

SECTION I
GOVERNMENT OF YUKON
FINANCIAL STATEMENTS
(unaudited)

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GOVERNMENT OF YUKON

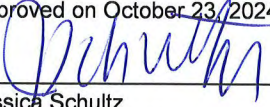
Non-Consolidated Statement of Financial Position
as at March 31, 2024

| | 2024 | 2023 |
|---|----------------------------|----------------------------|
| | (thousands of dollars) | |
| Financial assets | | |
| Cash and cash equivalents (Note 4) | \$ 1,017 | \$ 65,431 |
| Due from Government of Canada (Note 5) | 142,962 | 173,124 |
| Accounts receivable (Note 6) | 42,417 | 23,746 |
| Portfolio investments (Note 7) | 38,682 | 36,175 |
| Advances to Territorial corporations (Note 9) | 60,599 | 60,374 |
| Loans receivable (Note 10) | 43,788 | 41,511 |
| Inventories for resale (Note 11) | 84,659 | 77,545 |
| | <u>414,123</u> | <u>477,906</u> |
| Liabilities | | |
| Bank advances and short-term borrowings (Note 12) | 105,063 | - |
| Due to Government of Canada (Note 5) | 40,670 | 41,262 |
| Accounts payable and accrued liabilities (Note 13) | 232,686 | 258,134 |
| Unearned revenues (Note 14) | 33,325 | 30,193 |
| Environmental liabilities (Note 15) | 189,188 | 91,873 |
| Asset retirement obligation liabilities (Note 16) | 50,103 | 58,193 |
| Post-employment benefits and compensated absences (Note 17) | 134,972 | 132,664 |
| Retirement benefits (Note 18) | 123,297 | 123,742 |
| Liabilities for leased tangible capital assets (Note 19) | 362 | 835 |
| | <u>909,666</u> | <u>736,895</u> |
| Net financial debt | <u>(495,543)</u> | <u>(258,989)</u> |
| Non-financial assets | | |
| Tangible capital assets (Note 20) | 1,903,061 | 1,708,618 |
| Inventories of supplies | 11,141 | 10,097 |
| Prepaid expenses | 3,249 | 3,257 |
| | <u>1,917,451</u> | <u>1,721,972</u> |
| Accumulated surplus | <u>\$ 1,421,908</u> | <u>\$ 1,462,983</u> |
| Accumulated surplus (deficit) is comprised of: | | |
| Accumulated operating surplus | 1,419,734 | 1,462,384 |
| Accumulated remeasurement gains and (losses) | 2,174 | 599 |
| | <u>\$ 1,421,908</u> | <u>\$ 1,462,983</u> |

Contractual rights, contractual obligations, commitments, guarantees, contingencies, and subsequent events
(Notes 15, 16, 23, 24, 25, 27, 30 and 31)

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

Approved on October 23, 2024:



Jessica Schultz
Deputy Minister of Finance



Sandy Silver
Minister of Finance

GOVERNMENT OF YUKON

**Non-Consolidated Statement of Operations and Accumulated Operating Surplus
for the year ended March 31, 2024**

| | 2024 | | 2023 |
|--|----------------------------------|----------------------------|----------------------------|
| | Main Estimates (Note 1(b)) | Actual | Actual |
| | (thousands of dollars) | | |
| Revenues (Schedule A) | | | |
| From Government of Canada | | | |
| Formula financing grant | \$ 1,252,161 | \$ 1,252,161 | \$ 1,174,144 |
| Contributions and service agreements | 270,594 | 280,889 | 305,132 |
| Other grants | 74,884 | 136,484 | 122,910 |
| Taxes and general revenues | 248,396 | 233,761 | 241,188 |
| Funding and service agreements | 24,836 | 48,444 | 18,240 |
| | <u>1,870,871</u> | <u>1,951,739</u> | <u>1,861,614</u> |
| Expenses (Note 21 and Schedule B) | <u>1,822,632</u> | <u>2,005,675</u> | <u>1,760,470</u> |
| Recovery of prior years' expenses | <u>-</u> | <u>11,285</u> | <u>3,849</u> |
| Surplus (deficit) for the year | \$ 48,239 | (42,650) | \$ 104,993 |
| Accumulated operating surplus at beginning of year | | 1,462,384 | 1,357,391 |
| Accumulated operating surplus at end of year | | <u><u>\$ 1,419,734</u></u> | <u><u>\$ 1,462,384</u></u> |

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

GOVERNMENT OF YUKON

**Non-Consolidated Statement of Remeasurement Gains and Losses
for the year ended March 31, 2024**

| | 2024 | 2023 |
|--|-------------------------------|-----------------------------|
| | (thousands of dollars) | |
| | Actual | Actual |
| Accumulated remeasurement gains (losses) at beginning of year | \$ 599 | \$ 898 |
| Unrealized gains (losses) attributable to: | | |
| Portfolio investments | 4,396 | 371 |
| Amounts reclassified to the statement of operations and accumulated operating surplus (deficit): | | |
| Portfolio investments | (2,821) | (670) |
| Net remeasurement gains (losses) for the year | <u>1,575</u> | <u>(299)</u> |
| Accumulated remeasurement gains (losses) at year end | <u><u>\$ 2,174</u></u> | <u><u>\$ 599</u></u> |

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

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**Non-Consolidated Statement of Change in Net Financial Debt
for the year ended March 31, 2024**

| | 2024 | | 2023 |
|---|----------------------------------|----------------------------|----------------------------|
| | Main Estimates (Note 1(b)) | Actual | Actual |
| | (thousands of dollars) | | |
| Surplus (deficit) for the year | \$ 48,239 | \$ (42,650) | \$ 104,993 |
| Effect of change in tangible capital assets | | | |
| Acquisitions | (192,428) | (260,542) | (272,535) |
| Amortization of tangible capital assets | 67,579 | 62,790 | 58,203 |
| Loss (gain) on disposal of tangible capital assets | 70 | 98 | 512 |
| Proceeds on disposal of tangible capital assets | 210 | - | - |
| Change in asset retirement obligation estimate | - | 3,137 | 5,331 |
| Write-down of tangible capital assets | - | 74 | 2,804 |
| | <u>(124,569)</u> | <u>(194,443)</u> | <u>(205,685)</u> |
| Effect of change in other non-financial assets | | | |
| Acquisition of inventories of supplies | - | (12,824) | (12,522) |
| Consumption of inventories of supplies | - | 11,780 | 9,093 |
| Decrease (increase) in prepaid expenses | - | 8 | (390) |
| | <u>-</u> | <u>(1,036)</u> | <u>(3,819)</u> |
| Net remeasurement gains (losses) | | <u>1,575</u> | <u>599</u> |
| Decrease in net financial assets and increase in net financial debt | \$ (76,330) | \$ (236,554) | \$ (103,912) |
| Net financial debt at beginning of year | | <u>(258,989)</u> | <u>(155,077)</u> |
| Net financial debt at end of year | | <u>\$ (495,543)</u> | <u>\$ (258,989)</u> |

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

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**Non-Consolidated Statement of Cash Flow
for the year ended March 31, 2024**

| | 2024 | 2023 |
|---|----------------------------|-------------------------|
| | (thousands of dollars) | |
| Operating transactions | | |
| Surplus (deficit) for the year | \$ (42,650) | \$ 104,993 |
| Non-cash items included in surplus (deficit) for the year: | | |
| Amortization of tangible capital assets | 62,790 | 58,203 |
| Loans receivable valuation adjustment | 285 | 108 |
| Accretion expense | 1,665 | 1,587 |
| Write-down of tangible capital assets | 74 | 2,804 |
| Loss (gain) on sale of land inventory | (6) | (15) |
| Loss (gain) on disposal of tangible capital assets | 98 | 512 |
| Net change in accounts payable and accrued liabilities balances | (42,856) | 48,392 |
| Net change in environmental liabilities | 97,315 | 7,745 |
| Net change in other operating asset and liability balances | <u>13,747</u> | <u>25,668</u> |
| Cash provided by (used for) operating transactions | <u>90,462</u> | <u>249,997</u> |
| Capital transactions | | |
| Acquisition of tangible capital assets | <u>(248,961)</u> | <u>(260,258)</u> |
| Cash provided by (used for) capital transactions | <u>(248,961)</u> | <u>(260,258)</u> |
| Investing transactions | | |
| Net proceeds from (acquisition of) portfolio investments | (610) | (672) |
| Repayment of advances from Territorial corporations | 250 | 2,250 |
| Advances to Territorial corporations | (475) | 5,476 |
| Repayment of loans receivable | 15,887 | 17,088 |
| Issuance of loans receivable | (2,383) | (2,155) |
| Investment in inventories held for resale | <u>(23,174)</u> | <u>(17,918)</u> |
| Cash provided by (used for) investing transactions | <u>(10,505)</u> | <u>4,069</u> |
| Financing transactions | | |
| Repayment of liabilities for leased tangible capital assets | <u>(473)</u> | <u>(1,148)</u> |
| Cash provided by (used for) financing transactions | <u>(473)</u> | <u>(1,148)</u> |
| Cash increase (decrease) | (169,477) | (7,340) |
| Cash and cash equivalents, beginning of year | <u>65,431</u> | <u>72,771</u> |
| (Bank indebtedness) cash and cash equivalents, end of year | <u>\$ (104,046)</u> | <u>\$ 65,431</u> |
| Represented by: | | |
| Cash and cash equivalents (Note 4) | \$ 1,017 | \$ 65,431 |
| Bank advances and short-term borrowings (Note 12) | <u>(105,063)</u> | <u>-</u> |
| Total | <u>\$ (104,046)</u> | <u>\$ 65,431</u> |
| Interest received in the year | \$ 8,080 | \$ 7,588 |
| Interest paid in the year | \$ 2,319 | \$ 110 |

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

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Notes to Non-Consolidated Financial Statements
March 31, 2024

1. **Authority and operations**

(a) Authority

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

(b) Main Estimates

The Main Estimates figures are from the Main Estimates approved in the Legislative Assembly in April 2023. These figures do not reflect changes arising from Special Warrants issued or any Supplementary Estimates approved later in the year by the Yukon Legislative Assembly. Certain schedules provide comparisons to Revised Estimates which incorporate these changes.

(c) Investments

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

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

(d) Basis of accounting

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

The Government also prepares a set of consolidated financial statements in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

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Notes to Non-Consolidated Financial Statements March 31, 2024

2. Significant accounting policies

Revenues

Revenues are recorded on an accrual basis.

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

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

Income taxes, levied under the *Income Tax Act* (Yukon), are collected by the Government of Canada on behalf of the Government under a tax collection agreement and are remitted to the Government monthly. 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. Tax concessions are accrued on the same basis as the associated tax revenues and reduce gross taxation revenue.

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

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

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

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

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

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Notes to Non-Consolidated Financial Statements March 31, 2024

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

There are no significant revenues from non-recurring activities presented in these non-consolidated financial statements.

Expenses

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

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

Assets

Financial assets

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

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

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

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

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

Non-financial assets

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

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Notes to Non-Consolidated Financial Statements
March 31, 2024

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. Costs include all costs directly attributable to acquisition, construction, development, betterment and retirement of tangible capital assets. Interest costs on loans that are directly attributable to the acquisition of tangible capital assets are capitalized.

The value of works of art, historical treasures, 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. Historical treasures and works of art are expensed when they are acquired.

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

| <u>Asset category</u> | <u>Estimated useful life</u> |
|--|------------------------------|
| Land | Indefinite |
| Buildings | |
| Buildings | 50-100 years |
| Leasehold Improvements | Lease term |
| Portable classroom/housing trailers | 10-40 years |
| Equipment and vehicles | |
| Heavy equipment | 7-30 years |
| Operating equipment | 5-25 years |
| Vehicles | 6-20 years |
| Computer hardware and software | |
| Computer hardware | 3-7 years |
| Computer software | 3-20 years |
| Infrastructure | |
| Transportation infrastructure ¹ | 5-75 years |
| Forestry access roads | 5-10 years |
| Resource access roads | Life of Mine |
| Land improvements and fixtures | 5-50 years |
| Waste and water systems | |
| Landfills | 25-80 years |
| Sewage and water systems | 5-50 years |
| Communications technology | |
| Mobile radio system infrastructure | 5-20 years |
| Network transmission systems | 20-40 years |

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

¹ Includes Highways, Surfaces, Bridges and Airport runways

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Notes to Non-Consolidated Financial Statements March 31, 2024

Other non-financial assets

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

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

Liabilities

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

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

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

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

Post-employment benefits and compensated absences

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

Retirement benefits

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

Other retirement benefits for Government employees include extended health care for retired employees who choose to participate in the plan and a life insurance plan for retirees who meet certain criteria. They are both non-pension defined benefit plans. Liabilities for these benefits are triennially valued on an actuarial basis using the projected benefit method prorated on service, with an actuarial valuation for accounting

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Notes to Non-Consolidated Financial Statements March 31, 2024

purposes updated annually. Non-pension retirement benefit expenses for these plans are recognized as the member renders service. Actuarial gains and losses are amortized on straight-line basis over the estimated average remaining service lives of the participants. Both extended health care and life insurance retirement benefits are not funded and thus have no plan assets, resulting in a plan deficit equal to the accrued benefit obligation.

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

Environmental liabilities

Contaminated sites and other environmental liabilities, which include abandoned mines and Type II sites, are accrued and an expense recorded based on management's best estimates when the contamination occurs, when the Government becomes aware of the contamination and when the Government is obligated to incur such costs. If the likelihood of the Government's obligation to incur these costs is not determinable, the contingency is disclosed in the notes to the financial statements.

Asset retirement obligation liabilities

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

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

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

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

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

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

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Notes to Non-Consolidated Financial Statements March 31, 2024

Other

Financial Instruments

Financial instruments are contracts that give rise to the financial assets of one entity and financial liabilities or equity instruments of another entity. Financial instruments are measured at fair value or cost/amortized cost. Fair value measurement will apply to portfolio investments in equity instruments that are quoted in an active market. Also, when groups of financial assets and financial liabilities are managed on a fair value basis they may be reported on that basis. Other financial assets and financial liabilities will generally be measured at cost or amortized cost. Until an item is derecognized, gains and losses arising due to fair value remeasurement will be reported in the statement of remeasurement gains and losses. The following is a list of the Government's financial instruments and their related measurement basis as at March 31, 2024:

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

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

Fair Value Measurement

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

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

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

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

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

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Notes to Non-Consolidated Financial Statements March 31, 2024

Measurement uncertainty

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

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

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

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

3. Adoption of accounting standards

The following Public Sector Accounting Standards came into effect for fiscal periods beginning on or after April 1, 2023:

PS 3160 – Public Private Partnerships

The Government adopted Canadian Public Sector Accounting Standard PS 3160 Public Private Partnerships (“PS 3160”) on April 1, 2023. This new accounting standard establishes standards for the recognition, measurement and classification of infrastructure procured through certain types of a public private partnership arrangements. The Government has assessed that there is no impact of adopting PS 3160 on its 2023-24 non-consolidated financial statements.

PS 3400 – Revenue

On April 1, 2023, the Government adopted Canadian Public Sector Accounting Standard PS 3400, Revenue (“PS 3400”). The standard was adopted prospectively from date of adoption. The new standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and the measurement, presentation, and disclosure of revenue transactions. Revenues that have performance obligations (exchange transactions) are recognized at a point in time or over a period of time based on when the performance obligations are met, while revenues that do not have performance obligations (non-exchange transactions) are recognized at a point in time, when the transaction occurs. The impact of changes in the accounting policies are reflected in the 2023-24 financial statements (Note 14).

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Notes to Non-Consolidated Financial Statements
March 31, 2024

4. **Cash and cash equivalents**

| | <u>2024</u> | <u>2023</u> |
|---------------|------------------------|------------------|
| | (thousands of dollars) | |
| Bank balances | \$ 968 | \$ 65,379 |
| Cash on hand | <u>49</u> | <u>52</u> |
| | <u>\$ 1,017</u> | <u>\$ 65,431</u> |

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

| | <u>2024</u> | <u>2023</u> |
|---|------------------------|-------------------|
| | (thousands of dollars) | |
| Due from Government of Canada | | |
| Cost-sharing agreements and projects delivered on behalf of the Government of Canada | \$ 136,562 | \$ 145,162 |
| Income tax | 6,397 | 3,905 |
| GST Receivable | - | 17,054 |
| Other | <u>3</u> | <u>7,003</u> |
| | <u>\$ 142,962</u> | <u>\$ 173,124</u> |
| Due to Government of Canada | | |
| RCMP | \$ 15,233 | \$ 11,304 |
| Public Service Pension Plan contribution | 9,866 | 8,610 |
| Payroll taxes | 7,356 | 13,309 |
| Program funding liable for claw back | 3,081 | 3,534 |
| Type II mine sites | 1,033 | 996 |
| Other | <u>4,101</u> | <u>3,509</u> |
| | <u>\$ 40,670</u> | <u>\$ 41,262</u> |

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

6. **Accounts receivable**

| | <u>2024</u> | <u>2023</u> |
|---|------------------------|------------------|
| | (thousands of dollars) | |
| Taxes, interest and other revenue receivables | \$ 38,813 | \$ 21,021 |
| Less: valuation allowances | <u>(3,599)</u> | <u>(2,518)</u> |
| | 35,214 | 18,503 |
| Due from Territorial corporations | <u>7,203</u> | <u>5,242</u> |
| | <u>\$ 42,417</u> | <u>\$ 23,745</u> |

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7. **Portfolio investments**

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

| | Quoted prices (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total 2024 | Total 2023 |
|------------------------------|-------------------------------|--|--|-----------------|------------------|
| | (thousands of dollars) | | | | |
| Short-term investments | \$ - | \$ 2,420 | \$ - | \$ 2,420 | \$ 4,309 |
| Bonds | - | 5,906 | - | 5,906 | 6,252 |
| Mortgages | - | 4,047 | - | 4,047 | 3,810 |
| Equities | - | 26,309 | - | 26,309 | 21,804 |
| Investments at fair value | <u>\$ -</u> | <u>\$ 38,682</u> | <u>\$ -</u> | <u>\$38,682</u> | <u>\$ 36,175</u> |

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

8. **Designated assets**

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

Designated assets of \$38,682,000 (2023 - \$36,175,000) are included in portfolio investments (Note 7).

9. **Advances to Territorial corporations**

| | 2024 | 2023 |
|---|------------------------|------------------|
| | (thousands of dollars) | |
| Yukon Development Corporation Infrastructure loan | \$ 34,200 | \$ 34,200 |
| Yukon Housing Corporation Working capital advances | 26,399 | 26,174 |
| | <u>\$ 60,599</u> | <u>\$ 60,374</u> |

In 2018 the Government advanced \$39,200,000 to the Yukon Development Corporation ("YDC") for the development of the Whitehorse diesel – natural gas conversion project, which was completed by the Yukon Energy Corporation, YDC's wholly owned subsidiary. The term of the loan is to March 31, 2028, and pursuant to the agreement, the loan may be extended for additional five-year terms upon mutual consent of the parties. The per annum interest rate is based off the one-year indicative swap rate plus a 0.4% premium increase. The rate of interest effective on March 31, 2024, is 5.15% (2023 – 2.82%). The loan agreement requires principal repayments of \$1 million on March 31 each year and full repayment of any principal

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outstanding at the end of each loan term if the loan is not extended. The payment due March 31, 2024 from YDC was received in April 2024.

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

10. **Loans receivable**

| | <u>2024</u> | <u>2023</u> |
|--|------------------------|------------------|
| | (thousands of dollars) | |
| Agreements for sale of land, due in varying annual amounts over a three- or five-year term to the year 2029 (2023 – 2028), bearing interest at 5.00% to 7.75% (2023 – 5.00% to 7.00%). | \$ 23,075 | \$ 19,073 |
| Local improvement loans, due in varying annual amounts to the year 2040 (2023 – 2040), bearing interest rates ranging from 0.00% to 5.25% (2023 – 0.50% to 5.25%). | 8,948 | 9,222 |
| Domestic well loans, due in varying annual amounts to the year 2038 (2023 – 2037), bearing interest rates ranging from 0.50% to 5.25% (2023 – 0.50% to 4.50%). | 5,772 | 5,764 |
| Regional Relief and Recovery Fund loans providing assistance to businesses to recover from COVID-19 pandemic, due with forgivable terms, bearing interest rates ranging from 0.00% to 5.00%. | 437 | 2,193 |
| Due from Yukon Hospital Corporation for pension plan solvency loan, due as one payment in the year 2035, bearing interest at 3.95%. | 3,063 | 3,063 |
| Debenture loans to municipalities, due in varying annual amounts to the year 2038 (2023 – 2034), bearing interest rates ranging from 2.72% to 6.38% (2023 – 2.72% to 6.38%). | 2,379 | 2,051 |
| Due from Yukon Housing Corporation for lands agreements, due in periodic instalments to the year 2025 (2023 – 2025), bearing interest at 0.00% (2023 – 0.00%). | 14 | 197 |
| Energy infrastructure development loan due in periodic instalments bearing interest at 6.40% (2023 – 6.40%). | 205 | 205 |
| Better Buildings Program offering low-cost funding of up to \$50,000 for residential and \$100,000 for commercial buildings for upgrades that reduce annual energy consumption. Due in varying annual amounts over fifteen-year term to the year 2038, bearing interest rates ranging from 4.75% to 5.25%. | 152 | - |
| Business development assistance loans, due in varying annual amounts with varying terms, bearing interest rates ranging from 0.00% to 5.20% (2023 – 0.00% to 5.20%). | 65 | 65 |
| Less: valuation allowances | <u>(322)</u> | <u>(322)</u> |
| | <u>\$ 43,788</u> | <u>\$ 41,511</u> |

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11. **Inventories for resale**

| | 2024 | 2023 |
|------------------------|------------------------|------------------|
| | (thousands of dollars) | |
| Undeveloped land | \$ 603 | \$ 603 |
| Land under development | 67,237 | 44,638 |
| Developed land | <u>16,818</u> | <u>32,304</u> |
| | <u>\$ 84,658</u> | <u>\$ 77,545</u> |

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

The amounts borrowed from lines of credit fluctuated throughout the year with interest rates between 5.85% to 6.35%. Interest expense incurred was \$2,220,000 (2023 - \$99,000).

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

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

| | 2024 | 2023 |
|----------------|------------------------|-------------|
| | (thousands of dollars) | |
| Bank balance | \$ (89,008) | \$ - |
| Line of credit | <u>194,071</u> | <u>-</u> |
| | <u>\$ 105,063</u> | <u>\$ -</u> |

13. **Accounts payable and accrued liabilities**

| | 2024 | 2023 |
|--|------------------------|-------------------|
| | (thousands of dollars) | |
| Accounts payable | \$ 75,690 | \$ 76,076 |
| Accrued liabilities | 94,085 | 122,967 |
| Contractors' holdbacks and security deposits | 35,529 | 32,072 |
| Due to Territorial corporations | 20,941 | 27,019 |
| Other | <u>6,441</u> | <u>-</u> |
| | <u>\$ 232,686</u> | <u>\$ 258,134</u> |

The accrued liabilities include the Yukon Government Carbon Price Rebate which represents the net of the amounts received from the Government of Canada less the amounts disbursed to the eligible groups as of March 31. The balance of the liability as of March 31, 2024 is \$16,142,000 (2023 - \$24,945,000).

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14. **Unearned revenues**

| | 2024 | 2023 |
|--|------------------------|------------------|
| | (thousands of dollars) | |
| Liability portion of government transfers ¹ | \$ 23,928 | \$ 17,500 |
| Motor vehicle fees for future years ² | - | 2,976 |
| Prepaid lease payments | 9,200 | 9,200 |
| Other | 197 | 517 |
| | <u>\$ 33,325</u> | <u>\$ 30,193</u> |

¹ The liability portion of government transfers represents transfer payments from the Government of Canada, which have funding stipulations that gave rise to a liability as of year-end.

² The prior year balance was recognized in revenue in the current year upon adoption of PS 3400 (Note 3). Motor vehicle licensing fees are no longer deferred.

15. **Environmental liabilities**

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

| | 2024 | | 2023 | |
|--|------------------------|------------------------|--------------------|------------------------|
| | Number of sites | Estimated Liability | Number of sites | Estimated Liability |
| | (thousands of dollars) | | | |
| Liabilities for: | | | | |
| Highway maintenance camps and airports | 35 | \$27,120 | 35 | \$13,713 |
| Other storage tanks and buildings | 58 | 8,356 | 49 | 10,334 |
| Marwell Tar Pit | 1 | 25 | 1 | 67 |
| Wellgreen | 1 | 20,625 | 1 | 14,407 |
| Wolverine | 1 | 44,613 | 1 | 43,314 |
| Minto | 1 | 70,980 | - | - |
| Other | 16 | 12,747 | 15 | 5,311 |
| | <u>113</u> | <u>184,466</u> | <u>102</u> | <u>87,146</u> |
| Type II sites | <u>1</u> | <u>4,722</u> | <u>1</u> | <u>4,728</u> |
| | <u>114</u> | <u>\$ 189,188</u> | <u>103</u> | <u>\$ 91,874</u> |

(a) Contaminated sites and other environmental liabilities

The Government has recorded environmental liabilities for contaminated sites of \$184,466,000 (2023 - \$87,146,000). These liabilities consist of estimated costs related to the remediation of contaminated sites as well as estimated costs associated with other liabilities related to these sites. The liabilities are determined on a site-by-site basis and are based on preliminary environmental assessments or estimation for those sites where an assessment has not been conducted. The amount recorded is based on management's best estimates utilizing the information available at the financial statement date. The amount of liabilities becomes determinable over a continuum of events and activities as information becomes available. As a result, the actual amount of liabilities to remediate these sites could vary significantly.

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As at March 31, 2024, the Government was aware of 113 sites (2023 – 102 sites) where the Government is obligated or is likely obligated to incur such costs. Phase I Environmental Site Assessments (ESA) have been undertaken on 109 of the 113 sites. During the year, remediation work was undertaken at 16 sites.

One of the 113 contaminated sites, **Marwell Tar Pit**, has been formally designated as contaminated under the *Environment Act* (Yukon) and the *Contaminated Sites Regulation*. The Government is not a “responsible party” as defined by the *Environment Act* (Yukon) and determined by the *Contaminated Sites Regulation*. The Government of Canada was the landowner when the contamination occurred. In September 2010, the Government and the Government of Canada entered into an agreement to remediate the site over 11 years with a total estimated cost of \$6,800,000, of which the Government is to fund 30% or \$2,040,000 and the Government of Canada \$4,760,000. As at March 31, 2024, \$25,000 (2023 - \$67,000) was recorded as a liability for this site, which is part of the \$184,466,000 noted above.

A site known as **Wellgreen** ceased operations in the 1970's. The Government of Canada approved the tailings dam and resulting pond built at that time as meeting required specifications; however, concerns regarding the level of water in the pond were raised. Initial assessment confirmed that further remediation of the site is required. Negotiations with the previous owner and the Government of Canada are underway to establish final levels of responsibility and liability. Remediation has been estimated at \$20,625,000 (2023 - \$14,407,000), which reflects the Government's potential exposure before any potential recoveries from the other parties.

The **Wolverine** mine site was owned and operated by Yukon Zinc Corporation under a license pursuant to the Quartz Mining Act (Yukon). After operating for a short period of time, during which the required financial security for potential closure and remediation costs was not provided in full, the company was placed in receivership on September 16, 2019. After several legal rulings and appeals, the court appointed receiver was unsuccessful in finding a viable purchaser of the mine and recommended it be turned over to the government for closure. The Government has included \$44,613,000 (2023 - \$43,314,000) as an estimated liability for the remediation of this mine.

In May 2023, **Minto Metal Corporation** abandoned its mine site located on Selkirk First Nation Category Settlement Land. The Government, in its regulatory capacity, determined that the mining operation was abandoned and acted under its powers in the *Quartz Mining Act* and *Water Act* to protect persons, property and environment. The total reclamation and closure activities have been estimated at \$94,973,000 which reflects the Government's estimated exposure before any recoveries from other parties. The corresponding expense was recognized in expenses in the statement of operations and accumulated operating surplus under Natural resources (Note 21 and Schedule B).

There is a related \$3,080,000 security from Minto Metal Corporation which is held in trust and a security bond of \$72,000,000 that can be accessed by the Government. During 2024, \$23,993,000 in associated costs were incurred. The Government claimed \$23,811,000 in recovery which was recorded in third party recoveries at March 31, 2024. By year end \$18,109,000 was received and \$5,702,000 was recorded as accounts receivable. As a result, the remaining liability for the Minto mine was reduced to \$70,980,000 as at March 31, 2024.

(b) Type II sites

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, which have been abandoned by their owner/operator. Except for the Ketz River site discussed below, the Government is not aware of any financial obligations on its part in relation to these mine sites.

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(b) Forestry access roads liability

The Government has asset retirement obligations for its forestry access roads under the *Forest Resources Act* – Forest Resources Regulation. Asset retirement activities include decommissioning of the roads to restrict future access. The forestry access roads have an estimated remaining useful life ranging from 1 to 10 years (2023 – 1 to 9 years). Estimated costs have been discounted to their present value using a discount rate of 4.50% per annum (2023 – 3.00%). The retirement costs are expected to be incurred between 2025 and 2035.

(c) Fuel tanks liability

The Government has asset retirement obligations for its fuel tanks under *the Environment Act (Yukon)* – Storage Tank Regulations. Asset retirement activities for the fuel tanks include decommissioning or dismantling the tanks, remediation of contamination from their normal use, and post-retirement monitoring. The fuel tanks have an estimated remaining useful life ranging from 9 to 20 years (2023 - 10 to 21 years). Estimated costs have been discounted to their present value using a discount rate of 4.50% per annum (2023 – 3.00%). The retirement costs are expected to be incurred between 2033 and 2053.

(d) Landfill liability

There are 23 active or closed landfill sites that are outside incorporated communities that are operated by the Government. These landfill sites are subject to the *Environment Act (Yukon)* – Solid Waste Regulations which includes requirements for closure and post-closure care of a landfill. In calculation of the liability for these sites, the remaining landfill life was estimated to be from 0 to 49 years (2023 – 0 to 50 years). Solid waste permits issued under the Solid Waste Regulations specify 25 years of post-closure monitoring; therefore, 25 years is used as an estimated length of time needed for post-closure care. A discount rate of 2.50% per annum (2023 – 2.50%) was used for the net present value calculation for active and closed landfill sites. The retirement costs are expected to be incurred between 2025 and 2099.

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

| | <u>2024</u> | <u>2023</u> |
|--|------------------------|-------------------|
| | (thousands of dollars) | |
| Severance benefits | \$ 59,490 | \$ 58,336 |
| Sick leave obligation | 23,617 | 22,628 |
| Vacation leave obligation | <u>28,902</u> | <u>27,779</u> |
| Accrued benefit obligation | 112,009 | 108,743 |
| Unamortized net actuarial gain (loss) | <u>19,992</u> | <u>21,406</u> |
| Post-employment benefits accrued liability | 132,001 | 130,149 |
| Compensated absences | <u>2,971</u> | <u>2,515</u> |
| | <u>\$ 134,972</u> | <u>\$ 132,664</u> |

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

(a) Yukon Government employees

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

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

The accrued benefit obligation at March 31, 2024 is based on an actuarial valuation conducted as at December 31, 2022. In projecting the accrued obligation for these benefits as at March 31, 2024, the Government assumed a discount rate of 4.90% and general salary increases of 2.0% per annum. The net actuarial gain or loss is amortized over the expected average remaining service life of the active employees of 13 years.

Expenses related to post-employment benefits for the year ended March 31, 2024 were \$14,042,000 (2023 - \$17,506,000). Benefits paid by the Government from the post-employment benefits liability during the year amounted to \$12,394,000 (2023 - \$15,004,000). Post-employment benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

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

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

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

(b) Members of the Legislative Assembly

The *Legislative Assembly Act* (Yukon) provides a severance allowance to members of the Legislative Assembly based on the aggregate of the indemnity and salary received by the member during the preceding year and the number of years served by the member. At March 31, 2024, the severance benefit obligation for this benefit was \$1,308,000 (2023 - \$1,104,000). The value of the assets designated by the Government to meet this obligation was \$1,222,000 at March 31, 2024 (2023 - \$979,000), which included in the value disclosed in Note 8. The accrued benefit liability at March 31, 2024 is based on an extrapolation of an actuarial valuation that was performed as at December 31, 2022.

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18. **Retirement benefits**

(a) Public Service Pension Plan

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

Since the above changes, there are two groups paying different rates of contributions to the plan. The Government contributes \$1.02 for every dollar contributed by the old group of plan members and \$1.00 for the new group of plan members.

In the calendar year 2024, for the portion of the employee's salary above \$202,000, the Government contributes \$4.63 for every dollar contributed by both groups of plan members. In the calendar year 2023, for the portion of the employee's salary above \$196,200 the Government contributed \$5.29 for every dollar contributed by both groups of plan members.

The Government's contributions to the Public Service Pension Plan during the year and recorded as expenses were \$47,051,000 (2023 - \$41,104,000).

(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 earnings. The Members' Services Board of the Legislative Assembly is responsible, pursuant to the *Legislative Assembly Retirement Allowances Act* (Yukon), for the administration of the Plan.

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

The *Legislative Assembly Retirement Allowances Act* stipulates that actuarial valuations for funding purposes must be performed at least triennially. An actuarial valuation is based on a number of assumptions about future events, such as inflation rates, interest rates, salary increases and member turnover and mortality. The assumptions used in a valuation for funding purposes are based on the actuary's best estimates with margins for conservatism. The last actuarial valuation for funding purposes was performed as of March 31, 2021. The accrued benefit obligation as at March 31, 2024 is based on an actuarial valuation performed for accounting purposes using the membership data as of March 31, 2021.

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(c) Territorial Court Judiciary Pension Plan

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

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

The last actuarial valuation for funding purposes was performed as of March 31, 2023. The accrued benefit obligation as at March 31, 2024 is based on an actuarial valuation performed for accounting purposes using the membership data as of March 31, 2023.

(d) Extended health care and life insurance retirement benefits

The Government provides optional extended health care benefits to retired employees as well as life insurance coverage to eligible retirees. They are both non-pension defined benefit plans. The extended health care plan is self-insured. The accrued benefit obligation at March 31, 2024 is based on an extrapolation of an actuarial valuation conducted as at December 31, 2022. Extended health care and life insurance retirement benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

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

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

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

| | 2024 | 2023 |
|---|------------------------|-------------------|
| | (thousands of dollars) | |
| Accrued benefit liability | | |
| Extended health care retirement benefit | \$ 80,851 | \$ 79,017 |
| Legislative Assembly Retirement Allowances Plan | 29,055 | 30,560 |
| Life insurance retirement benefit | 4,115 | 4,028 |
| Territorial Court Judiciary Pension Plan | 9,276 | 10,137 |
| | <u> </u> | <u> </u> |
| (Schedule D) | <u>\$ 123,297</u> | <u>\$ 123,742</u> |

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

| | <u>2024</u> | <u>2023</u> |
|--|------------------------|---------------|
| | (thousands of dollars) | |
| Building lease obligation payable monthly until the year 2025, with imputed interest rate of 3.7%. | \$ 292 | \$ 558 |
| Building lease obligation payable monthly until the year 2024, with imputed interest rate of 3.3%. | <u>70</u> | <u>276</u> |
| | <u>\$ 362</u> | <u>\$ 834</u> |

Interest expense related to liabilities for leased tangible capital assets for the year was \$99,000 (2023 - \$110,000) at an imputed average interest rate of 3.5% (2023 – 3.6%).

The following is a schedule of future minimum lease payments under the liabilities for leased tangible capital assets:

| | (thousands of dollars) |
|---|------------------------|
| 2025 | \$ 536 |
| Less: amount representing executory costs | (135) |
| amount representing rental of land | (39) |
| amount representing interest | <u>-</u> |
| | <u>\$ 362</u> |

20. **Tangible capital assets**

| | <u>2024</u> | <u>2023</u> |
|--------------------------------|------------------------|---------------------|
| | Net Book Value | Net Book Value |
| | (thousands of dollars) | |
| Land | \$ 13,010 | \$ 13,010 |
| Buildings | 624,692 | 584,235 |
| Equipment and vehicles | 91,190 | 87,684 |
| Computer hardware and software | 36,094 | 36,410 |
| Transportation infrastructure | 926,190 | 818,503 |
| Land improvements and fixtures | 51,604 | 52,433 |
| Sewage and water systems | 57,508 | 58,123 |
| Communications technology | <u>102,773</u> | <u>58,220</u> |
| (Schedule C) | <u>\$ 1,903,061</u> | <u>\$ 1,708,618</u> |

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Leased tangible capital assets are reported as part of the respective asset category. These leased assets are amortized on a straight-line basis over the lease term or estimated economic life. The amortization expense for the year was \$317,000 (2023 - \$990,000). The cost and accumulated amortization of leased capital assets that are included in the schedule of tangible capital assets are as follows:

| | <u>2024</u> | <u>2023</u> |
|--------------------------------|------------------------|----------------|
| | (thousands of dollars) | |
| Buildings (cost) | \$ 4,273 | \$ 9,907 |
| Less: accumulated amortization | <u>(3,935)</u> | <u>(9,255)</u> |
| | <u>\$ 338</u> | <u>\$ 652</u> |

21. **Expenses by object**

| | <u>2024</u> | <u>2023</u> |
|------------------------------------|------------------------|---------------------|
| | (thousands of dollars) | |
| Personnel | \$ 670,832 | \$ 642,121 |
| Government transfers | 605,198 | 551,171 |
| Contract and special services | 257,040 | 258,877 |
| Materials, supplies, and utilities | 144,424 | 128,867 |
| Environmental obligations | 120,360 | 9,552 |
| Amortization | 62,790 | 58,203 |
| Rent | 62,852 | 59,327 |
| Communication and transportation | 45,372 | 43,409 |
| Accretion | 1,665 | 1,587 |
| Other | <u>35,142</u> | <u>7,356</u> |
| | <u>\$ 2,005,675</u> | <u>\$ 1,760,470</u> |

GOVERNMENT OF YUKON

**Notes to Non-Consolidated Financial Statements
March 31, 2024**

22. Trusts under administration

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

The largest such trust account, the Compensation Fund (Yukon), has a fiscal year-end of December 31. Details of the assets of the Compensation Fund (Yukon), principally investments, are available from its financial statements, which are reproduced in Section III of the Public Accounts of the Government. At March 31, 2024, the remaining trust account balances were held in bank accounts or invested in term deposits and GICs.

Investments of the Compensation Fund (Yukon) are valued at fair value. Investments of the remainder of the trust accounts are valued at the lower of cost and market. Any other assets held under administration such as property, securities and valuables are reflected in trust accounts only upon conversion to cash. The following is a summary of the trusts under administration as at March 31, 2024, except for the Compensation Fund (Yukon) which is at December 31, 2023.

| | 2024 | 2023 |
|---|------------------------|-------------------------|
| | (thousands of dollars) | |
| Compensation Fund (Yukon) | \$ 277,633 | \$ 243,621 ¹ |
| Canada Community Building Funds | 148,308 | 124,155 |
| Lottery Commission | 10,855 | 10,852 |
| Crime Prevention and Victim Services | 8,213 | 7,430 |
| Forest Sector Trust | 6,675 | 6,309 |
| Extended health and dental plan trust funds | 465 | 3,844 |
| Supreme Court trust | 446 | 630 |
| Public Guardian trust | 2,006 | 1,754 |
| Other | 10,958 | 6,711 |
| | \$ 465,559 | \$ 405,306 |

¹ The figure has changed from the previously reported amount of \$246,720 because the Compensation Fund (Yukon) applied IFRS 17 Insurance Contracts for the first time in 2023, on a retrospective basis.

GOVERNMENT OF YUKON

**Notes to Non-Consolidated Financial Statements
March 31, 2024**

23. **Contractual rights**

The Government has entered into agreements to receive, or has contractual rights for, the following receipts subsequent to March 31, 2024:

| | <u>Expiry Date</u> | <u>2025</u> | <u>2026 – 2032</u> | <u>Total</u> |
|---|------------------------|------------------------|------------------------|---------------------|
| | | (thousands of dollars) | | |
| Contribution and Service Agreements | | | | |
| Infrastructure Canada | 2031 | \$ 101,119 | \$ 389,787 | \$ 490,906 |
| Transport Canada | 2029 | 101,065 | 183,760 | 284,825 |
| Indigenous Services Canada | 2032 | 26,299 | 157,794 | 184,093 |
| Health Canada | 2028 | 23,994 | 45,330 | 69,324 |
| Environment and Natural Resources Canada | 2028 | 1,560 | 23,030 | 24,590 |
| Early Learning and Childcare Agreement | 2026 | 12,139 | 10,930 | 23,069 |
| Employment and Social Development | 2028 | 6,539 | 14,007 | 20,546 |
| Canada-Yukon Nature Agreement | 2026 | 9,077 | 6,551 | 15,628 |
| Canadian Heritage | 2028 | 6,619 | 1,210 | 7,829 |
| Justice Canada | 2027 | 1,643 | 3,286 | 4,929 |
| Student Financial Assistance | 2026 | 509 | 2,036 | 2,545 |
| | | <u>\$ 290,563</u> | <u>\$ 837,721</u> | <u>\$ 1,128,284</u> |

GOVERNMENT OF YUKON

**Notes to Non-Consolidated Financial Statements
March 31, 2024**

24. **Contractual obligations**

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2024:

| | Expiry Date | 2025 | 2026 – 2040 | Total |
|---|----------------|------------------------|-------------------|---------------------|
| | | (thousands of dollars) | | |
| Capital projects | | | | |
| - in progress at March 31, 2024 | 2031 | \$ 342,543 | \$ 146,493 | \$ 489,036 |
| RCMP policing agreement | 2032 | 38,359 | 268,513 | 306,872 |
| Yukon Hospital Corporation | 2024 | 103,159 | - | 103,159 |
| Other operational commitments | 2028 | 50,680 | 16,941 | 67,621 |
| Building/office space leases | 2032 | 17,539 | 28,175 | 45,714 |
| Mineral Resources and Geoscience Services | 2027 | 19,397 | 3,987 | 23,384 |
| Alkan Air Ltd. medical evacuation contract | 2026 | 7,500 | 6,007 | 13,507 |
| Yukon Development Corporation | 2026 | 3,500 | - | 3,500 |
| Information Services Corporation | 2040 | 189 | 3,066 | 3,255 |
| Student Transportation | 2024 | 868 | - | 868 |
| Northwestel Inc. mobile radio network system | 2024 | 652 | - | 652 |
| | | <u>\$ 584,386</u> | <u>\$ 473,182</u> | <u>\$ 1,057,568</u> |

25. **Commitments**

In June 2010, the Yukon Development Corporation (“YDC”) issued 30-year bonds in the amount of \$100 million at a fixed coupon rate of 5.0% per annum in part to finance the grant from the Yukon Development Corporation Fund and ratepayers’ future contributions towards the construction of the Mayo B hydro enhancement and the Carmacks-Stewart transmission phase II projects. In the Memorandum of Understanding (“the MOU”) between the Government and YDC dated March 10, 2011, the Government agreed to provide YDC with financial assistance to a maximum of \$2,625,000 annually from April 1, 2011, to March 31, 2042, based on a prescribed formula where, depending on the annual financial results of YDC, the Government funding will be reduced or eliminated. In 2023/2024, the Government paid \$2,428,000 (2023 - \$2,625,000) to YDC based on the MOU.

GOVERNMENT OF YUKON

**Notes to Non-Consolidated Financial Statements
March 31, 2024**

26. **Overexpenditure**

Over-expenditure of a vote contravenes subsection 17(2) of the *Financial Administration Act* (Yukon) which specifies that “a vote does not authorize any payment to be made in excess of the amount specified in the vote”. During the year, no (2023 – no) departments exceeded their votes.

The *Appropriation Acts* (Yukon) state that the Government is not to expend grant payments except in accordance with the Act. During the year, two (2023 – one) department exceeded the authorized amounts as follows:

| | (thousands of dollars) |
|---------------------------------|------------------------|
| Education | |
| - Post secondary student grants | \$ 680 |
| - Childcare subsidies | \$ 45 |
| Health and Social Services | |
| - Medical travel subsidies | \$ 266 |

27. **Guarantees**

The Government has guaranteed repayment of loans payable by the Yukon Housing Corporation of \$544,000 (2023 - \$791,000). In addition, the Government has guaranteed an operating demand overdraft facility to the Yukon Housing Corporation of up to \$11,000,000 (2023 - \$11,000,000).

At March 31, 2024, the Yukon Development Corporation had long-term debt of \$225,000,000 (2023 - \$221,000,000) and a credit facility of up to \$115,000,000 (2023 - \$72,500,000). While the Government has not issued guarantees for these instruments, as the Yukon Development Corporation is an agent of the Government, lenders may have recourse to the Government.

In February 2024, the Government issued a letter of credit providing guarantee to the bank in relation to the Yukon University Employee’s Pension Plan’s solvency deficit. This guarantee is in effect until December 31, 2024. The maximum amount of letters of credit to which the guarantee applies is \$5,932,000 (2023 - \$22,250,000).

In August 2023, the Government issued a letter of credit providing guarantee to the bank in relation to the Yukon Hospital Employee’s Pension Plan’s solvency deficit. This guarantee was in effect from June 30, 2023 to June 30, 2024. The maximum amount of letters of credit to which the guarantee applied was \$27,992,000 (2023 - \$35,128,000).

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

In November 2019, the Government and Yukon Hospital Corporation entered into a Pension Solvency Loan Agreement. The Government has loaned the Yukon Hospital Corporation \$3,063,000 for a payment to be made to their Pension Plan. The loan bears interest at the prime rate charged by the Government of Yukon’s banker with interest calculated semi-annually. The annual interest rate for 2024 is 3.95%. The initial term of the loan is 15 years, due on December 11, 2034, with either party having the ability to terminate the loan with notice.

GOVERNMENT OF YUKON

**Notes to Non-Consolidated Financial Statements
March 31, 2024**

28. **Risk management of financial instruments**

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

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

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

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

For accounts receivable, the Government reviews balances and aging information to determine if a valuation allowance is necessary, and initiates collection actions.

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

| | 2024 | 2023 |
|---|------------------------|-----------|
| | (thousands of dollars) | |
| Carrying value | \$ 42,417 | \$ 23,746 |
| Allowance for doubtful accounts | \$ 3,599 | \$ 2,518 |
| Accounts receivable % less than 30 days | 78 % | 83 % |
| Accounts receivable % over 90 days | 15 % | 15 % |

To manage the credit risk on loans receivable, the Government actively monitors loan payments and works with borrowers to develop payment plans to resolve outstanding arrears issues. The maximum exposure of the loans receivable to credit risk is \$43,788,000 (2023 - \$41,511,000). As at March 31, 2024, approximately 95% (2023 – 98%) of loans receivable were current, whereas 5% (2023 – 2%) were past due.

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

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

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

GOVERNMENT OF YUKON

Notes to Non-Consolidated Financial Statements March 31, 2024

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

The Government is exposed to interest rate risk through its investment holdings in interest-bearing, or fixed-income assets. The Government manages this risk on its investments by setting asset mix guidelines that limit the extent to which interest rates impact the market value of the Government's portfolio investments, which may include GICs, term deposits, and funds that include short-term debt securities of Canadian Governments and corporate issuers with terms to maturity of 90 days or more but one year or less from the date of acquisition. Based on year-end short-term investment balances, a one per cent increase (decrease) in the bank's prime lending rate could increase (decrease) interest income by approximately \$24,000 (2023 - \$43,000).

The Government has access to line of credit up to \$200,000,000 (2023 - \$100,000,000). The Government used its line of credit during the year and incurred interest expenses at prime rate minus 0.85% (2023 - prime rate minus 0.85%) per annum. The Government's credit facility interest rates are subject to fluctuations in the prime rate. The interest rate risk is minimal due to the short-term nature of amounts drawn.

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

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

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

29. Land claims

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

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

GOVERNMENT OF YUKON

Notes to Non-Consolidated Financial Statements March 31, 2024

30. Contingencies

Contingent liabilities

In the normal course of operations, the Government is subject to legal claims. These claims include items with pleading amounts and items where an amount is not specified. At March 31, 2024, the amounts claimed, excluding the claim from Northern Cross (Yukon) Ltd., which is described below, is \$32,206,000 (2023 - \$32,288,000). No provision for these claims has been made as it is unlikely or indeterminable that a liability has been incurred as at the date of the financial statements. Furthermore, an estimate of extent cannot be made as at the date of the financial statements.

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

The Government established a Risk Management Revolving Fund in December 2004, with a limit of \$5,000,000, which is to be used for providing limited insurance and risk management services to Government departments. Expenses relating to some of the property and liability losses incurred by the Government are to be paid out of this fund. The Government has legal liability and property insurance with a \$2,000,000 deductible. In 2024, the Government paid \$656,000 (2023 - \$841,000) for liability claims such as bodily injury, property damage and automobile liability. The Government had unpaid claims against the fund in the amount of \$2,434,000 as at March 31, 2024 (2023 - \$3,747,000). This amount is reported as part of the Government's accrued liabilities. The fund balance at March 31, 2024 was \$2,450,000 (2023 - \$2,613,000).

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

Contingent assets

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

GOVERNMENT OF YUKON

Notes to Non-Consolidated Financial Statements
March 31, 2024

31. **Subsequent Events**

On June 24, 2024 there was a major environmental incident at the Eagle Gold Mine, operated by Victoria Gold Corporation.

Subsequently, PricewaterhouseCoopers has been court-appointed receiver of the Corporation and is responsible for undertaking remediation activities at the site. Mining operations will remain suspended as the completion of the remediation is a condition precedent to any future mining activity at the site.

The Government has committed to advance \$50 million to the receiver, as a loan, to fund remediation activities. All funding advanced by the Government to the receiver is by a court-ordered priority charge. The Government estimates that the remediation may cost \$100 million to \$150 million.

Given the complexity of the environmental and associated legal issues, the Government is unable to determine the expected impacts on the Government's non-consolidated financial statements.

32. **Comparative figures**

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

GOVERNMENT OF YUKON

Schedule A

**Schedule of Revenues
for the year ended March 31, 2024**

| | 2024 | | 2023 |
|--|----------------------------------|---------------------|---------------------|
| | Main Estimates (Note 1(b)) | Actual | Actual |
| | (thousands of dollars) | | |
| From Government of Canada | | | |
| Formula Financing grant | \$ 1,252,161 | \$ 1,252,161 | \$ 1,174,144 |
| Contributions and service agreements | 270,594 | 280,889 | 305,132 |
| Other grants | 74,884 | 136,484 | 122,910 |
| | <u>1,597,639</u> | <u>1,669,534</u> | <u>1,602,186</u> |
| Taxes and general revenues | | | |
| Income taxes | 125,839 | 124,982 | 150,298 |
| Other taxes | | | |
| Tobacco tax | 14,628 | 11,077 | 11,612 |
| Fuel oil tax | 8,810 | 9,647 | 8,863 |
| General property tax | 6,921 | 7,317 | 6,545 |
| Liquor tax | 5,386 | 5,314 | 5,106 |
| Insurance premium tax | 9,016 | 8,712 | 8,902 |
| Grant in lieu of property tax | 253 | 256 | 240 |
| Sale of land | 32,285 | 16,066 | 8,351 |
| Licences, permits and fees | 18,333 | 23,976 | 20,483 |
| Yukon Liquor Corporation | | | |
| Liquor profit | 8,778 | 8,074 | 7,670 |
| Cannabis profit | - | 359 | 372 |
| Investment and interest revenue | 4,181 | 9,127 | 6,835 |
| Resource revenue - mineral, oil and gas and forestry | 11,992 | 4,934 | 2,362 |
| Income from portfolio investments | - | 1,106 | 980 |
| Aviation operations | 1,345 | 1,395 | 1,573 |
| Fines | 508 | 614 | 531 |
| Restricted funds | - | 462 | 260 |
| Other revenues | 121 | 343 | 205 |
| | <u>248,396</u> | <u>233,761</u> | <u>241,188</u> |
| Funding and service agreements with other parties | 24,836 | 48,444 | 18,240 |
| | <u>\$ 1,870,871</u> | <u>\$ 1,951,739</u> | <u>\$ 1,861,614</u> |

GOVERNMENT OF YUKON

Schedule B

**Schedule of Expenses
for year ended March 31, 2024**

| | 2024 | Actual 2024 | | | | | 2023 | |
|--|----------------------------------|------------------------|-------------------------|-------------------|--------------------------|-----------------------|---------------------|---------------------|
| | Main Estimates (Note 1(b)) | Personnel | Government Transfers | Other | Amortization Expenses | Accretion Expenses | Total (Note 21) | Actual |
| | | (thousands of dollars) | | | | | | |
| Health and Social Services | \$ 535,081 | \$ 197,909 | \$ 267,039 | \$ 154,052 | \$ 7,371 | \$ 77 | \$ 626,448 | \$ 530,712 |
| Highways and Public Works | 283,271 | 88,121 | 1,313 | 159,614 | 33,459 | 458 | 282,964 | 288,123 |
| Community Services | 201,026 | 34,801 | 71,149 | 79,629 | 4,477 | 412 | 190,467 | 204,829 |
| Education | 261,830 | 136,014 | 97,747 | 26,219 | 6,482 | 599 | 267,060 | 241,478 |
| Justice | 98,305 | 40,906 | 9,163 | 53,612 | 1,938 | 50 | 105,669 | 96,160 |
| Energy, Mines and Resources | 78,284 | 33,726 | 23,074 | 122,909 | 787 | 26 | 180,523 | 84,254 |
| Environment | 55,585 | 32,017 | 5,229 | 42,019 | 882 | 14 | 80,161 | 56,178 |
| Public Service Commission | 56,261 | 47,970 | - | 4,062 | 234 | - | 52,266 | 56,018 |
| Tourism and Culture | 35,445 | 12,673 | 13,115 | 8,554 | 797 | 30 | 35,170 | 35,150 |
| Executive Council Office | 25,615 | 15,407 | 7,340 | 5,751 | 2 | - | 28,500 | 28,577 |
| Economic Development | 27,519 | 7,513 | 18,882 | 2,029 | - | - | 28,424 | 28,701 |
| Finance | 14,321 | 9,917 | 2,737 | 4,046 | 167 | - | 16,866 | 13,570 |
| Yukon Housing Corporation (Transfer Payment) | 35,172 | - | 30,602 | - | - | - | 30,602 | 18,883 |
| Yukon Legislative Assembly | 8,006 | 4,555 | - | 1,875 | 14,300 | - | 6,444 | 7,740 |
| Yukon Development Corporation (Transfer Payment) | 23,439 | - | 23,045 | - | - | - | 23,045 | 29,993 |
| French Language Services Directorate | 6,805 | 5,298 | 559 | 1,424 | - | - | 7,281 | 6,689 |
| Women and Gender Equity Directorate | 3,672 | 1,466 | 3,098 | 432 | - | - | 4,996 | 3,187 |
| Office of the Ombudsman | 1,581 | 1,260 | - | 330 | 11 | - | 1,601 | 1,494 |
| Child and Youth Advocate Office | 878 | 719 | - | 182 | - | - | 902 | 819 |
| Elections Office | 858 | 560 | - | 262 | - | - | 822 | 729 |
| Restricted Funds | 3,512 | - | 31,106 | -1,810 | 6,169 | - | 35,465 | 27,185 |
| Adjustments | 66,166 | - | - | - | - | - | - | - |
| | <u>\$ 1,822,632</u> | <u>\$ 670,832</u> | <u>\$ 605,198</u> | <u>\$ 665,189</u> | <u>\$ 62,790</u> | <u>\$ 1,665</u> | <u>\$ 2,005,675</u> | <u>\$ 1,760,470</u> |

GOVERNMENT OF YUKON

Schedule C

**Schedule of Tangible Capital Assets
for year ended March 31, 2024**

| | Land | Buildings | Equipment & Vehicles | Computer Hardware & Software | Infrastructure | Land Improvements & Fixtures | Waste & Water Systems | Communications Technology | 2024 Total | 2023 Total |
|--|------------------|-------------------|-------------------------|------------------------------------|-------------------|------------------------------------|-----------------------------|------------------------------|---------------------|---------------------|
| (thousands of dollars) | | | | | | | | | | |
| Cost of tangible capital assets, opening | \$ 13,010 | \$ 979,436 | \$ 198,823 | \$ 103,601 | \$ 1,322,225 | \$ 69,432 | \$ 81,077 | \$ 63,563 | \$ 2,831,167 | \$ 2,573,250 |
| Change in asset retirement obligation estimate | - | (3,000) | (81) | - | (56) | - | - | - | (3,137) | (5,331) |
| Acquisitions | - | 59,153 | 15,946 | 5,603 | 131,307 | 2,860 | 444 | 45,229 | 260,542 | 272,535 |
| Write-downs | - | (74) | - | - | - | - | - | - | (74) | (2,804) |
| Disposals | - | (125) | (2,583) | (592) | - | - | - | - | (3,300) | (6,483) |
| Cost of tangible capital assets, closing | 13,010 | 1,035,390 | 212,105 | 108,612 | 1,453,476 | 72,292 | 81,521 | 108,792 | 3,085,198 | 2,831,167 |
| Accumulated amortization, opening | - | 395,201 | 111,139 | 67,191 | 503,722 | 16,999 | 22,954 | 5,343 | 1,122,549 | 1,070,317 |
| Amortization expense | - | 15,622 | 12,261 | 5,919 | 23,564 | 3,689 | 1,059 | 676 | 62,790 | 58,203 |
| Disposals | - | (125) | (2,485) | (592) | - | - | - | - | (3,202) | (5,971) |
| Accumulated amortization, closing | - | 410,698 | 120,915 | 72,518 | 527,286 | 20,688 | 24,013 | 6,019 | 1,182,137 | 1,122,549 |
| Net book value as at March 31 (Note 20) | \$ 13,010 | \$ 624,692 | \$ 91,190 | \$ 36,094 | \$ 926,190 | \$ 51,604 | \$ 57,508 | \$ 102,773 | \$ 1,903,061 | \$ 1,708,618 |
| Work-in-progress ^(a) | \$ - | \$ 95,512 | \$ 8,508 | \$ 18,678 | \$ 310,436 | \$ 15,497 | \$ 13,887 | \$ 97,048 | \$ 559,566 | \$ 405,307 |
| Asset retirement obligations ^(a) | \$ - | \$ 779 | \$ 106 | \$ - | \$ 335 | \$ - | \$ 1,692 | \$ - | \$ 2,912 | \$ 5,718 |

^(a) Included in net book value

GOVERNMENT OF YUKON

Schedule D

**Schedule of Retirement Benefits
for year ended March 31, 2024**

| | Extended Health Care Retirement Benefit | Legislative Assembly Retirement Allowances Plan | Life Insurance Retirement Benefit | Territorial Court Judiciary Pension Plan | 2024 Total | 2023 Total |
|---|--|--|--|---|---------------|---------------|
| (thousands of dollars) | | | | | | |
| Pension and retirement plan assets are valued at fair market value. | | | | | | |
| Accrued benefit obligation | | | | | | |
| Obligation at beginning of year | \$ 55,075 | \$ 34,208 | \$ 3,588 | \$ 13,244 | \$ 106,115 | \$ 118,096 |
| Current service costs | 2,266 | 1,578 | 38 | 526 | 4,408 | 4,802 |
| Plan amendment | - | - | - | - | - | - |
| Interest cost on benefit obligation | 2,715 | 2,047 | 173 | 765 | 5,700 | 5,401 |
| Actuarial (gain) loss | 24,507 | 1,255 | (18) | 422 | 26,166 | (18,418) |
| Benefits paid | (1,658) | (1,754) | (121) | (621) | (4,154) | (3,765) |
| Accrued benefit obligation at end of year | 82,905 | 37,334 | 3,660 | 14,336 | 138,235 | 106,116 |
| Plan assets | | | | | | |
| Value at beginning of year | - | 11,262 | - | 4,725 | 15,987 | 15,277 |
| Actual return on plan assets | - | 893 | - | 293 | 1,186 | 352 |
| Government contributions | - | 342 | - | 465 | 807 | 2,607 |
| Member contributions | - | 186 | - | 65 | 251 | 262 |
| Benefits paid | - | (369) | - | (621) | (990) | (2,511) |
| Value at end of year | - | 12,314 | - | 4,927 | 17,241 | 15,987 |
| Funded status - plan deficit | 82,905 | 25,020 | 3,660 | 9,409 | 120,994 | 90,128 |
| Unrecognized net actuarial gain (loss) | (2,054) | 4,035 | 455 | (133) | 2,303 | 33,614 |
| Accrued benefit liability (Note 18) | 80,851 | 29,055 | 4,115 | 9,276 | 123,297 | 123,742 |
| Net benefit cost | | | | | | |
| Current service costs | 2,266 | 1,578 | 38 | 526 | 4,408 | 4,802 |
| Less: Member contributions | - | (186) | - | (65) | (251) | (262) |
| Interest cost on benefit obligation | 2,715 | 2,047 | 173 | 765 | 5,700 | 5,401 |
| Expected return on plan assets | - | (680) | - | (267) | (947) | (805) |
| Amortization of net actuarial (gain) loss | (1,488) | (2,537) | (3) | (1,355) | (5,383) | (2,269) |
| Net cost for the year | \$ 3,493 | \$ 222 | \$ 208 | \$ (396) | \$ 3,527 | \$ 6,867 |

GOVERNMENT OF YUKON

Schedule D
Continued

**Schedule of Retirement Benefits
for the year ended March 31, 2024**

| | Extended Health Care Retirement Benefit | Legislative Assembly Retirement Allowances Plan | Life Insurance Retirement Benefit | Territorial Court Judiciary Pension Plan |
|--|--|--|--|---|
| Key Assumptions | | | | |
| Expected long-term rate of return on assets at beginning of year | N/A | 5.70% | N/A | 5.40% |
| Discount rate on benefit costs | 4.80% | 6.00% | 4.80% | 5.70% |
| Discount rate on accrued benefit obligation at end of year | 4.90% | 5.70% | 4.90% | 5.40% |
| Inflation rate at end of year | 2.00% | 2.00% | 2.00% | 2.00% |
| Rate of compensation increase | see below ¹ | 2.50% | see below ¹ | 3.00% |
| Health care cost trend rate | see below ² | N/A | N/A | N/A |
| Amortization period (expected average remaining service life) | 13.0 years | 2.0 years | 9.5 Years | 2.6 years |

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

² 5.7% per annum for 2024-25, decreasing linearly to 4.9% in 2029, and following the McMaster Model to an ultimate trend rate of 4.0% in 2040.