

## **GLOSSARY**

|                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Accretion Expense</b>                     | Relates to the expense recognized when there is an increase to the asset retirement obligation liability due to the passage of time. This expense is recognized when a liability is measured at its present value and adjusted for the passage of time using a discount rate at the financial reporting date.                                                                                                                                                                    |
| <b>Accumulated Amortization</b>              | The total to date of the periodic amortization charges relating to tangible capital assets since they were placed in use.                                                                                                                                                                                                                                                                                                                                                        |
| <b>Accumulated Surplus</b>                   | The combined amount of net financial resources and non-financial assets; which is also expressed as the difference between assets and liabilities. It is the cumulative excess of revenues over expenses. Since non-financial assets, including tangible capital assets, provide resources that the Government of Yukon can use in the future to accomplish its objectives, non-financial assets form part of the accumulated surplus.                                           |
| <b>Amortization</b>                          | The systematic process of allocating the cost of tangible capital assets to expense for the periods in which they provide benefits. For the purpose of tangible capital asset accounting in the Government of Yukon, amortization is calculated using the straight-line method, which reflects a constant charge for the service over the asset's estimated useful life. This term is used interchangeably with depreciation and is generally understood to mean the same thing. |
| <b>Asset Retirement Activities</b>           | Relate to all activities both at retirement and at post-retirement necessary to retire an asset. These may include decommissioning or dismantling a tangible capital asset, remediation of contamination from normal use of a tangible capital asset, and post-retirement monitoring. These activities also include the construction or acquisition of other tangible capital assets for the sole purpose of using them for the retirement of an asset.                          |
| <b>Asset Retirement Cost</b>                 | Is the estimated monetary amount of all required asset retirement activities. Asset retirement costs are a necessary and integral part of owning and operating the related capital asset. These costs increase the carrying amount of the related tangible capital asset.                                                                                                                                                                                                        |
| <b>Asset Retirement Obligation</b>           | Is a legal obligation to perform asset retirement activities.                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Asset Retirement Obligation Asset</b>     | Is the recognized value of estimated cost of the asset retirement activities related to a tangible capital asset. It increases the assets' recorded value.                                                                                                                                                                                                                                                                                                                       |
| <b>Asset Retirement Obligation Liability</b> | Is the recognized liability for the estimated value of the cost of the future asset retirement activities as adjusted on an annual basis.                                                                                                                                                                                                                                                                                                                                        |

|                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Disposals</b>                      | Disposals of tangible capital assets may occur by sale, destruction, loss or abandonment. Upon disposal, the net book value of the asset is removed from the accounts.                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Financial Assets</b>               | Assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations, e.g., cash, investments, accounts receivable, loans receivable, land held for sale, etc.                                                                                                                                                                                                                                                                                                                                                               |
| <b>Government Business Enterprise</b> | An organization that has all of the following characteristics:<br>(a) it is a separate legal entity with the power to contract in its own name and that can sue and be sued;<br>(b) it has been delegated the financial and operational authority to carry on a business;<br>(c) it sells goods and services to individuals and organizations outside of the government reporting entity as its principal activity; and<br>(d) it can, in the normal course of its operations, maintain its operations and meet its liabilities from revenues received from sources outside of the government reporting entity. |
| <b>Government Reporting Entity</b>    | Comprises the organizations that are controlled by the government. In the case of the Government of Yukon, the government reporting entity includes Government of Yukon departments, Yukon University, Yukon Development Corporation, Yukon Housing Corporation, Yukon Hospital Corporation and Yukon Liquor Corporation.                                                                                                                                                                                                                                                                                       |
| <b>Liabilities</b>                    | Financial obligations to outside organizations and individuals arising as a result of past transactions and events, e.g., accounts payable, long-term debt, deferred revenues, and post-employment benefits.                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Net Book Value</b>                 | The cost of a tangible capital asset, less both accumulated amortization and the amount of any write-down.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Net Financial Assets</b>           | The difference between financial assets and liabilities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Non-financial Assets</b>           | Non-financial assets include tangible capital assets, prepaid expenses and inventories of supplies. These assets are resources that the Government of Yukon can use in the future to deliver government services or can be consumed in the normal course of operations.                                                                                                                                                                                                                                                                                                                                         |
| <b>Non-budgetary Expenditures</b>     | Expenditures on loans, investments and advances that do not have an impact on the Government of Yukon annual surplus (e.g., investment in Land Development, expenditures on Loan Programs).                                                                                                                                                                                                                                                                                                                                                                                                                     |

**Tangible Capital Assets**

Physical assets that are acquired, constructed, or developed and:

- are held for use in the production or supply of goods or delivery of services;
- have useful lives extending beyond one fiscal year and are intended to be used on a continuing basis; and
- are not intended for sale in the ordinary course of operations.

The major categories of tangible capital assets are:

- Land
- Buildings
- Heavy Equipment
- Operating Equipment
- Vehicles
- Computer Hardware and Software
- Transportation Infrastructure (including highways, bridges and airstrips).

Tangible capital assets do not include:

- assets acquired by Right, such as Crown lands, forests, water and mineral resources;
- works of art, historical treasures or heritage assets; and
- feasibility studies.

**Tangible Capital Assets in Service**

Assets currently being used in the production or supply of goods or the delivery of services.

**Transfers Through the Tax System**

Financial benefits provided or determined through a tax system (e.g., Yukon Child Benefit) that are made for a purpose other than the relieving of taxes previously paid or currently owing.

**Work-in-Progress**

Consists of construction or development of a tangible capital asset in progress that is not yet in use.

**Write-down**

A reduction in the cost of a tangible capital asset made when the value of future economic benefits associated with the asset is less than its net book value.