) the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Corporation;
- (b) the Corporation has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- (c) the Corporation has the right to direct the use of the identified asset throughout the period of use. The Corporation assesses whether it has the right to direct "how and for what purpose" the asset is used throughout the period of use.

At lease commencement date, the Corporation recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is comprised of the initial measurement of the lease liability, any initial direct costs incurred, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Corporation depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Corporation also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Corporation measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Corporation's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

On the statement of financial position, right-of-use assets and lease liabilities have been disclosed separately.

The Corporation has elected to account for short-term leases (leases with an expected term of 12 months or less) and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.



# YUKON LIQUOR CORPORATION

## Notes to Financial Statements

March 31, 2024

(Tabular amounts in thousands of Canadian dollars)

### 4. Financial instruments

The Corporation, through its financial assets and liabilities, is exposed to the following risks from its use of financial instruments: credit risk and liquidity risk. The Corporation manages these risk exposures on an ongoing basis. The Corporation has no significant exposure to interest rate risk or foreign exchange risk. The Corporation is not party to any derivative financial instruments. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant other price risks from its financial instruments. The following analysis provides information about the Corporation's risk exposure and concentration as of March 31, 2024.

#### *Credit risk*

Credit risk on financial instruments arises from the possibility that the issuer of a financial instrument fails to meet its obligation. The carrying amount of cash and accounts receivable represents the maximum credit risk exposure. The risk on cash is minimized as these assets are held with a Canadian chartered bank. The Corporation's accounts receivable has a carrying value of \$41,000 as of March 31, 2024 (2023 - \$61,000). There is a 24.8% (2023 - 30.7%) concentration of accounts receivable with one customer.

The following table provides information about the exposure to credit risk for trade accounts receivable by days the receivable is outstanding:

	2024	2023
Current	\$ 39	\$ 61
91 days or greater	2	-
Total trade accounts receivable	<b>\$ 41</b>	<b>\$ 61</b>

The Corporation measures the loss allowance at an amount equal to the lifetime Expected Credit Loss (ECL) for its accounts receivable. For the years ended March 31, 2024 and 2023, the Corporation has estimated the ECL to be nominal. Accounts written off could still be subject to enforcement activities. No accounts are written off directly to the provision for credit losses. As at March 31, 2024 and 2023, the loss allowance was nil.

#### *Liquidity risk*

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation's objective is to have sufficient liquidity to meet these liabilities when due. The Corporation monitors its cash balances and cash flows generated from operations to meet its requirements by regularly checking bank balances and accounts payable reports. The carrying amount of accounts payable and accrued liabilities and due to the Government of Yukon represents the maximum exposure to liquidity risk.

The Corporation's accounts payable and accrued liabilities had a carrying value of \$1,841,000 as at March 31, 2024 (2023 - \$2,501,000). As at March 31, 2024, approximately 1.31% (2023 - 1.61%) of accounts payable were over 90 days past due. Due to the Government of Yukon had a carrying value of \$2,537,000 as of March 31, 2024 (2023 - \$1,952,000). As at March 31, 2024 0% (2023 - 0.06%) of due to the Government of Yukon were over 90 days past due.

**YUKON LIQUOR CORPORATION**

**Notes to Financial Statements**

**March 31, 2024**

(Tabular amounts in thousands of Canadian dollars)

**5. Inventories**

	2024	2023
Liquor		
Beer	\$ 1,184	\$ 1,468
Spirits	1,523	1,605
Wine	1,084	1,141
	<u>3,791</u>	<u>4,214</u>
Cannabis		
Dried Cannabis	411	438
Extracts	327	193
Edibles and other	93	133
	<u>831</u>	<u>764</u>
	<u><b>\$ 4,622</b></u>	<u><b>\$ 4,978</b></u>

**6. Property and equipment**

	Cost	Accumulated depreciation	2024 Net book value	2023 Net book value
Land	\$ 202	\$ -	\$ 202	\$ 202
Buildings	5,524	4,738	786	726
Leasehold improvements	430	381	49	8
Furniture and office equipment	1,028	948	80	104
Operating equipment	502	334	168	169
Heavy equipment	555	333	222	280
Systems equipment	762	653	109	80
	<u>\$ 9,003</u>	<u>\$ 7,387</u>	<u>\$ 1,616</u>	<u>\$ 1,569</u>
Schedule 1				

At March 31, 2024 there was work-in-progress of \$26,000 (2023 - \$nil) included in the cost of operating equipment.

**7. Intangible assets**

	2024	2023
Systems development cost	\$ 605	\$ 572
System development accumulated amortization	(528)	(495)
	<u>\$ 77</u>	<u>\$ 77</u>

Additions for the year amounted to \$33,000 (2023 - \$33,000). Amortization for the year amounted to \$33,000 (2023 - \$39,000).

At March 31, 2024 there was work-in-progress of \$nil (2023 - \$33,000) included in the cost of systems development cost.

**YUKON LIQUOR CORPORATION**

**Notes to Financial Statements**

**March 31, 2024**

(Tabular amounts in thousands of Canadian dollars)

**8. Accounts payable and accrued liabilities**

	2024	2023
Trade payable	\$ 1,603	\$ 1,209
Accrued liabilities	238	1,292
	<b>\$ 1,841</b>	<b>\$ 2,501</b>

**9. Due to the Government of Yukon**

	2024	2023
Reimbursement for payroll and other costs paid on behalf of the Corporation	\$ 1,167	\$ 896
Remittances due to the Government of Yukon pursuant to:		
<i>Liquor Act</i> (Note 13)	775	430
<i>Cannabis Control and Regulation Act</i> (Note 13)	68	115
<i>Liquor Tax Act</i> (Note 13)	417	402
<i>Environment Act</i> (Note 13)	110	109
	<b>\$ 2,537</b>	<b>\$ 1,952</b>

**10. Employee benefits**

*Pension plan*

Substantially all of the employees of the Corporation are covered by the public service pension plan (the Plan), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The general contribution rate effective at year end was \$1.02 (2023 - \$1.02) for every dollar contributed by the employee, and \$4.63 (2023 - \$5.29) for every dollar contributed by the employee for the portion of the employee's salary above \$202,000 (2023 - \$196,200). For new employees who are participating in the Plan on or after January 1, 2013, the Corporation contributes \$1.00 (2023 - \$1.00) for every dollar contributed by the employee, and \$4.63 (2023 - \$5.29) for every dollar contributed by the employee for the portion of the employee's salary above \$202,000 (2023 - \$196,200). Total contributions to the Plan of \$1,133,446 (2023 - \$1,048,407) were recognized in salaries, wages and benefits; of which \$565,064 (2023 - \$512,057) were contributed by employees and \$568,382 (2023 - \$536,350) by the employer.

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of two percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

*(continues)*

**YUKON LIQUOR CORPORATION**

**Notes to Financial Statements**

**March 31, 2024**

(Tabular amounts in thousands of Canadian dollars)

**10. Employee benefits (continued)**

*Non-pension benefits*

The Corporation provides non-pension benefits to its employees based on years of service and final salary. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation.

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

The discount rate used to determine the present value of the non-pension accrued benefit obligation is based on interest rates of high-quality corporate bonds of the same currency and with similar terms to maturity.

The following table summarizes non-pension benefits by type:

	<u>2024</u>		<u>2023</u>
Severance benefit	\$ 908	\$	967
Vacation and special leave	644		629
Sick leave	296		287
	<u>1,848</u>	\$	<u>1,883</u>
Accrued benefit obligation, end of year	<u>\$ 1,848</u>	\$	<u>1,883</u>

The results measured at March 31 are summarized as follows:

	<u>2024</u>		<u>2023</u>
<u>Reconciliation of accrued benefit obligation</u>			
Accrued benefit obligation, beginning of year	\$ 1,883	\$	1,996
Components recognized in salaries, wages and benefits			
Current service cost	173		232
Past service cost	(13)		(65)
Interest cost on accrued benefit obligation	92		85
Actuarial gain recognized in other comprehensive income	(84)		(267)
Benefits paid	(203)		(98)
Accrued benefit obligation, end of year	<u>\$ 1,848</u>	\$	<u>1,883</u>

	<u>2024</u>		<u>2023</u>
<u>Classification of accrued benefit obligation</u>			
Current portion of non-pension benefit liability	\$ 208	\$	273
Non-current portion	1,640		1,610
Total accrued benefit obligation	<u>\$ 1,848</u>	\$	<u>1,883</u>

*(continues)*

**YUKON LIQUOR CORPORATION**

**Notes to Financial Statements**

**March 31, 2024**

(Tabular amounts in thousands of Canadian dollars)

**10. Employee benefits (continued)**

	2024	2023
<u>Reconciliation of actuarial gains recognized in Other Comprehensive Income (OCI)</u>		
Cumulative actuarial gain recognized in OCI, beginning of year	\$ (390)	\$ (123)
Actuarial (gain) loss from member experiences	(70)	(154)
Actuarial gain from economic assumption changes	(14)	(113)
Cumulative actuarial gain recognized in OCI, end of year	<u>\$ (474)</u>	<u>\$ (390)</u>

The significant assumptions used in the actuarial valuation of the obligation were as follows:

	2024	2023
Discount rate	4.90%	4.80%
Salary escalation rate per annum	2.00%	2.00%

A quantitative sensitivity analysis as at March 31, 2024 shows the impact of the change in the significant actuarial assumptions on the non-pension benefit obligation:

	1% increase	1% decrease
Discount rate	\$ (98)	\$ 146
Salary escalation rate per annum	161	(142)

The most recent full actuarial valuation in respect of the non-pension benefits plan was prepared as of December 31, 2022 and extrapolated to March 31, 2024. The weighted average of the maturity plan as at March 31, 2024 is 6.6 years.

**11. Capital management**

The Corporation manages its capital in order to purchase a range of liquor and cannabis products and make them available to consumers, and to regulate the sale and consumption of these products, while optimizing the net proceeds to the Government of Yukon realized from the sale and control of liquor and cannabis.

The Corporation defines capital as net assets. It is subject to the financial management and accountability provisions of the *Financial Administration Act* of Yukon, the *Corporate Governance Act*, the *Liquor Act*, and the *Cannabis Control and Regulation Act*, which specifies that net assets of the Corporation are the property of the Government of Yukon.

The Corporation manages its net assets through its five year capital plan and as a by-product of managing revenues, expenses, assets, liabilities and general financial dealings to ensure that its objectives are achieved effectively. The five year capital plan and revenue projections are approved annually by the Management Board of the Government of Yukon. The Corporation is required to provide regular variance reporting to the Government of Yukon.

The Corporation is not subject to external capital requirements. There has been no change to its capital management during the year.

**YUKON LIQUOR CORPORATION**

**Notes to Financial Statements**

**March 31, 2024**

(Tabular amounts in thousands of Canadian dollars)

**12. Equity**

The following table summarizes the composition of equity as at year-end:

	2024	2023
Property and equipment	\$ 1,616	\$ 1,569
Intangible assets	77	77
Right-of-use assets	289	612
Lease liabilities	(298)	(622)
Section 12.3(b) adjustment <sup>(1)</sup>	505	505
	<u>\$ 2,189</u>	<u>\$ 2,141</u>

<sup>(1)</sup> Under Section 12.3(b) of the *Cannabis Control and Regulation Act* remittance of profit to the Government of Yukon for the year ended March 31, 2019 was reduced.

The change in equity is comprised of comprehensive income for the year less profit to be remitted to the Government of Yukon. In accordance with the *Liquor Act* and the *Cannabis Control and Regulation Act* the Corporation remits adjusted profits to the Government of Yukon. The calculation of the adjusted profit due to the Government of Yukon for the year is as follows:

	<i>Liquor Act</i>	<i>Cannabis Control and Regulation Act</i>	2024 Total
Comprehensive income for the year	\$ 8,114	\$ 367	\$ 8,481
Depreciation of property and equipment	179	17	196
Amortization of intangible assets	24	9	33
Additions to property and equipment	(240)	(24)	(264)
Additions to intangible assets	(33)	-	(33)
Loss on disposal of property and equipment	21	-	21
Depreciation of right-of-use assets	323	-	323
Principal repayments of lease liabilities	(324)	-	(324)
Current year's profit to be remitted (Note 13)	<u>\$ 8,064</u>	<u>\$ 369</u>	<u>\$ 8,433</u>

	<i>Liquor Act</i>	<i>Cannabis Control and Regulation Act</i>	2023 Total
Comprehensive income for the year	\$ 7,657	\$ 330	\$ 7,987
Depreciation of property and equipment	223	27	250
Amortization of intangible assets	24	15	39
Additions to property and equipment	(193)	-	(193)
Additions to intangible assets	(33)	-	(33)
Depreciation of right-of-use assets	308	-	308
Principal repayments of lease liabilities	(316)	-	(316)
Profit to be remitted for the year (Note 13)	<u>\$ 7,670</u>	<u>\$ 372</u>	<u>\$ 8,042</u>



**YUKON LIQUOR CORPORATION**

**Notes to Financial Statements**

**March 31, 2024**

(Tabular amounts in thousands of Canadian dollars)

**13. Related party balances and transactions**

*Amount due to the Government of Yukon pursuant to the Liquor Act*

	2024	2023
Current year's profit to be remitted (Note 12)	\$ 8,064	\$ 7,670
Balance due at the beginning of the year	430	493
Less: remitted during the year	<u>(7,719)</u>	<u>(7,733)</u>
Due to the Government of Yukon at the end of the year	<b><u>\$ 775</u></b>	<b><u>\$ 430</u></b>

*Amount due to the Government of Yukon pursuant to the Cannabis Control and Regulation Act*

	2024	2023
Current year's profit to be remitted (Note 12)	\$ 369	\$ 372
Balance due at the beginning of the year	115	247
Less: remitted during the year	<u>(416)</u>	<u>(504)</u>
Due to the Government of Yukon at the end of the year	<b><u>\$ 68</u></b>	<b><u>\$ 115</u></b>

*Amount due to the Government of Yukon pursuant to the Liquor Tax Act*

	2024	2023
Balance due at the beginning of the year	\$ 402	\$ 413
Liquor tax collected during the year	5,314	5,106
Less: remitted during the year	<u>(5,299)</u>	<u>(5,117)</u>
Due to the Government of Yukon at the end of the year	<b><u>\$ 417</u></b>	<b><u>\$ 402</u></b>

*Amount due to the Government of Yukon pursuant to the Beverage Container Regulations under the Environment Act*

	2024	2023
Bottle deposits collected	\$ 787	\$ 800
Environment fees collected	613	604
Other claims and fees	1	2
Less: remitted during the year	<u>(1,291)</u>	<u>(1,297)</u>
Due to the Government of Yukon at the end of the year	<b><u>\$ 110</u></b>	<b><u>\$ 109</u></b>

*(continues)*

# YUKON LIQUOR CORPORATION

## Notes to Financial Statements

March 31, 2024

(Tabular amounts in thousands of Canadian dollars)

### 13. Related party balances and transactions (continued)

#### *Transactions with the Government of Yukon without compensation*

The Government of Yukon and the Corporation provide services to each other without compensation. These transactions are not recorded in the financial statements of the Corporation.

The Government of Yukon provides rent-free occupation of certain government buildings and land to the Corporation with an estimated value of \$1,017,000 (2023 - \$1,198,000). The Government of Yukon also provides mail services with an estimated value of \$31,661 (2023 - \$32,102).

The Corporation provides Territorial Agent services in rural community liquor stores on behalf of the Government of Yukon with an estimated value of \$898,000 (2023 - \$587,000).

The Corporation reimburses the Government of Yukon on a monthly basis for salaries and benefits expense paid on its behalf and administered by the Government of Yukon. During the year, other retirement benefits paid to retired Corporation employees by the Government of Yukon without compensation totalled \$21,387 (2023 - \$17,209).

#### *Agreements with related parties*

The Corporation has lease agreements for the Haines Junction and Mayo community liquor stores and service level agreements for the three owned community liquor stores. During the year the payments totalled \$286,000 (2023 - \$277,000) to the Government of Yukon for these agreements.

The Government of Yukon provides certain property management services to the Corporation. During the year the Corporation was charged \$4,000 (2023 - \$34,000) for work done on its properties.

The Corporation has service agreements with the Government of Yukon for the provision of information, communication and technology services. During the year the Corporation was charged \$262,000 (2023 - \$233,000) for these services.

The Corporation has service agreements with the Government of Yukon for the provision of human resources' services. During the year the Corporation was charged \$263,000 (2023 - \$263,000) for these services.

The Corporation has service agreements with Lotteries Yukon and the Yukon Development Corporation for shared services provided on behalf of the Corporation. During the year the Corporation recovered \$143,000 (2023 - \$nil) for these services.

#### *Key management compensation*

The remuneration of key management personnel, which includes the members of the executive committee, recognized as an expense during the period was:

	2024		2023
Salaries and short-term employee benefits	\$ 1,002	\$	938
Post-employment benefits	168		185
Other long-term employee benefits	26		13



**YUKON LIQUOR CORPORATION**

**Notes to Financial Statements**

**March 31, 2024**

(Tabular amounts in thousands of Canadian dollars)

**14. Revenue**

	2024	2023
Liquor		
Beer	\$ 17,757	\$ 17,228
Spirits	18,193	17,185
Wine	8,528	8,217
	<u>44,478</u>	<u>42,630</u>
Cannabis		
Dried Cannabis	5,487	5,047
Extracts	3,059	2,047
Edibles and Other	652	614
	<u>9,198</u>	<u>7,708</u>
Total revenue	<u>\$ 53,676</u>	<u>\$ 50,338</u>

**15. Cost of goods sold**

	2024	2023
Liquor		
Beer	\$ 12,707	\$ 12,248
Spirits	9,017	8,218
Wine	4,529	4,193
	<u>26,253</u>	<u>24,659</u>
Cannabis		
Dried	4,411	3,962
Extracts	2,473	1,646
Edibles and Other	521	480
	<u>7,405</u>	<u>6,088</u>
Total cost of goods sold	<u>\$ 33,658</u>	<u>\$ 30,747</u>

**16. Other operating expenses**

	2024	2023
Office supplies	\$ 166	\$ 206
Program materials and supplies	162	145
Computer systems and telecommunications	144	198
Travel and training	89	95
Other expenses	62	61
Contributions	29	55
	<u>652</u>	<u>760</u>

**YUKON LIQUOR CORPORATION**

**Notes to Financial Statements**

**March 31, 2024**

(Tabular amounts in thousands of Canadian dollars)

**17. Leases**

The Corporation has leases that relate to the Whitehorse, Haines Junction and Mayo liquor stores with lease terms from 1 year up to 5 years. The Corporation does not have an option to purchase the buildings at the expiry of the lease periods. The Mayo lease agreement is a short-term lease and therefore no right-of-use asset and no lease liability are recognized. The Corporation has arrangements with the Government of Yukon that allows the Corporation to lease the warehouse in Whitehorse and the Dawson liquor store land for no compensation (Note 13). Because there is no compensation for the use of the building and land, no right-of-use asset and no lease liability are recognized.

Each lease generally imposes a restriction that, unless there is a contractual right for the Corporation to sublet the asset to another party, the right-of-use asset can only be used by the Corporation. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Corporation is prohibited from selling or pledging the underlying leased assets as security.

The table below describes the nature of the Corporation's leasing activities by type of right-of-use assets recognized on the statement of financial position:

Right-of-use asset	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension options	No. of leases with options to purchase	No. of leases with variable payments linked to an index	No. of leases with termination options
Retail stores	2	3-13 months	7 months	1	0	0	0
					<u>2024</u>	<u>2023</u>	
<u>Payments not included in the measurement of the lease liability</u>							
Short-term leases					\$ 71	\$ 70	
					<u>2024</u>	<u>2023</u>	
<u>Amounts recognized in the statement of comprehensive income</u>							
Interest paid on lease liabilities					\$ 15	\$ 21	
Depreciation on right-of-use assets					323	308	
					<u>\$ 338</u>	<u>\$ 329</u>	
					<u>2024</u>	<u>2023</u>	
<u>Right-of-use assets by class of assets</u>							
Buildings - cost					\$ 1,117	\$ 1,117	
Buildings - accumulated depreciation					(828)	(505)	
Carrying amount					<u>\$ 289</u>	<u>\$ 612</u>	

*(continues)*

**YUKON LIQUOR CORPORATION**

**Notes to Financial Statements**

**March 31, 2024**

(Tabular amounts in thousands of Canadian dollars)

**17. Leases (continued)**

	2024	2023
<u>Lease liabilities are presented in the statement of financial position</u>		
Current portion of lease liabilities	\$ 276	\$ 323
Long-term portion of lease liabilities	22	299
	<u>\$ 298</u>	<u>\$ 622</u>

Future minimum lease payments at March 31 were as follows:

	2024	2023
<u>Minimum lease payments due</u>		
Less than 1 year		
Lease payments	\$ 281	\$ 339
1 to 5 years		
Lease payments	22	303

**18. Commitments**

In the normal course of operations, the Corporation enters into multi-year agreements for the provision of freight and other goods and services. The total of these commitments as at March 31, 2024 for future years is \$10,602,078 (March 31, 2023 - \$3,051,661).

Included in these commitments is \$25,535 (2023 - \$nil) for the acquisition of property and equipment.

**19. Comparative figures**

Certain comparative figures for 2023 have been reclassified to conform with the 2024 presentation.

During the year, the Corporation changed the presentation of its statement of financial position to reclassify the current portion of non-pension benefit liability from accounts payable and accrued liabilities to a separate line within current liabilities to better reflect the nature of these liabilities.

During the year, the Corporation changed the presentation of its statement of comprehensive income to group similar other operating expenses together in one line to simplify the presentation of expenses in the statement.

During the year, the Corporation changed its presentation of its statement of cash flows to group certain non-cash working capital items together to simplify the presentation of operating activities in the statement.

*(continues)*

**YUKON LIQUOR CORPORATION**

**Notes to Financial Statements**

**March 31, 2024**

(Tabular amounts in thousands of Canadian dollars)

**19. Comparative figures (continued)**

The following tables summarize the impacts on the Corporation's financial statements.

Statement of Financial Position	March 31, 2023 (Previously reported)	Increase / (Decrease)	March 31, 2023 (Reclassified)
Accounts payable and accrued liabilities	\$ 2,774	\$ (273)	\$ 2,501
Current portion of non-pension benefit liability	-	273	273
	<u>\$ 2,774</u>	<u>\$ -</u>	<u>\$ 2,774</u>

Statement of Comprehensive Income	March 31, 2023 (Previously reported)	Increase / (Decrease)	March 31, 2023 (Reclassified)
Salaries, wages and benefits	\$ 8,505	\$ (23)	\$ 8,482
Rent, utilities and maintenance	1,119	(143)	976
Other operating expenses	210	550	760
Travel and communications	156	(156)	-
Computer systems	125	(125)	-
General and office supplies	103	(103)	-
	<u>\$ 10,218</u>	<u>\$ -</u>	<u>\$ 10,218</u>

Statement of Cash Flows	March 31, 2023 (Previously reported)	Increase / (Decrease)	March 31, 2023 (Reclassified)
Accounts receivable	\$ 137	\$ (137)	\$ -
Inventories	(829)	829	-
Prepaid expenses	(41)	41	-
Accounts receivables, inventories and prepaid expenses	-	(733)	(733)
Accounts payable and accrued liabilities	760	(760)	-
Deferred revenue	63	(63)	-
Due to the Government of Yukon	(82)	82	-
Deferred government grant	(30)	30	-
Accounts payables and other current liabilities	-	711	711
	<u>\$ (22)</u>	<u>\$ -</u>	<u>\$ (22)</u>

**YUKON LIQUOR CORPORATION**

**Schedule of Property and Equipment  
For the year ended March 31**

*(Schedule 1)*

(Tabular amounts in thousands of Canadian dollars)

	Land	Buildings	Leasehold improvements	Furniture and office equipment	Operating equipment	Heavy equipment	Systems equipment	2024 Total	2023 Total
Cost, beginning of year	\$ 202	\$ 5,447	\$ 381	\$ 1,008	\$ 467	\$ 589	\$ 689	\$ 8,783	\$ 8,590
Acquisitions	-	77	49	30	35	-	73	264	193
Disposals	-	-	-	(10)	-	(34)	-	(44)	-
Transfers	-	-	-	-	-	-	-	-	-
Cost, end of year	\$ 202	\$ 5,524	\$ 430	\$ 1,028	\$ 502	\$ 555	\$ 762	\$ 9,003	\$ 8,783
Accumulated depreciation, beginning of year	\$ -	\$ 4,721	\$ 373	\$ 904	\$ 298	\$ 309	\$ 609	\$ 7,214	\$ 6,964
Depreciation	-	17	8	53	36	38	44	196	250
Disposals	-	-	-	(9)	-	(14)	-	(23)	-
Transfers	-	-	-	-	-	-	-	-	-
Accumulated depreciation, end of year	\$ -	\$ 4,738	\$ 381	\$ 948	\$ 334	\$ 333	\$ 653	\$ 7,387	\$ 7,214
<b>Net book value</b>	<b>\$ 202</b>	<b>\$ 786</b>	<b>\$ 49</b>	<b>\$ 80</b>	<b>\$ 168</b>	<b>\$ 222</b>	<b>\$ 109</b>	<b>\$ 1,616</b>	<b>\$ 1,569</b>

The accompanying notes and schedule are an integral part of these financial statements