Yukon Public Accounts 2025–26















YUKON PUBLIC ACCOUNTS

for the year ended March 31, 2026



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Minister's Office
PO Box 2703, Whitehorse, Yukon Y1A 2C6

October 26, 2026

The Honourable Adeline Webber,
Commissioner of Yukon
422 Main Street
Whitehorse
Yukon Y1A 2B7

I have the honour to submit herewith the Yukon Public Accounts for the fiscal year ended March 31, 2026.

Currie Dixon
Minister of Finance

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YUKON PUBLIC ACCOUNTS

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PART ONE

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

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Consolidated Financial Statement Discussion and Analysis
for the year ended March 31, 2026

Introduction

The Yukon Public Accounts, produced annually, provides clarity and transparency for Yukoners by comparing the financial results for the 2026 fiscal year against the 2026 Main Estimates (Budget) and against the previous year's financial results. The Government is responsible for the accuracy, objectivity and integrity of this information.

The Financial Statement Discussion and Analysis expands upon and further explains information contained in the Consolidated Financial Statements, which are presented in Part Two of the Yukon Public Accounts. This is intended to assist readers in their analysis of the Yukon's fiscal health and Government's financial performance with the resources to which it has been entrusted. To do this effectively, this report presents a highlights summary, assessment of fiscal health, indicators of financial and economic conditions, details section and a summary of risks and mitigations.

2026 Highlights Summary

Financial Results

(thousands of dollars)	2026		2025	Change from	
	Budget	Actual	Actual	Budget	2025 Actual
Revenues	2,273,623	2,330,255	2,228,394	56,632	101,861
Expenses[1]	2,140,943	2,255,167	2,053,387	114,224	201,780
Surplus / (Deficit)	**132,680**	**75,088**	**175,007**	**(57,592)**	**(99,919)**
Accumulated Surplus		**2,281,260**	**2,204,770**		**76,490**
Net Debt		**(297,872)**	**(227,160)**		**(70,712)**

[1] Expenses shown net of Recovery of Prior Years' Expenses

The Government is reporting an annual surplus of $75.1 million on a revenue base of $2.3 billion.

The $57.6 million difference between the $75.1 million surplus and the expected $132.7 million surplus presented in the 2026 budget is due to higher revenues ($56.6 million, or 2.5%), and the higher than anticipated expenses ($114.2 million, or 5.3%).

Change from budget:
Revenues were higher than budgeted largely due to increase in collections from taxes and general revenues, increase in revenues from funding and service level agreements with other parties and higher than expected income from investment in government business enterprises, offset by a decrease in transfers from Government of Canada.

Expenses were higher than budgeted, and the functions with the largest increases compared to the 2026 budget were natural resources, community and transportation, and justice, offset by a decrease in general government, education, health and social services, and business, tourism and culture.

Introduction (continued)

2026 Highlights Summary (continued)

Change from prior year:
The $75.1 million surplus is $99.9 million lower than the $175.0 million surplus in 2025. Total revenues compared to the previous year increased by $101.9 million (4.6%), while total expenses (net of recovery of prior years' expenses) also increased by $201.8 million (9.8%).

The increases in revenue were mainly driven by the $53.7 million increase in funding from the Government of Canada, $36.1 million increase in income from investment in government business enterprises and $16.4 million increase in taxes and general revenue, offset by decrease of $4.3 million in funding and service agreements with other parties. The increase in expenses of $201.8 million was mostly from natural resources, health and social services, community and transportation, and education, offset by a decrease in spending in general government, justice, and business, tourism and culture.

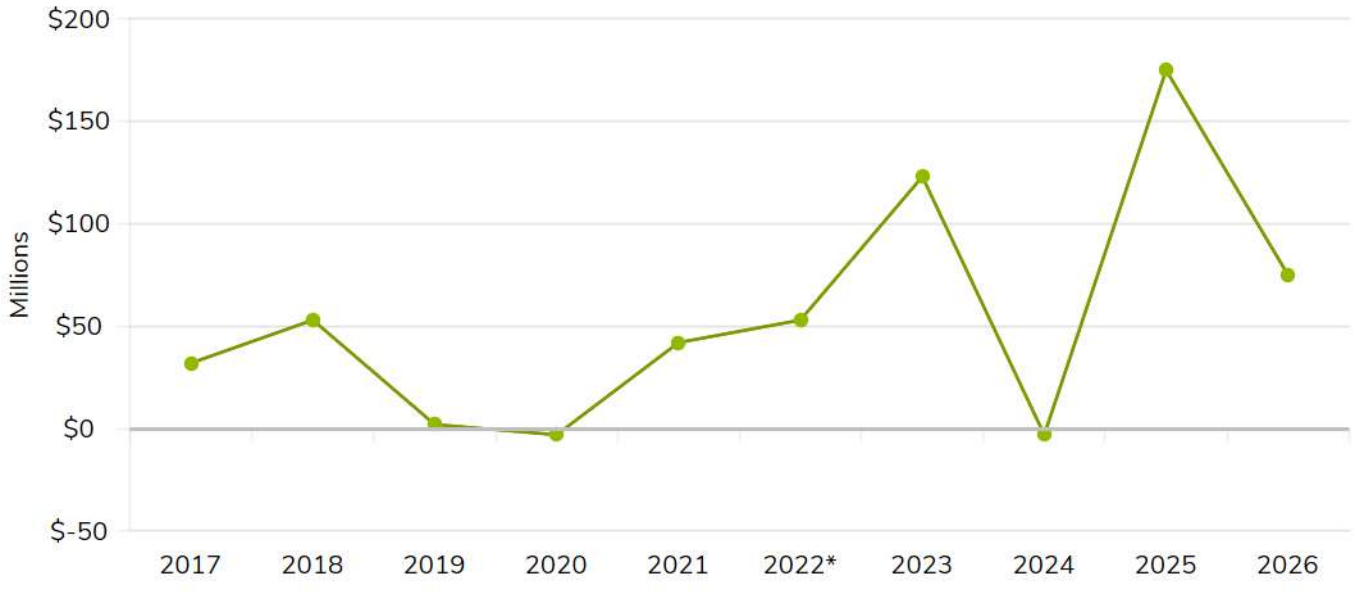
In 2026, the Government's net debt increased by $70.7 million, from $227.2 million in 2025 to $297.9 million in 2026.

Highlights

Surplus (Deficit)

The surplus (deficit) represents the amount by which revenue exceeds expense (expense exceeds revenue) for the fiscal period.

Surplus (Deficit)



(in millions)	2017	2018	2019	2020	2021	2022*	2023	2024	2025	2026
Surplus (deficit)	$ 32	$ 53	$ 2	$ (3)	$ 42	$ 53	$ 123	$ (3)	$ 175	$ 75

* 2022 restated due to adoption of PS 3280

Highlights (continued)

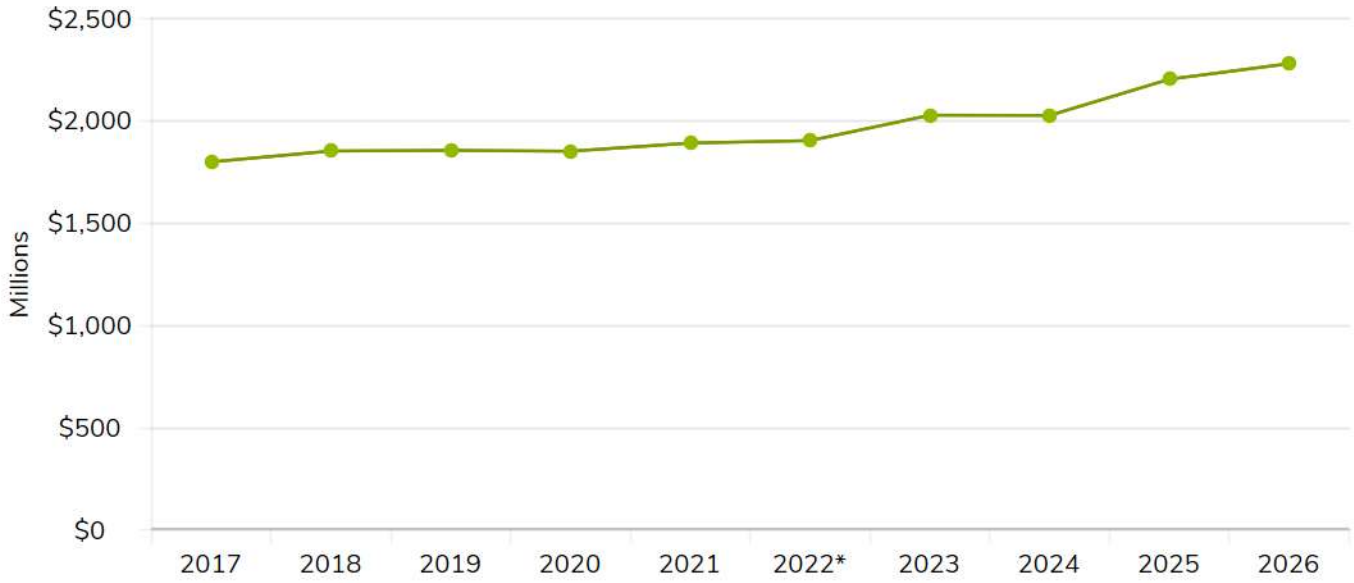
Surplus (Deficit) (continued)

The surplus of $75.1 million for the year was $57.6 million lower than the budgeted surplus of $132.7 million and a decline of $99.9 million compared to the prior year's surplus of $175.0 million. The Government's deficit/surplus is driven by two main factors - revenues and expenses. The Government's revenue is largely derived from the formula financing grant from the Government of Canada, which tends to remain stable over time. Expenses result from direct government spending and transfers to meet territorial needs. Compared to 2025, the decline in current year's surplus is primarily attributable to increased expenses in health and social services, community and transportation, education and natural resources functions offset to a degree by increased revenues.

Accumulated Surplus

An accumulated surplus represents the government's reported net economic resources. An accumulated surplus is the net of all past surpluses and deficits and is a measure of economic resources to provide future services.

Accumulated Surplus



(in millions)	2017	2018	2019	2020	2021	2022*	2023	2024	2025	2026
Accumulated Surplus	$ 1,801	$ 1,854	$ 1,857	$ 1,853	$ 1,893	$ 1,905	$ 2,029	$ 2,028	$ 2,205	$ 2,281

* 2022 restated due to adoption of PS 3280

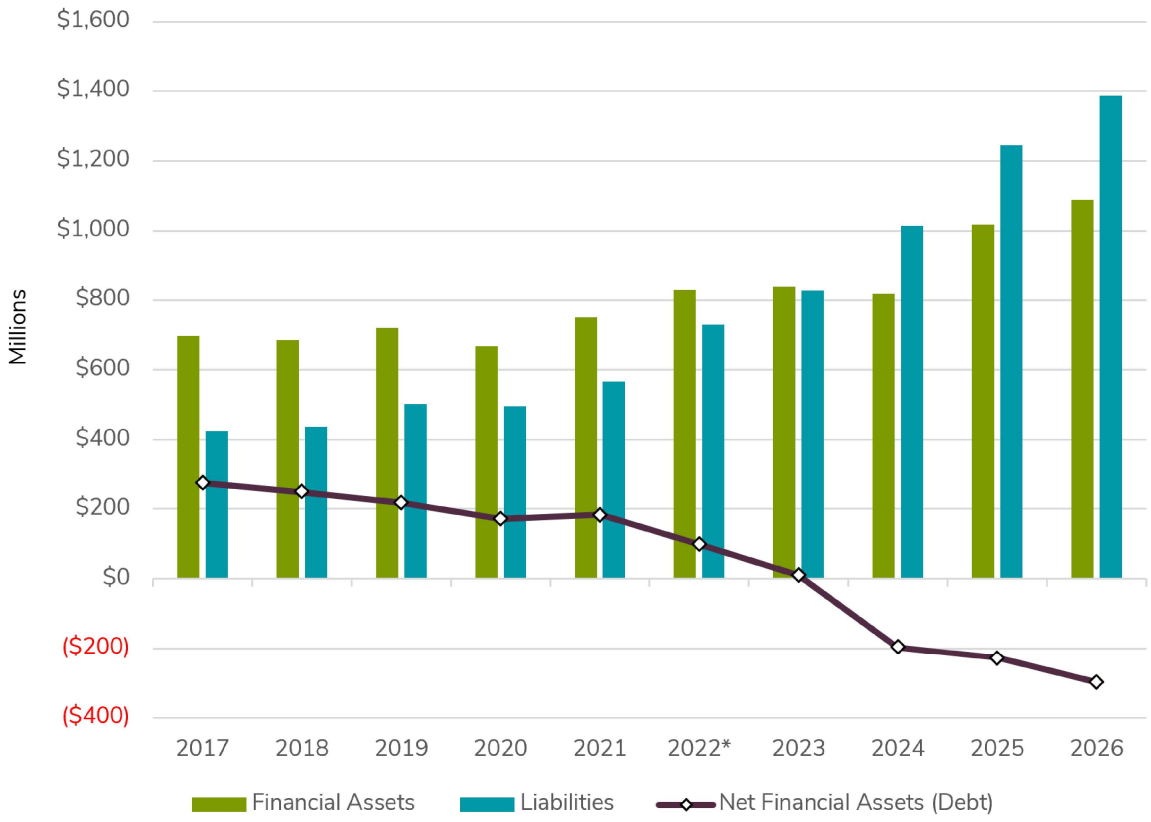
As of March 31, 2026, the Government is reporting an accumulated surplus of $2.281 billion which is an increase of $76.5 million from the previous year's accumulated surplus of $2.205 billion. The increase in accumulated surplus during 2026 is due to the current year's annual operating surplus of $75.1 million, plus the net remeasurement gain of $1.4 million.

Highlights (continued)

Net Financial Assets (Debt)

Net financial assets (debt) represent the amount of financial resources that the Government has to finance future transactions.

Net Financial Assets (Debt)



(in millions)	2017	2018	2019	2020	2021	2022*	2023	2024	2025	2026
Financial assets	$ 698	$ 685	$ 720	$ 667	$ 750	$ 829	$ 837	$ 819	$ 1,018	$ 1,088
Liabilities	424	437	502	496	567	730	826	1,015	1,245	1,386
Net Financial Assets (Debt)	$ 274	$ 248	$ 218	$ 171	$ 183	$ 99	$ 11	$ (196)	$ (227)	$ (298)

* 2022 restated due to adoption of PS 3280

Highlights (continued)

Net Financial Assets (Debt) (continued)

The net financial assets (debt) of the Government is calculated as:

- The financial assets consisting of cash and cash equivalents, portfolio investments, due from Government of Canada, accounts receivable, advances to government business enterprises (GBEs), loans receivable, inventories for resale, retirement benefit assets and investment in government business enterprises; offset by

- The liabilities consisting of bank advances and short-term borrowings, due to Government of Canada, accounts payable and accrued liabilities, unearned revenues, surety bond, environmental liabilities, asset retirement obligation liabilities, post-employment benefits and compensated absences, retirement benefit liabilities and borrowings.

Investment in Tangible Capital Assets (TCA)

The Government invests in acquiring, building and maintaining infrastructure and other tangible capital assets to provide services to residents. Total annual capital spending consists of investment in tangible capital assets and the amounts transferred to third parties (e.g., municipalities, First Nations) for capital purposes.

Investment in Tangible Capital Assets



(in millions)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Investment in TCA	$ 151	$ 146	$ 108	$ 118	$ 107	$ 160	$ 291	$ 288	$ 290	$ 247

Highlights (continued)

Investment in Tangible Capital Assets (TCA) (continued)

In 2026, the Government recorded tangible asset additions of $247.2 million for the acquisition and development of assets such as buildings and transportation infrastructure, IT assets, equipment and vehicles, compared to $289.5 million in 2025.

Annual tangible capital asset additions increased from $151 million in 2017 to $247.2 million in 2026. Following several years of relatively stable investment between 2018 and 2021, annual additions increased beginning in 2022. Additions reached approximately $291 million in 2023 and remained close to that level through 2025 before declining in 2026. Despite the decrease, 2026 additions remained significantly higher than the levels recorded earlier in the decade.

Expenditures in 2026 on multi-year capital projects included: $61.6 million on the Whitehorse Airport Runway and taxiway projects, $17.5 million on the Yukon University Polaris building construction, $9.3 million on the Burwash Landing (Kets'adan Ku) School project, $5.7 million on Yukon University roof upgrades, $4.6 million for the purchase of the multi-residential property at 408 Wood Street, $4.2 million on the gymnastics and climbing facility, $2.9 million on solar and biomass heating systems at Yukon government facilities, $1.2 million on experiential learning spaces for Yukon schools, and $1.2 million on modular classrooms.

Also in 2026, the Government’s construction work on various roads and highways cost over $36 million, while bridge work on the Alaska, Klondike, Dempster and Robert Campbell highways cost approximately $36.2 million, including $32.7 million for the Nisutlin Bay Bridge.

Assessment of Fiscal Health

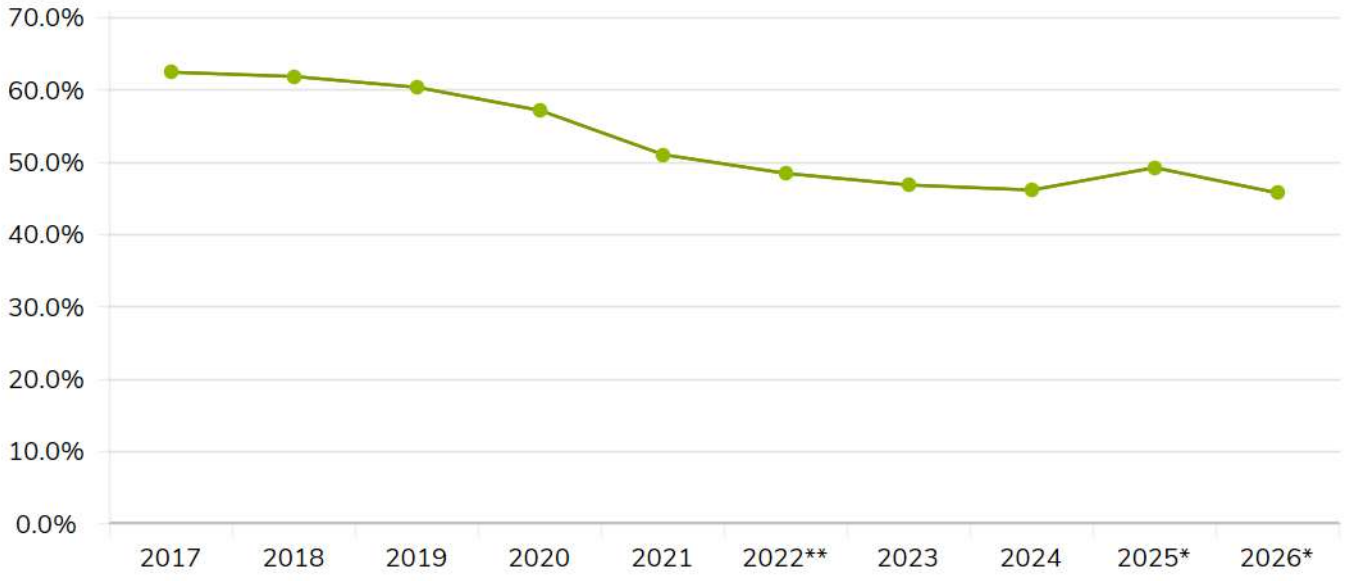
The Government's fiscal performance can be assessed by examining its overall economic and financial environment. This assessment takes into consideration the Government's ability to meet its existing financial obligations to provide services to the public and its financial commitments to its creditors, employees and others by focusing on key sustainability, flexibility and vulnerability indicators.

Sustainability

Sustainability is a measure indicating the degree to which the Government can maintain its existing level of spending and meet its existing debt obligations.

Accumulated Surplus to the Territory's Nominal Gross Domestic Product (GDP)

This graph compares the Government's accumulated surplus to the Yukon's GDP as a percentage.



	2017	2018	2019	2020	2021	2022**	2023	2024	2025*	2026*
Accumulated surplus to GDP	62.5 %	61.9 %	60.4 %	57.2 %	51.1 %	48.5 %	46.9 %	46.2 %	49.3 %	45.8 %

* Estimate Nominal GDP: 2025 - $4.632 billion; Forecast Nominal GDP 2026 - $4.984 billion based on 2026-27 Interm Economic Update (October 2026)
** 2022 restated due to adoption of PS 3280

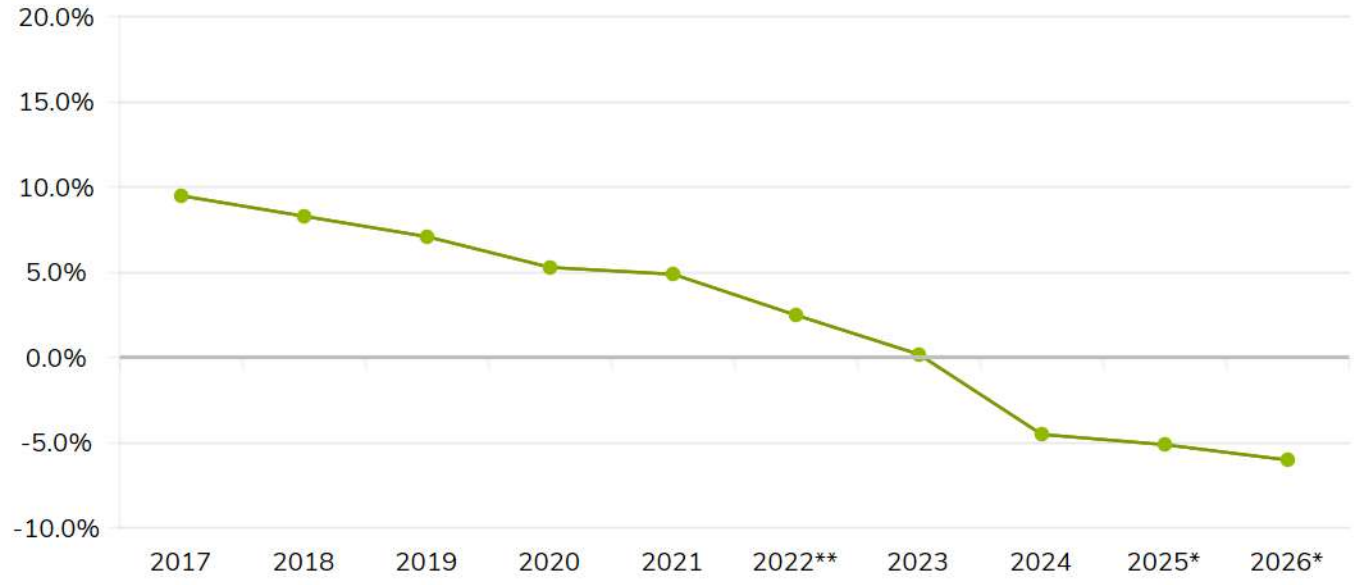
The accumulated surplus measures the sum of all current and prior years' operating results and remeasurement gains and (losses). Gross Domestic Product (GDP) is a measure of the value of the goods and services produced during a year and is a commonly used measure of the size of the Yukon's economy. The trend of this ratio provides an indication of whether the accumulated surplus is growing faster or slower than the economy.

The ratio has declined from 62.5% in 2017 to 45.8% in 2026, indicating that accumulated surplus has grown more slowly than the Yukon economy over this period, while remaining relatively stable in relation to the Territory's GDP since 2022.

Assessment of Fiscal Health (continued)

Net Financial Assets (Debt) to the Territory's Nominal GDP

This graph compares the Government's net financial assets (debt) to the Yukon's GDP as a percentage.



	2017	2018	2019	2020	2021	2022**	2023	2024	2025*	2026*
Net Financial Assets (Debt) to the Territory's Nominal GDP	9.5 %	8.3 %	7.1 %	5.3 %	4.9 %	2.5 %	0.2 %	(4.5)%	(5.1)%	(6.0)%

* Estimate Nominal GDP: 2025 - $4.632 billion; Forecast Nominal GDP 2026 - $4.984 billion based on 2026-27 Interm Economic Update (October 2026)
** 2022 restated due to adoption of PS 3280

The net financial assets (debt) to GDP ratio measures the size of the government's net asset position relative to the size of the economy and is a commonly used basis for comparison between different jurisdictions of different sizes.

The downward trend partly stems from increased demand for government services and greater investment in tangible capital assets (non-financial assets). Most jurisdictions in Canada have traditionally had a negative ratio as shown in the table below. Starting in 2024, the Yukon's ratio also became negative. A negative ratio indicates that a portion of future government accumulation of financial assets will be required to fund past expenditures such as infrastructure development.

Assessment of Fiscal Health (continued)

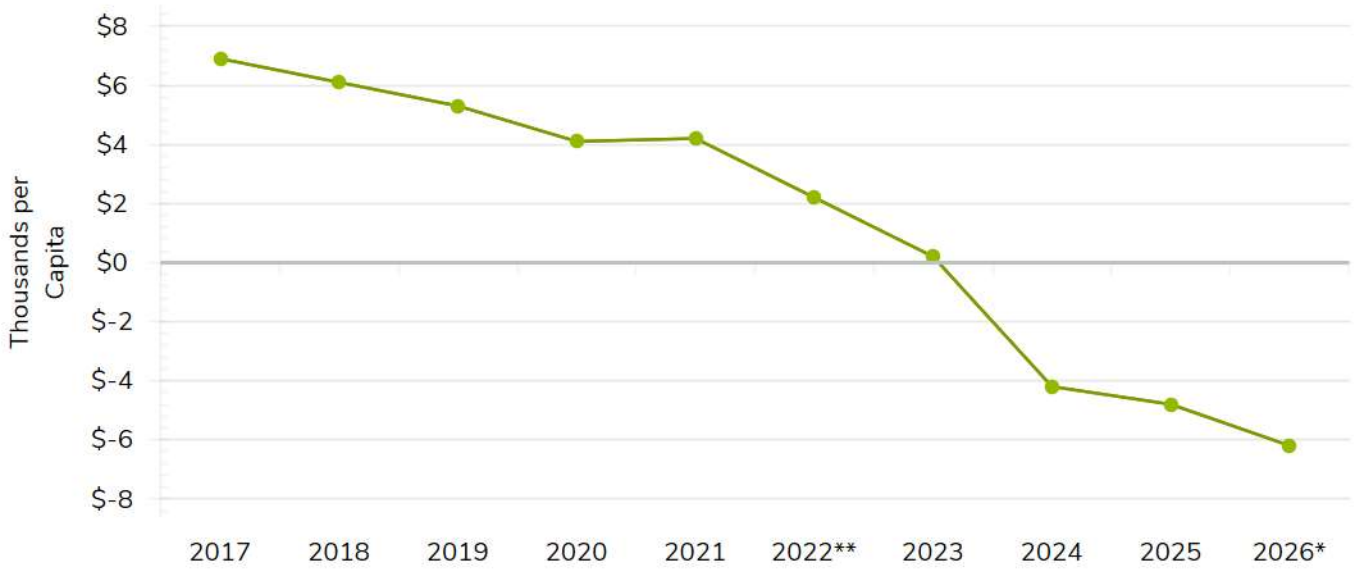
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026*
Yukon	**9.5%**	**8.3%**	**7.1%**	**5.3%**	**5.0%**	**2.6%**	**0.3%**	**-4.5%**	**-4.9%**	**-6.0%**
British Columbia	-25.1%	-23.2%	-22.3%	-23.6%	-29.5%	-26.0%	-23.0%	-26.3%	-31.4%	-34.6%
Alberta	-2.7%	-5.6%	-7.8%	-13.3%	-20.3%	-12.7%	-9.9%	-9.4%	-7.2%	-
Saskatchewan	-13.5%	-14.1%	-14.1%	-14.5%	-17.6%	-17.5%	-12.5%	-12.7%	-13.8%	-14.6%
Manitoba	-34.6%	-34.4%	-34.5%	-33.7%	-38.0%	-36.6%	-34.9%	-35.2%	-36.6%	-36.4%
Ontario	-39.7%	-39.3%	-39.4%	-39.5%	-42.6%	-39.5%	-37.5%	-36.0%	-35.7%	-36.5%
Quebec	-48.9%	-45.9%	-42.9%	-40.9%	-43.1%	-38.8%	-37.5%	-37.8%	-38.3%	-38.1%
New Brunswick	-41.2%	-39.7%	-38.4%	-37.4%	-36.8%	-30.7%	-27.4%	-25.4%	-25.4%	-27.8%
Nova Scotia	-36.0%	-34.6%	-33.4%	-32.5%	-36.8%	-33.4%	-31.6%	-31.6%	-31.9%	-35.0%
Prince Edward Island	-34.1%	-31.4%	-30.4%	-29.6%	-30.8%	-27.4%	-25.7%	-26.1%	-27.8%	-32.3%
Newfoundland and Labrador	-43.1%	-43.6%	-44.5%	-40.3%	-49.8%	-43.7%	-40.0%	-45.3%	-44.3%	-
Northwest Territories	-16.1%	-16.5%	-19.7%	-25.5%	-22.6%	-20.7%	-21.7%	-23.6%	-35.8%	-
Nunavut	9.8%	9.3%	8.6%	7.6%	9.5%	13.7%	12.9%	13.4%	8.8%	-

Sources: Jurisdictions Public Accounts; Statistics Canada Table 36-10-0222-01; Fiscal Reference Tables November 2025 - Canada.ca
*Updated information for several provinces and territories was not available at the time of publication.

Assessment of Fiscal Health (continued)

Net Financial Assets (Debt) per Capita

Net financial assets (debt) per capita represents the net financial assets (debt) applicable to each Yukon resident.



(in thousands)	2017	2018	2019	2020	2021	2022**	2023	2024	2025	2026*
Net Financial Assets (Debt) per Capita	$ 6.9	$ 6.1	$ 5.3	$ 4.1	$ 4.2	$ 2.2	$ 0.2	$ (4.2)	$ (4.8)	$ (6.2)

* Forecast 2026 population - 48,200
** 2022 restated due to adoption of PS 3280

The downward trend indicates that the Government's net financial assets (debt) per capita is decreasing as the population continues to grow (refer to "Population and Unemployment Rate" chart).

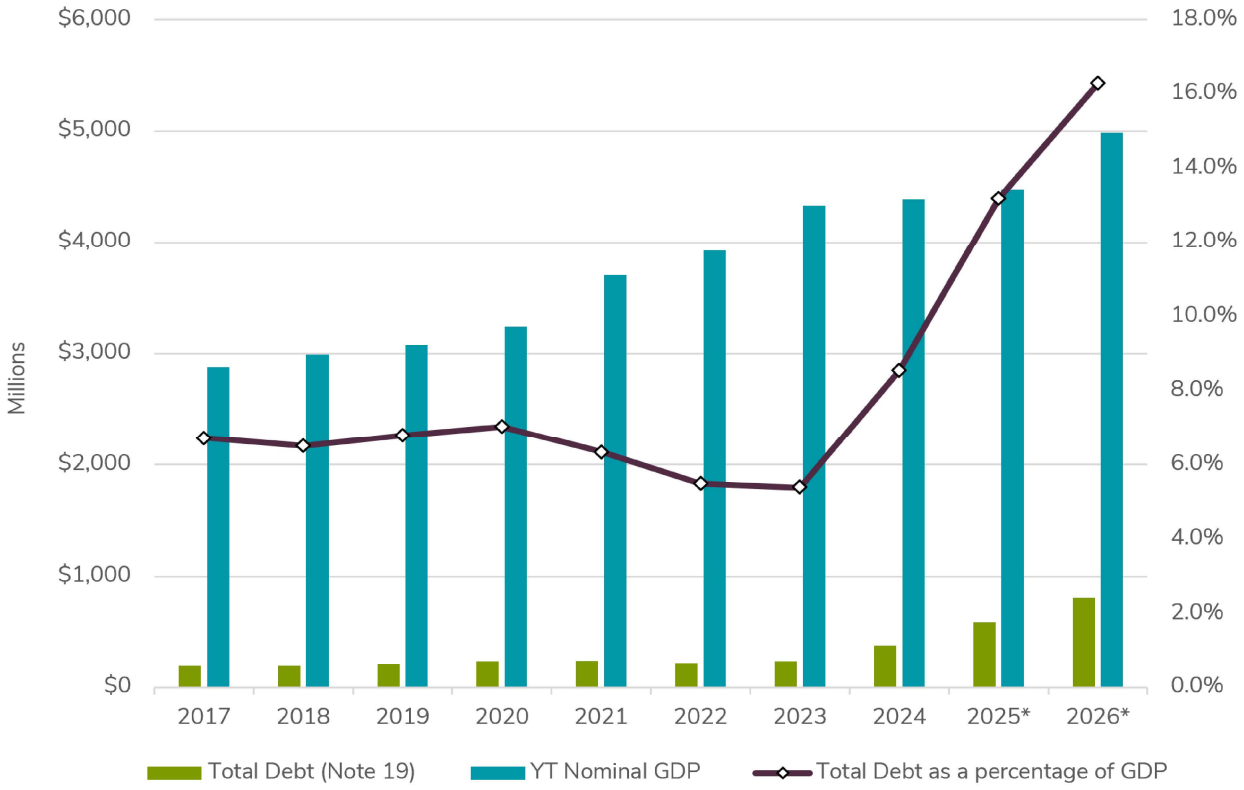
The net financial assets (debt) per capita declined from $6,900 in 2017 to $200 in 2023 and became negative in 2024, indicating that the Government moved from a net financial asset position to a net debt position. The trend has remained negative over the last three years, at $(4,200) in 2024, $(4,800) in 2025 and $(6,200) in 2026.

Assessment of Fiscal Health (continued)

Total Debt as a percentage of Nominal GDP

The Government's Total Debt[1] to GDP ratio shows the relationship between the amount of money the Government has borrowed and the performance of the economy. The borrowing limit, as outlined in Note 19 to the Consolidated Financial Statements, and as defined under the Yukon Borrowing Limits Regulations, includes debt of all entities of the Government. If the ratio is declining, growth in the economy is exceeding increase in Total Debt, resulting in improved sustainability. Equally, an increasing Total Debt to GDP ratio indicates that Total Debt is rising faster than growth in the economy which could impact the Yukon's financial sustainability.

[1]Total Debt is defined as value of borrowings under the Yukon Borrowing Limits Regulations



(in millions)	2017	2018	2019	2020	2021	2022	2023	2024	2025*	2026*
Total Debt (Note 19)	$ 194	$ 195	$ 209	$ 228	$ 235	$ 216	$ 233	$ 375	$ 590	$ 811
YT Nominal GDP	$ 2,883	$ 2,993	$ 3,076	$ 3,241	$ 3,704	$ 3,930	$ 4,330	$ 4,390	$ 4,473	$ 4,984
Total Debt as a percentage of GDP	6.7 %	6.5 %	6.8 %	7.0 %	6.3 %	5.5 %	5.4 %	8.5 %	13.2 %	16.3 %

* Estimate Nominal GDP: 2025 - 4.632 billion; Forecast Nominal GDP 2026 - 4.984- billion based on 2026-27 Interim Economic Update (October 2026)

On March 31, 2026, as per Note 19 to the Consolidated Financial Statements, the Government has total debt of

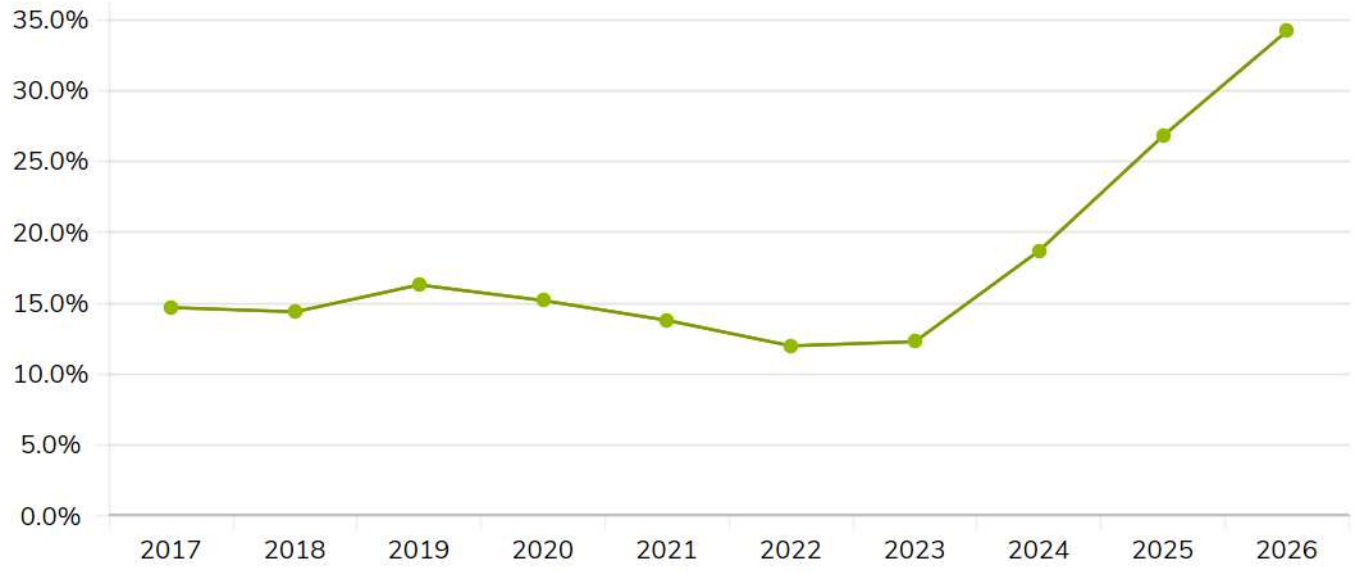
Assessment of Fiscal Health (continued)

$810.6 million (2025 - $589.7 million) which is 67.6% (2025 - 49.1%) of the $1.2 billion borrowing limit allowed.

Between 2017 and 2021, the Government maintained a Total Debt to GDP ratio of 6.3% to 7.0% which then averaged to 5.4% in 2022 and 2023 and increased to 8.5% and 13.2% in 2024 and 2025 respectively. In 2026, nominal GDP is forecasted to increase moderately compared to previously expected due to lower projected production at the Keno Hill mine. The Government has invested in essential infrastructure which required borrowing. Consequently, the Total Debt to Nominal GDP ratio has risen to 16.3%.

Tax-supported Debt as a percentage of Consolidated Operating Revenue

Tax-supported debt ratio measures the Government's debt and interest burden relative to its available resources. This metric includes short-term and long-term borrowings of the Government, its fully consolidated entities as well as the Yukon Development Corporation.



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Tax-supported Debt	14.7 %	14.4 %	16.3 %	15.2 %	13.8 %	12.0 %	12.3 %	18.7 %	26.8 %	34.2 %

From 2017 to 2023, the Government maintained a relatively stable tax-supported debt ratio, ranging between 12.0% and 16.3%. This reflected moderate borrowing levels, and steady economic growth. From 2024 to 2026, the ratio increased significantly from 18.7% to 34.2% respectively. This is primarily due to higher borrowing to fund major infrastructure projects and investments in public facilities.

Despite this increase, the territory's debt burden remains manageable and low compared to most Canadian jurisdictions. In response to growing borrowing needs of the territory, the Government implemented a new Debt Management Policy that establishes thresholds for borrowing affordability, borrowing capacity utilization and available liquidity, along with key performance indicators to monitor debt sustainability and support the ongoing management of debt-related risks.

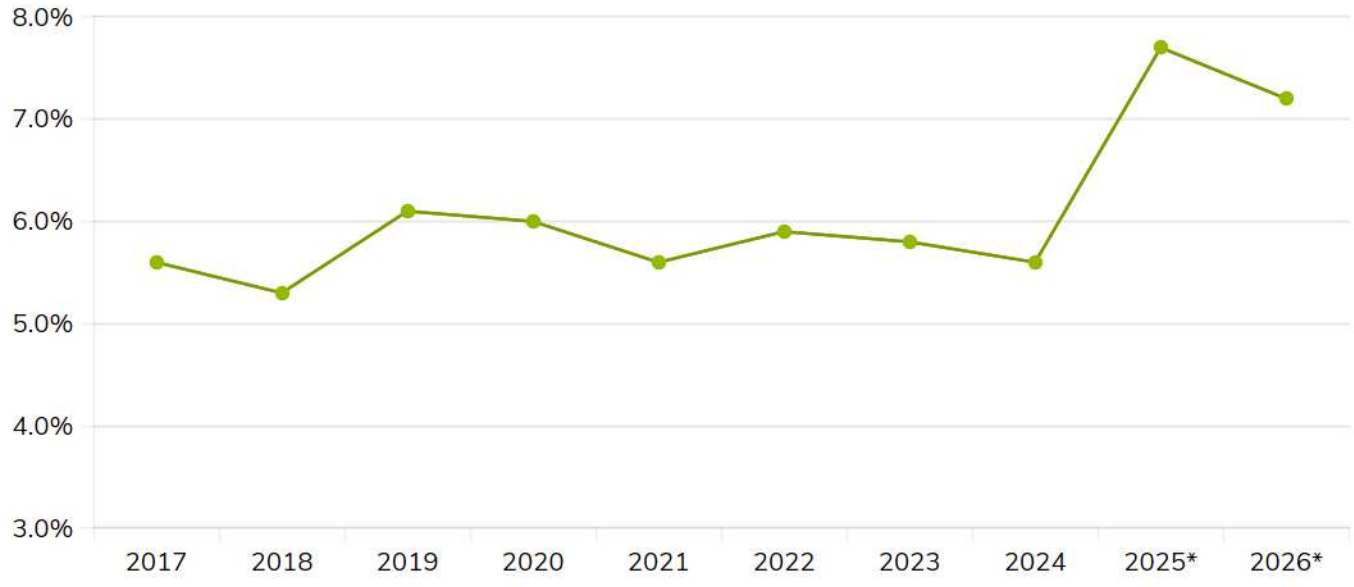
Assessment of Fiscal Health (continued)

Flexibility

Flexibility is a measure indicating the room that the Government has to maintain its services by increasing its demands on the economy through changes to fees or taxes.

Own-Source Revenue to the Territory's Nominal GDP

In this graph, own-source revenue refers to the Government's taxes and general revenue and is presented as a percentage of Yukon's GDP.



	2017	2018	2019	2020	2021	2022	2023	2024	2025*	2026*
Own-Source Revenue to the Territory's Nominal GDP	5.6 %	5.3 %	6.1 %	6.0 %	5.6 %	5.9 %	5.8 %	5.6 %	7.7 %	7.2 %

* Estimate Nominal GDP: 2025 - $4.632 billion; Forecast Nominal GDP 2026 - $4.984 billion based on 2026-27 Interm Economic Update (October 2026)

This ratio indicates the extent to which the Government draws economic resources from the territory through taxation and user fees. The ratio remained relatively stable between 2021 to 2024 ranging from 5.6% to 5.9%, before increasing from 5.6% in 2024 to 7.7% in 2025 and went down to 7.2% in 2026. This suggests that the Government's reliance on the territory's economy has remained consistent. The ratio also remains low compared with other Canadian jurisdictions, indicating that the Government retains flexibility to increase taxes and other fees if needed, without placing significant strain on the territorial economy.

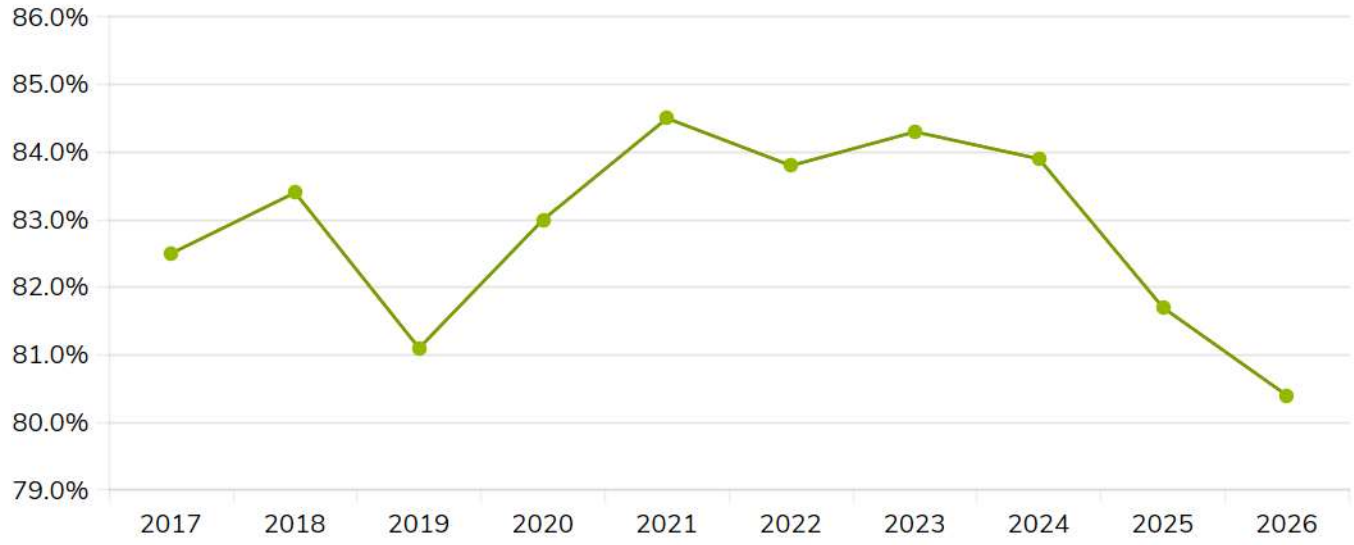
Assessment of Fiscal Health (continued)

Vulnerability

Vulnerability is the extent to which the Government is exposed to a risk associated with revenue sources that are outside of its control.

Transfers from the Federal Government to Total Revenue

In this graph, transfers from the Government of Canada include the formula financing grant, other grants such as Canada health, Canada social and cannabis transfers and contributions and service agreements with the Government of Canada.



(in millions)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Transfers from Government of Canada	$ 1,059	$ 1,108	$ 1,136	$ 1,225	$ 1,397	$ 1,481	$ 1,611	$ 1,681	$ 1,821	$ 1,875
Total Revenues	1,284	1,328	1,400	1,476	1,654	1,768	1,910	2,003	2,228	2,330
Transfers from the Federal Government as percentage of Total Revenue	82.5 %	83.4 %	81.1 %	83.0 %	84.5 %	83.8 %	84.3 %	83.9 %	81.7 %	80.4 %

In 2026, the Government received 80.4% of its revenue from the Government of Canada within the range of 80.4% to 84.5% over the past decade. This ratio is consistently high, indicating a reliance on the federal government to finance the Government's activities. While the Government has little control over these transfers, history has shown these transfers to be a relatively stable source of revenue from the Government of Canada.

Indicators of Financial and Economic Conditions

Since 2017, the Department of Finance has produced two publications that discuss the Yukon's recent fiscal and economic performance, as well as expectations for the territory's finances and economy for the medium-term. The Fiscal and Economic Outlook is introduced in the spring during the legislative sitting and an interim update is published in the fall. For the most recent discussion of the Yukon's economy and government finances refer to the 2026-27 Interim Fiscal and Economic Update (https://yukon.ca/sites/default/files/fin-2026-27-interim-fiscal update.pdf).

Credit Ratings - August 2026

Jurisdiction	Ratings Agency[1] Standard & Poor's (S&P)				
	2022	2023	2024	2025	2026*
Yukon	**AA**	**AA**	**AA**	**AA**	**AA**
British Columbia	AA+	AAA(neg)	AA(neg)	A+(neg)	A (neg)
Alberta	A+	A+	AA-	AA-	AA-
Saskatchewan	AA	AA	AA	AA	AA
Manitoba	A+	A+	A+	A+	A+
Ontario	A+	A+(pos)	A+(pos)	AA-	AA-
Quebec	AA-	AA-	AA-	A+	A+
New Brunswick	A+	A+	A+	A+	A+
Nova Scotia	AA-	AA-	AA-	AA-(neg)	A+ (neg)
Prince Edward Island	A	A	A	A	A (neg)
Newfoundland & Labrador	A(neg)	A	A	A	A (neg)
Canada	AAA	AAA	AAA	AAA	AAA

* Ratings reflect the latest credit ratings as per Government of Nova Scotia Public Accounts 2025-26.
[1] S&P assigns letter ratings to borrowers. The major A bracket categories, in descending order of credit quality, are: AAA, AA, A. The "-" and "+" modifiers show relative standing within the major categories with (pos)/(neg) representing a positive/negative outlook or trend. For example AAA exceeds AA and AA exceeds AA-. (Source: Saskatchewan Public Accounts 2025-26)

On September 17, 2026, S&P Global Ratings affirmed its 'AA' long-term issuer credit rating for the Yukon, with a stable outlook. The rating agency noted that although the territory will continue making substantial capital investments, some of which will be debt-financed, its debt burden will remain very manageable relative to operating revenues and low compared to provincial peers. S&P highlighted that Yukon's cost control efforts are expected to gradually improve budgetary performance, while its extremely predictable and supportive institutional framework and strong federal support continue to underpin its credit profile and help offset risks associated with its economic concentration in the mining sector.

Indicators of Financial and Economic Conditions

Credit Ratings - September 2026

Jurisdiction	Ratings Agency[1] Moody's				
	2022	2023	2024	2025	2026*
Yukon					**Aa1**
British Columbia	Aaa	Aaa	Aaa (neg)	Aa1 (neg)	Aa2 (neg)
Alberta	Aa3 (pos)	Aa2	Aa2	Aa2	Aa2
Saskatchewan	Aa1	Aa1	Aa1	Aa1	Aa1
Manitoba	Aa2	Aa2	Aa2	Aa2	Aa2
Ontario	Aa3	Aa3 (pos)	Aa3 (pos)	Aa3	Aa3
Quebec	Aa2	Aa2	Aa2	Aa2	Aa2
New Brunswick	Aa2 (pos)	Aa2	Aa1	Aa1	Aa1 (neg)
Nova Scotia	Aa2	Aa2	Aa2	Aa2	Aa2
Prince Edward Island	Aa2	Aa2	Aa2	Aa2	Aa2 (neg)
Newfoundland & Labrador	A1	A1	A1	A1	A1 (neg)
Canada	Aaa	Aaa	Aaa	Aaa	Aaa

* Ratings reflect the latest credit ratings as per Government of Nova Scotia Public Accounts 2025-26.
[1] Moody's assigns alpha-numeric ratings to borrowers. The major A bracket categories, in descending order of credit quality, are: Aaa, Aa, A. Numeric modifiers '1', '2' and '3' indicate relative standing within a rating category, with 1 denoting the higher end and 3 the lower end. Ratings may also carry positive, negative, or stable outlooks (Source: Saskatchewan Public Accounts 2025-26).

On September 17, 2026, Moody's Ratings assigned an inaugural 'Aa1' long-term credit rating to the Yukon, with a stable outlook. The rating agency noted that the rating reflects the Yukon's strong relationship with the federal government, transparent institutional framework and clearly defined responsibilities, as well as its budgeting and financial management. Moody's expects the Yukon to maintain its debt burden relative to revenue, remain within its territorial borrowing limit and achieve positive operating margins over the next two to three years.

Indicators of Financial and Economic Conditions

Canadian Jurisdictional Comparison of Net Financial Assets (Debt) to Gross Domestic Product (GDP)

The bar graph below shows a Canadian jurisdictional comparison of net financial assets (debt) to GDP ratio. A positive ratio indicates net financial resources available to finance future operations and obligations. A negative ratio indicates that the government must rely on future revenues to discharge existing liabilities.

Federal / Provincial / Territorial Governments Net Financial Assets (Debt) to GDP Ratio for Calendar Year 2025



Source: Statistics Canada. Table 36-10-0222-01 Gross domestic product, expenditure-based, provincial and territorial, annual (x 1,000,000) https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610022201

*Updated information was not available at time of publication; therefore, 2024 data for GDP and 2025 data for net financial assets (debt) were used.

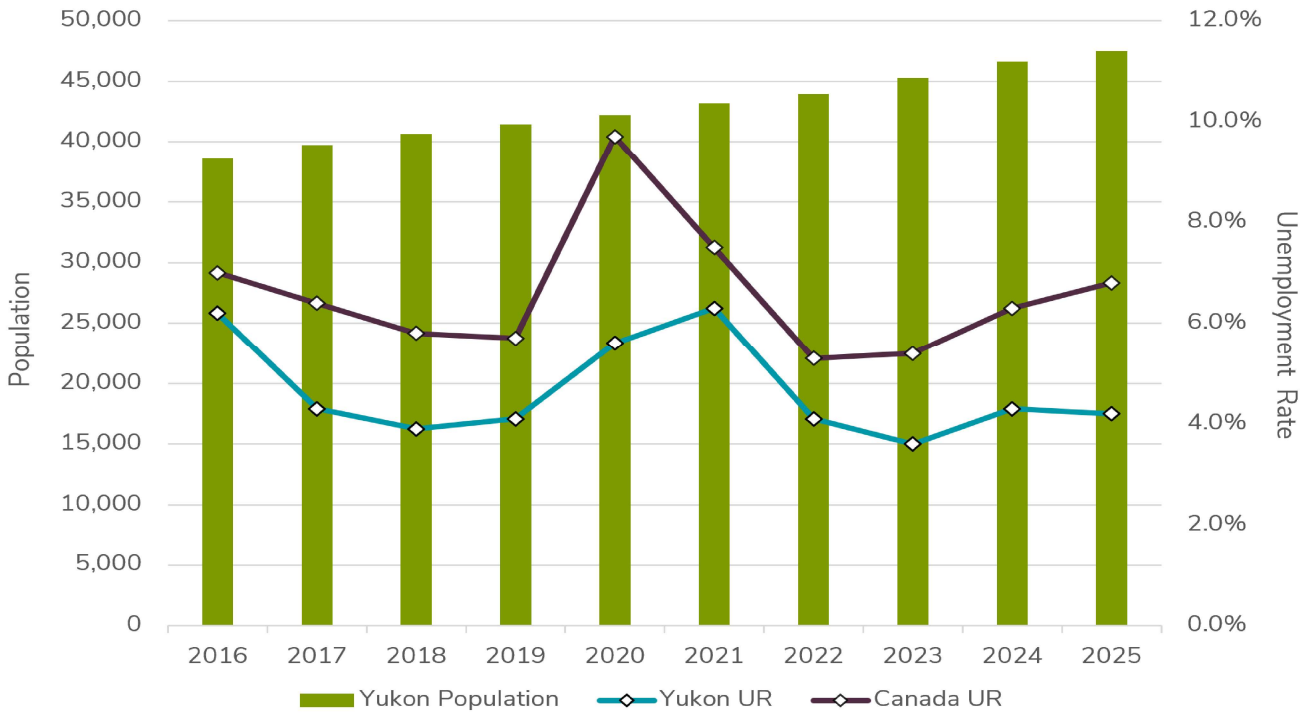
Indicators of Financial and Economic Conditions

Population and Unemployment Rate (Calendar Year)

In 2025, the Yukon's total population reached 47,505 and is forecast to reach 50,500 by 2029.

Yukon's unemployment rate (UR) averaged 4.2% in 2025 which was below the national average of 6.8%. As noted in the chart below, since 2016, Yukon's unemployment rate has consistently been below the Canadian average.

Population and Unemployment Rate



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Yukon Population	38,900	39,968	40,717	41,675	42,508	43,479	44,522	45,169	46,640	47,505
Yukon UR	6.2 %	4.3 %	3.9 %	4.1 %	5.6 %	6.3 %	4.5 %	3.6 %	4.3 %	4.2 %
Canada UR	7.1 %	7.4 %	5.8 %	5.7 %	9.7 %	7.5 %	5.3 %	5.4 %	6.3 %	6.8 %

Source: Statistics Canada, 2026-27 Fiscal and Economic Outlook (October 2026)

Details

Surplus / (deficit) for the year

The Government's annual surplus or deficit resulting from its operations is dependent on various factors. Two of the most significant factors are:

- total revenues, of which the formula financing grant from the Government of Canada makes up the largest share; and
- direct Government spending and operating transfers to individuals and other public organizations, such as municipalities.

The surplus of $75.1 million for the year was a decrease of $99.9 million from the previous year's surplus of $175.0 million, and it was $57.6 million lower than the budgeted surplus of $132.7 million. Revenues increased by $101.9 million from the previous year's actual and were $56.6 million higher than budgeted. Expenses (net of recoveries of prior years' expenses) of $2.255 billion for the year were higher than the initially budgeted amount of $2.141 billion.

Major revenue variances between the current and prior year include a $104.0 million (7.7%) increase in the formula financing grants, $36.1 million (703.4%) increase in income from investment in GBEs, $70.4 million (24.2%) increase in taxes and general revenues (excluding the prior year's tobacco settlement) mainly driven by the recognition of $45.0 million surety bond income and $7.5 million (2.3%) increase in the contribution and service agreements from Government of Canada. These were offset by the $57.8 million (39.7%) decrease in other grants from Government of Canada, $54.0 million (15.7%) decrease in taxes and general revenues due to the prior year's tobacco settlement, and $4.3 million (6.4%) decrease in the funding and service agreements with other parties.

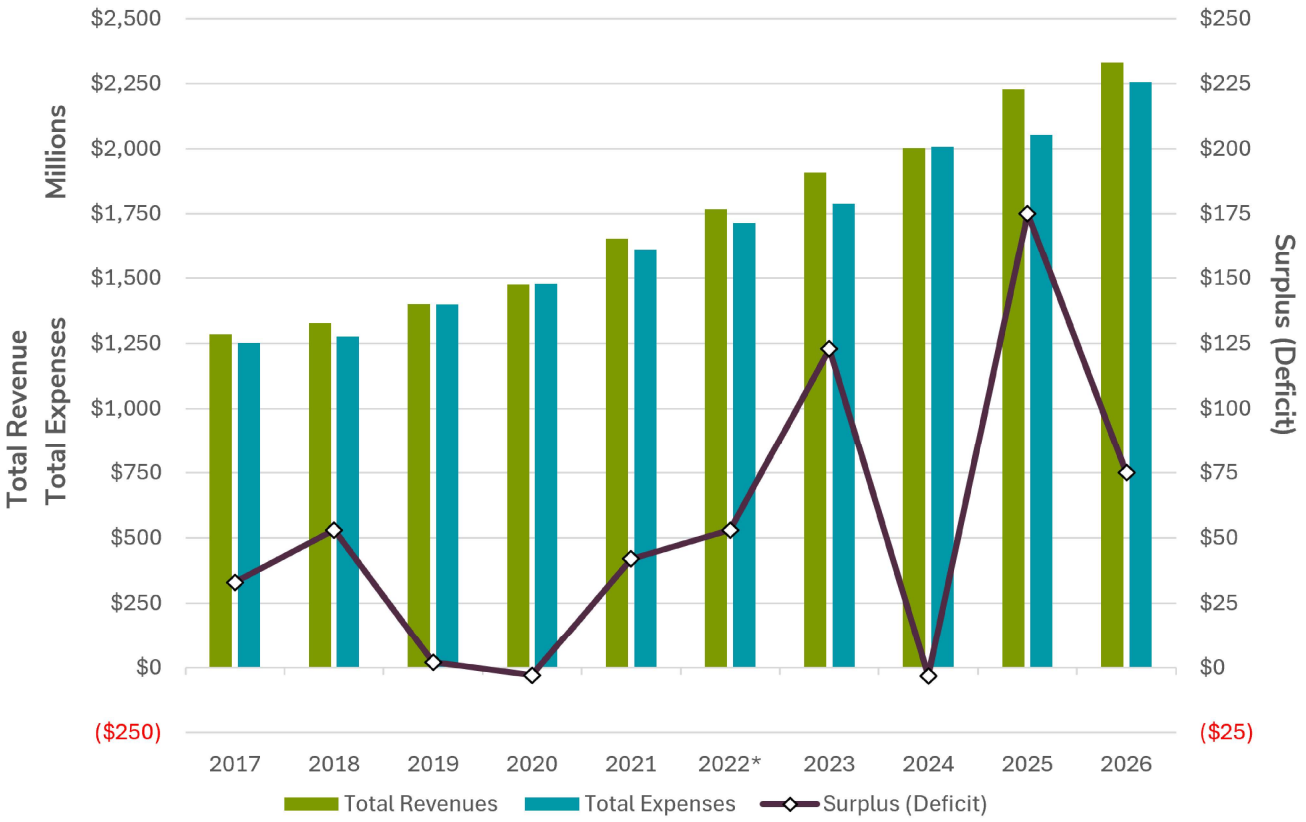
Expenses (net of recovery of prior years' expenses) increased year-over-year by $201.8 million (9.8%) with expenditures for natural resources contributing $138.6 million (95.7%) increase which includes a $116.6 million valuation allowance recorded against the loan receivable related to Victoria Gold Corp., $38.2 million (5.3%) increase in health and social services, $37.9 million (8.5%) increase in community and transportation, $26.3 million (9.7%) increase in education and $4.6 million (418.4%) increase in interest on borrowings. These were offset somewhat by decrease in the expenditures in the following areas: general government $33.6 million (11.8%) decrease, justice $9.1 million (7.1%) decrease and business, tourism and culture contributing 1.1 million (1.9%) decrease compared to prior year.

Details (continued)

Surplus / (deficit) for the year (continued)

The chart below illustrates the trend between revenues and expenses over the last decade.

Revenues and Expenses



* 2022 restated due to adoption of PS 3280

(in millions)	2017	2018	2019	2020	2021	2022*	2023	2024	2025	2026
Revenues	$ 1,284	$ 1,328	$ 1,400	$ 1,476	$ 1,654	$ 1,768	$ 1,910	$ 2,003	$ 2,228	$ 2,330
Expenses	1,251	1,275	1,398	1,479	1,612	1,715	1,787	2,007	2,053	2,255
Surplus (deficit)	$ 33	$ 53	$ 2	$ (3)	$ 42	$ 53	$ 123	$ (3)	$ 175	$ 75

Details (continued)

Carbon Price Rebate Program

The Parliament of Canada passed the *Greenhouse Gas Pollution Pricing Act* (Canada) in 2018 which provided the Minister of National Revenue with the discretion to transfer collected fuel charge proceeds to the jurisdiction of origin by way of transfers to either the province/territory and/or prescribed persons directly. The Yukon Legislature passed the *Yukon Government Carbon Price Rebate Implementation Act* (Yukon) to ensure all amounts received from the Government of Canada would be rebated on a revenue-neutral basis with no funds being retained by the Government of Yukon.

The *Yukon Government Carbon Price Rebate Act* (Yukon) created a restricted fund called the Carbon Price Rebate Revolving Fund. The purposes of the restricted fund are the payment or crediting, on a revenue neutral basis and in accordance with this Act and the *Income Tax Act*, of amounts, on account of certain amounts that the Government receives from the Government of Canada under the federal Act. During 2020, the first amounts were received from the Government of Canada and rebates began to be distributed. There are five main eligible groups: businesses; individuals; municipal governments; Yukon First Nation governments; and, as of January 2023, mining businesses.

On April 1, 2025, the federal government discontinued the consumer carbon pricing system, ending the flow of consumer carbon pricing revenues to the Yukon. As a result, the Yukon's carbon rebate program is being phased out over several years. Final rebate payments were made to Yukon First Nations governments on March 31, 2025 and were included in the 2025 Public Accounts. Final rebate payments to municipalities and individuals were made on April 1 and April 4, 2025, respectively, and are included in the 2026 Public Accounts. Remaining Yukon businesses and mining businesses rebate payments are being processed through tax filings for tax years ending on or before March 31, 2025, and are reflected in the 2026 Public Accounts. Outstanding claims for the individual, business and mining rebates may be reflected in subsequent years' Public Accounts.

The $0.6 million adjustment represents proceeds over collected by Canada due to assessments and reassessments for the period ending March 31, 2025.

An estimated $11.0 million deficit in the Carbon Rebate Revolving Fund has arisen from the federal government’s termination of the consumer carbon levy effective April 1, 2025, which eliminated future fuel charge revenues, while rebate obligations continued to arise through the tax system.

The following is a summary of each year's activity and the status of the revolving fund as of March 31, 2026.

Details (continued)

Carbon Price Rebate Program (continued)

The following is a summary of each year's activity and the status of the revolving fund as of March 31, 2026.

Revolving Fund Balance

(thousands of dollars)	Cumulative to March 31, 2026		2026	2025	2024	2023	2022	2021	2020
Opening Liability	$ -		$ 28,489	$ 16,142	$ 24,945	$ 18,885	$ 6,919	$ 2,783	$ -
Due from Canada									
Unallocated revenue (to)/from Canada	(630)		(18,266)	17,636	-	-	-	-	-
Carbon amounts received from the Government of Canada									
Business Allocation	58,783		355	15,806	11,035	11,687	11,470	6,210	2,220
Mining Business Allocation	9,070		-	4,645	3,678	747	-	-	-
Individuals Allocation	58,291		-	15,549	13,794	11,389	10,121	5,479	1,959
Municipal Governments Allocation	4,389		-	1,355	1,073	790	675	365	131
First Nations Governments Allocation	3,513		-	1,355	1,073	695	224	122	44
	134,046		355	38,710	30,653	25,308	22,490	12,176	4,354
Total revenues	133,416		(17,911)	56,346	30,653	25,308	22,490	12,176	4,354
Rebate distributed to eligible groups									
Business	65,172		9,358	21,451	23,294	6,968	3,003	980	118
Mining Business Allocation	12,664		6,531	6,133	-	-	-	-	-
Individuals	57,559		4,293	13,581	14,042	10,742	6,791	6,628	1,482
Remote Supplement	1,180		21	421	249	207	152	130	-
Accrued due to timing cutoff	(49)		32	(15)	8	(39)	(11)	49	(73)
Individuals	58,690		4,346	13,987	14,299	10,910	6,932	6,807	1,409
Municipal Governments	4,389		1,355	1,073	790	675	365	131	-
First Nation Governments	3,513		-	1,355	1,073	695	224	122	44
Total rebate distributed	144,428		21,590	43,999	39,456	19,248	10,524	8,040	1,571
Closing Liability	(11,012)		(11,012)	28,489	16,142	24,945	18,885	6,919	2,783
Liability by eligible group									
Business Allocation	(6,389)	*	(9,003)	(5,645)	(12,259)	4,719	8,467	5,230	2,102
Mining Business Allocation	(3,594)	**	(6,531)	(1,488)	3,678	747	-	-	-
Individuals Allocation	(399)		(4,346)	1,562	(505)	479	3,189	(1,328)	550
Municipal Governments Allocation	-		(1,355)	282	283	115	310	234	131
First Nations Governments Allocation	-		-	-	-	-	-	-	-
Unallocated liability	(630)		(18,266)	17,636	-	-	-	-	-
Annual Net Activity			$ (39,501)	$ 12,347	$ (8,803)	$ 6,060	$ 11,966	$ 4,136	$ 2,783
Total Liability	$ (11,012)								

* Government estimates $5.3 million of this amount has been claimed but has not been confirmed by the Canada Revenue Agency (CRA).
** Government estimates $1.3 million of this amount has been claimed but has not been confirmed by CRA.

Details (continued)

Revenues

Change from prior year:
In 2026, the Government's total revenues increased compared to the previous year by $101.9 million (4.6%) to $2.330 billion (details provided in Schedule A to the Consolidated Financial Statements).

The Government receives the majority of its revenues from the Government of Canada through the formula financing grant, the Canada Health Transfer and the Canada Social Transfer. In 2026, the Government received $1.454 billion from the formula financing grant, an increase of $104.0 million (7.7%) from the previous year. The Canada Health Transfer was $64.5 million, and the Canada Social Transfer was $20.6 million. These transfers increased from the previous year by a total of $6.3 million (8.0%). The Government recorded $2.0 million for cannabis transfer and $0.4 million of carbon levies.

In addition, the Government receives funding from the Government of Canada for purposes such as health and social programs and education, as well as funding for infrastructure development. These contributions and service agreements from Canada increased from the previous year by $7.5 million (2.3%) from $325.7 million in 2025 to $333.2 million.

Taxes and general revenues include taxes on corporate income, personal income, tobacco, liquor, fuel, insurance premiums and property, as well as licenses and fees such as motor vehicle licenses and business/professional fees. Taxes and general revenues increased from the previous year by $16.4 million (4.8%) to $360.6 million. This was largely due to $45.0 million revenue recognized for the Victoria Gold Corp. surety bond in the current year, partially offset by the $54.0 million tobacco settlement recognized in the prior year. There were also a $14.9 million increase in corporate income taxes and the a $9.0 million increase in investment and interest revenues. The increase in corporate income tax revenue was due to estimated corporate taxable income being higher than forecasted. Corporate taxable income is generally volatile and difficult to predict, as it depends on economic trends, industry performance, corporate profits and when corporations file their taxes.

Funding and service agreements with other parties decreased from the previous year by $4.3 million (6.4%) to $63.6 million.

The income from investment in government business enterprises reported as revenue in the Consolidated Financial Statements represents the surpluses/deficits of government corporations that are categorized as government business enterprises ("GBE"). GBEs include the Yukon Liquor Corporation ("YLC") and the Yukon Development Corporation ("YDC"), which includes the Yukon Energy Corporation in its results. Income from YLC was $6.4 million while YDC was $24.6 million.

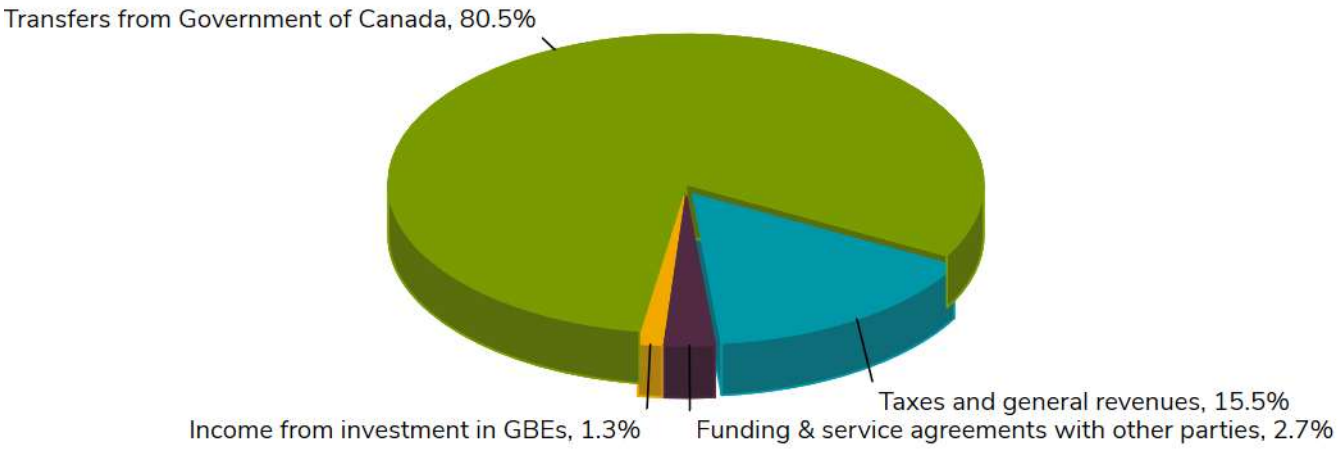
Change from budget:
Revenues were higher than budgeted by $56.6 million. This was primarily due to higher revenues collected from the taxes and general revenues, increase in revenues from funding and service agreements with other parties and higher than expected income from investment in GBEs.

Details (continued)

Revenues (continued)

In 2026, the composition between different types of revenue remained consistent with previous years.

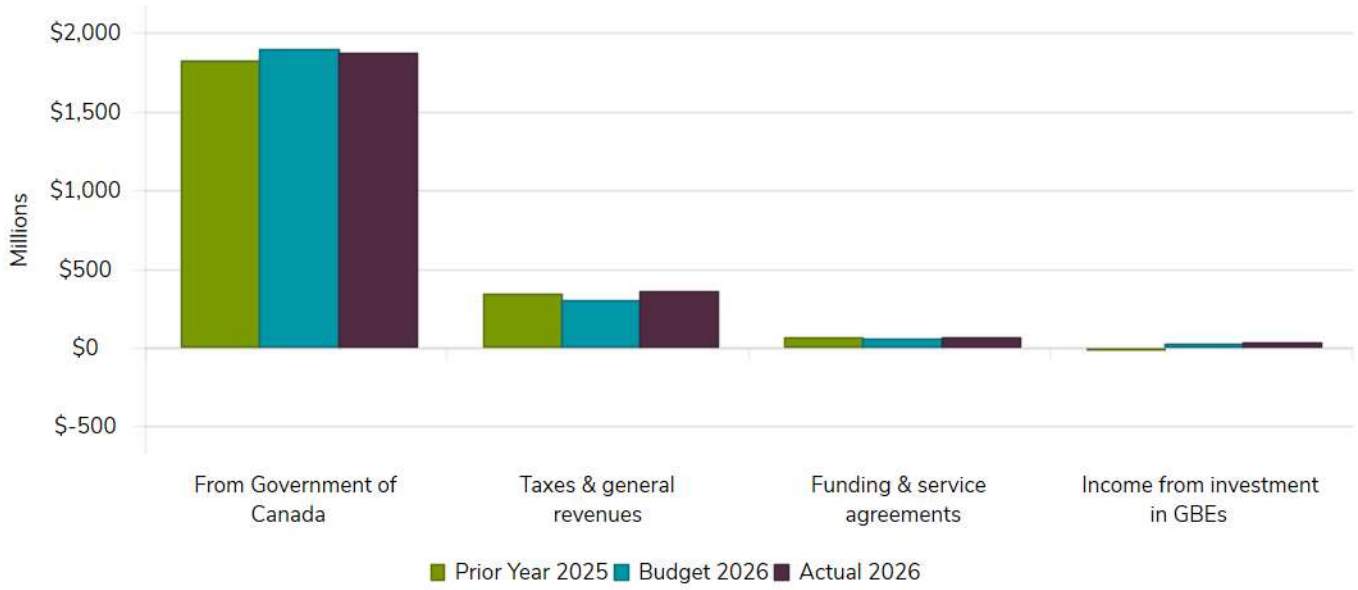
Revenue by source percentages



Details (continued)

Revenues (continued)

Revenue by source - comparison to budget and prior year

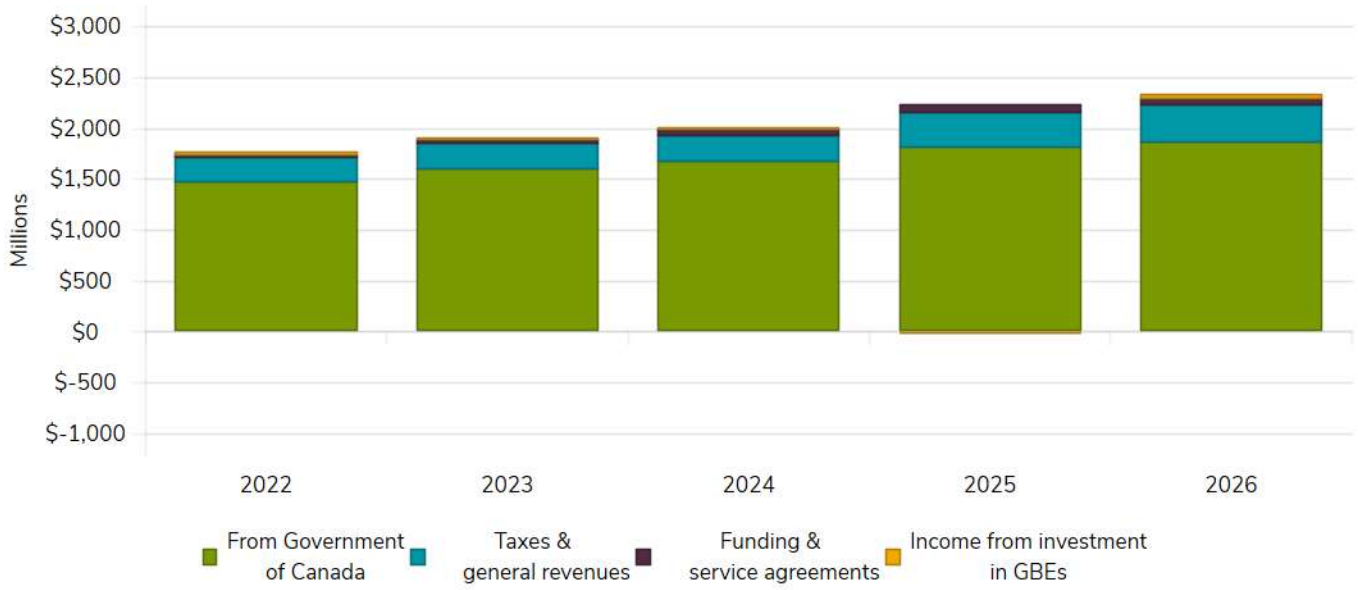


(in millions)	Prior Year 2025	Budget 2026	Actual 2026
Transfers from Government of Canada	$ 1,821	$ 1,894	$ 1,875
Taxes and general revenues	344	298	361
Funding & service agreements with other parties	68	59	63
Income from investment in GBEs	(5)	23	31
	$ 2,228	$ 2,274	$ 2,330

Details (continued)

Revenues (continued)

Revenue by source five-year trend comparison



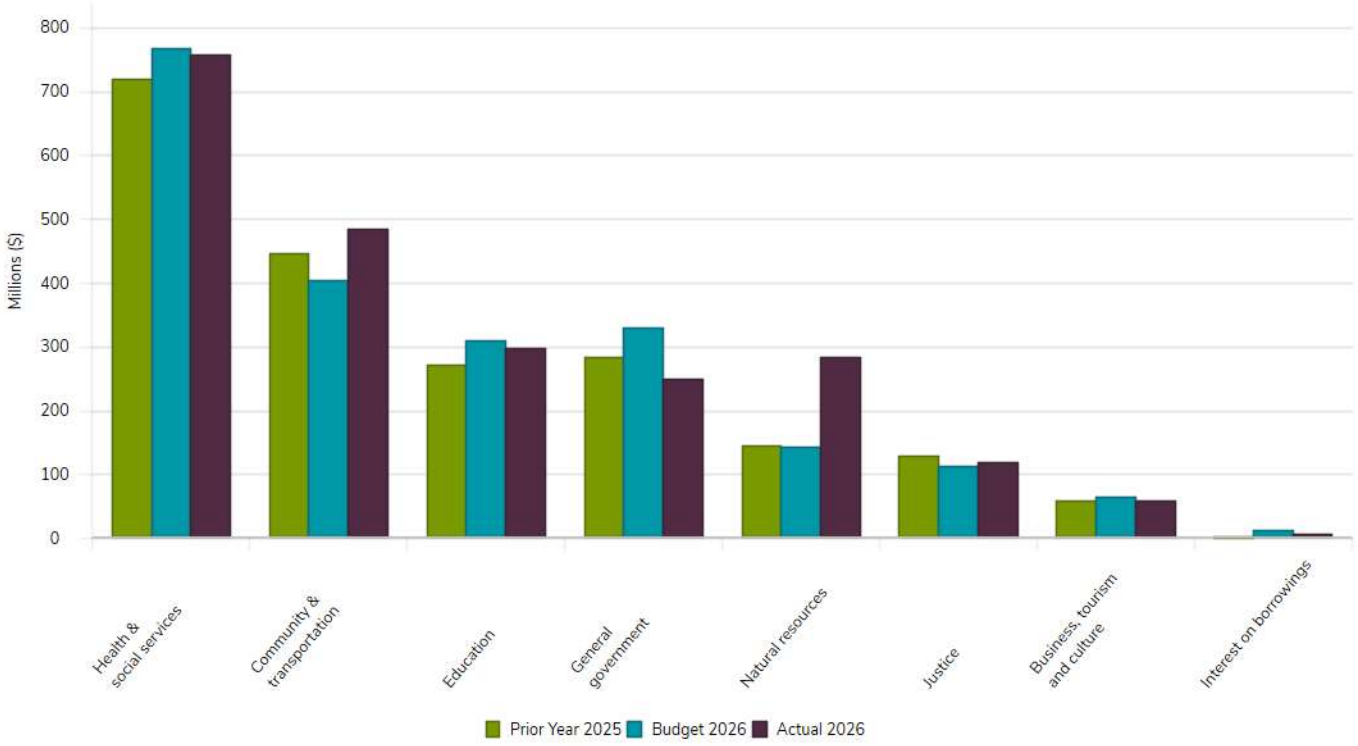
(in millions)	2022	2023	2024	2025	2026
Transfers from Government of Canada	$ 1,481	$ 1,611	$ 1,681	$ 1,821	$ 1,875
Taxes and general revenues	231	249	245	344	361
Funding and service agreements with other parties	31	34	65	68	63
Income (loss) from investment in government business enterprises	24	16	12	(5)	31
	$ 1,767	$ 1,910	$ 2,003	$ 2,228	$ 2,330

Details (continued)

Expenses

In 2026, the Government's expenses (net of recovery of prior years' expenses) increased compared to previous year by $201.8 million (9.8%) to $2.255 billion.

Expenses by function comparison



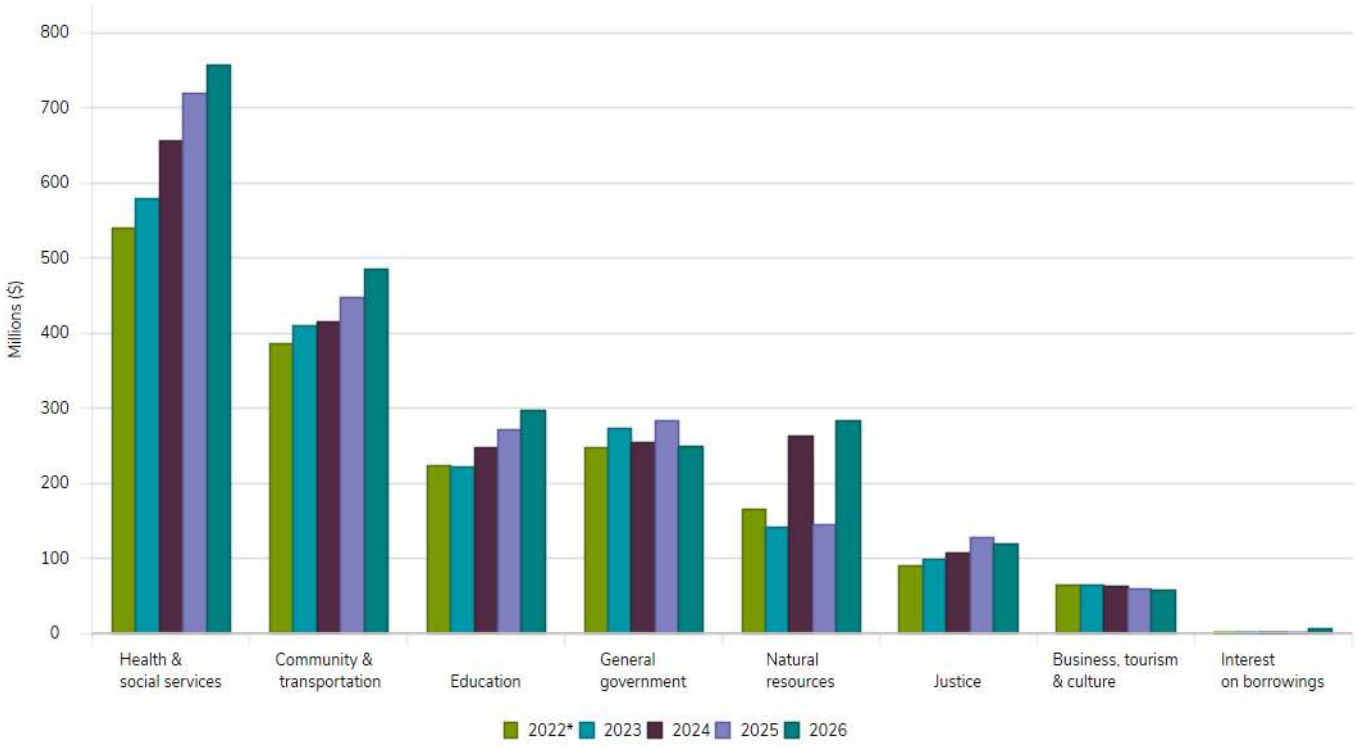
(in millions)	Prior Year 2025	Budget 2026	Actual 2026
Health and social services	$ 719	$ 768	$ 757
Community and transportation	447	403	485
Education	271	309	297
General government	283	330	250
Natural resources	145	143	283
Justice	128	112	119
Business, tourism and culture	59	64	58
Interest on borrowings	1	12	6
	$ 2,053	$ 2,141	$ 2,255

Details (continued)

Expenses (continued)

Five functions had 2026 expenses (net of recoveries of prior years' expenses) that exceeded the previous year's expenses while three functions had reduction in their expenses. The largest increase was in natural resources with an increase of $138.6 million (95.7%) followed by a $38.2 million (5.3%) increase in health and social services, a $37.9 million (8.5%) increase in the community and transportation, and a $26.3 million (9.7%) increase in education. The increase in the interest on borrowings of $4.6 million (418.4%) was mainly due to the interest cost of the bonds issued in 2026. General government decreased by $33.6 million (11.8%), justice decreased by $9.1 million (7.1%) and business, tourism and culture decreased by 1.1 million (1.9%). The interest costs for the corporate line of credit of $1.8 million (2025 - $5.9 million) is not reflected in the interest on borrowings but is included in the general government expenses.

Expenses by function five-year trend comparison



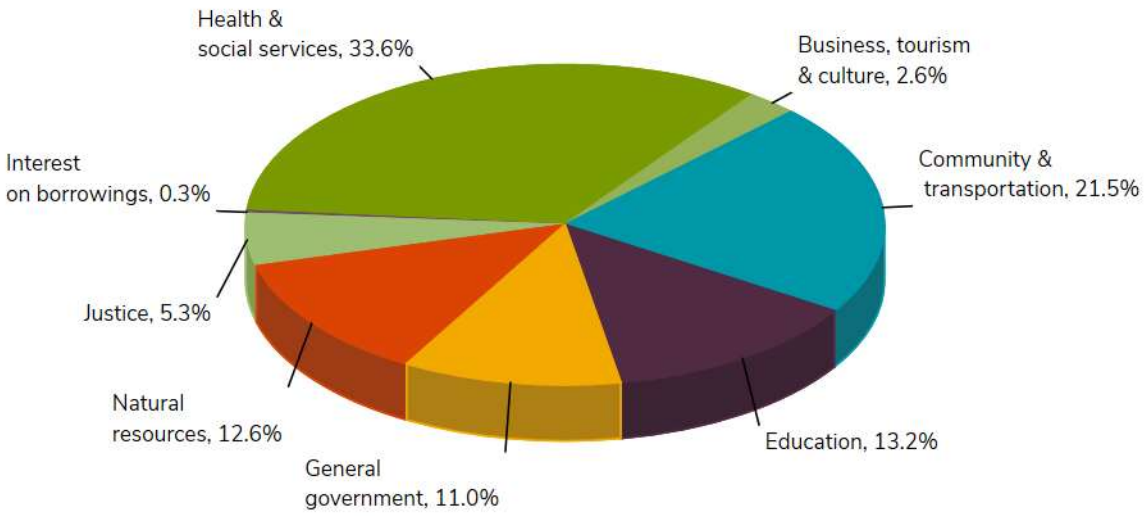
* 2022 restated due to adoption of PS 3280

Details (continued)

Expenses (continued)

(in millions)	2022*	2023	2024	2025	2026
Health and social services	$ 540	$ 579	$ 656	$ 719	$ 757
Community and transportation	386	409	415	447	485
Education	224	221	248	271	297
General government	248	273	255	283	249
Natural resources	165	142	262	145	284
Justice	90	98	107	128	119
Business, tourism and culture	64	64	63	59	58
Interest on borrowings	1	1	1	1	6
	$ 1,718	$ 1,787	$ 2,007	$ 2,053	$ 2,255

Expenses by function percentages

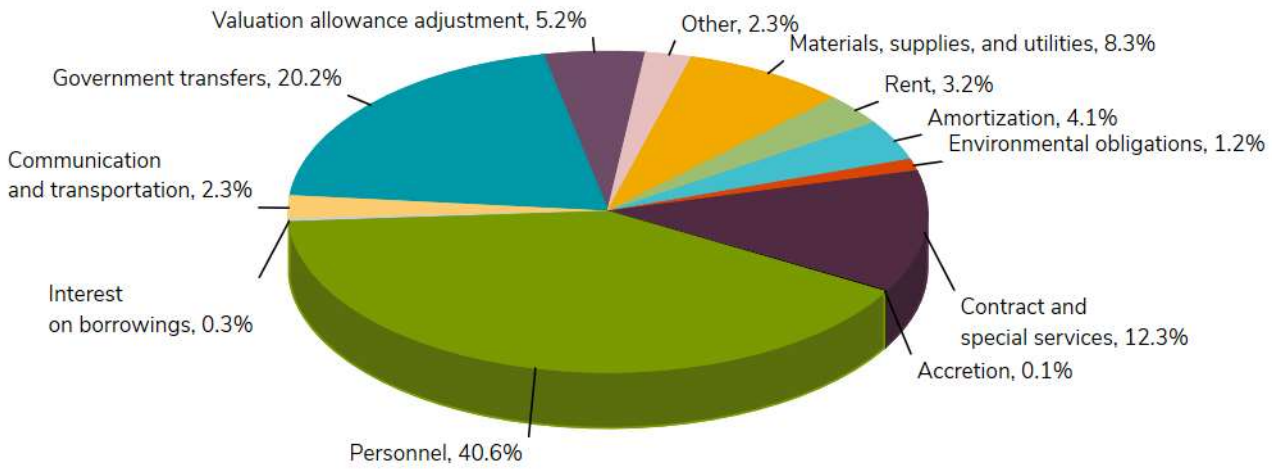


In 2026, the composition of expenses by function remained similar to the previous year. Health and social services and community and transportation continued to represent the largest areas of spending, followed by education, natural resources and general government, while justice and business, tourism and culture accounted for smaller portions of total expenses. Interest on borrowings remained nominal.

Details (continued)

Expenses (continued)

Expenses[1] by object percentages



As for the type of expenses (as detailed in Note 21 to the Consolidated Financial Statements), the largest increases from 2025 were $116.6 million valuation allowance recorded against the loan receivable related to Victoria Gold Corp., followed by $58.2 million (6.8%) for personnel costs, $16.1 million (9.4%) for materials, supplies and utilities and $12.9 million (95.2%) for environmental liabilities. Other increases included $10.0 million (12.2%) for amortization expense, $8.4 million (3.1%) for contracts and special services, $7.3 million (11.3%) for rent, and $4.6 million (418.4%) for interest on borrowings. Other expenses had the largest decrease of $21.1 million (28.2%) followed by a $4.5 million (1.0%) decrease in Government transfers and a $0.6 million (1.1%) decrease in communication and transportation.

[1] Includes recoveries of prior years' expenses

Net Debt and Accumulated Surplus

At March 31, 2026, the Government's liabilities exceeded its financial assets, resulting in net debt of $297.9 million ($227.2 million net debt as at March 31, 2025).

The increase of $70.7 million in Government's net debt is primarily due to a $70.2 million increase in financial assets which is offset by the $140.9 million increase in liabilities.

The largest changes in financial assets were increases of $152.3 million in cash and cash equivalents and $24.9 million from investment in government business enterprises (GBEs). These were offset by decreases of $60.4 million in due from Government of Canada, $ 18.4 million in loan receivable related to Victoria Gold Corp., $15.2 million in accounts receivable, $11.1 million in inventories for resale, $1.7 miilion in other loans receivable and $1.0 million in advances to GBEs.

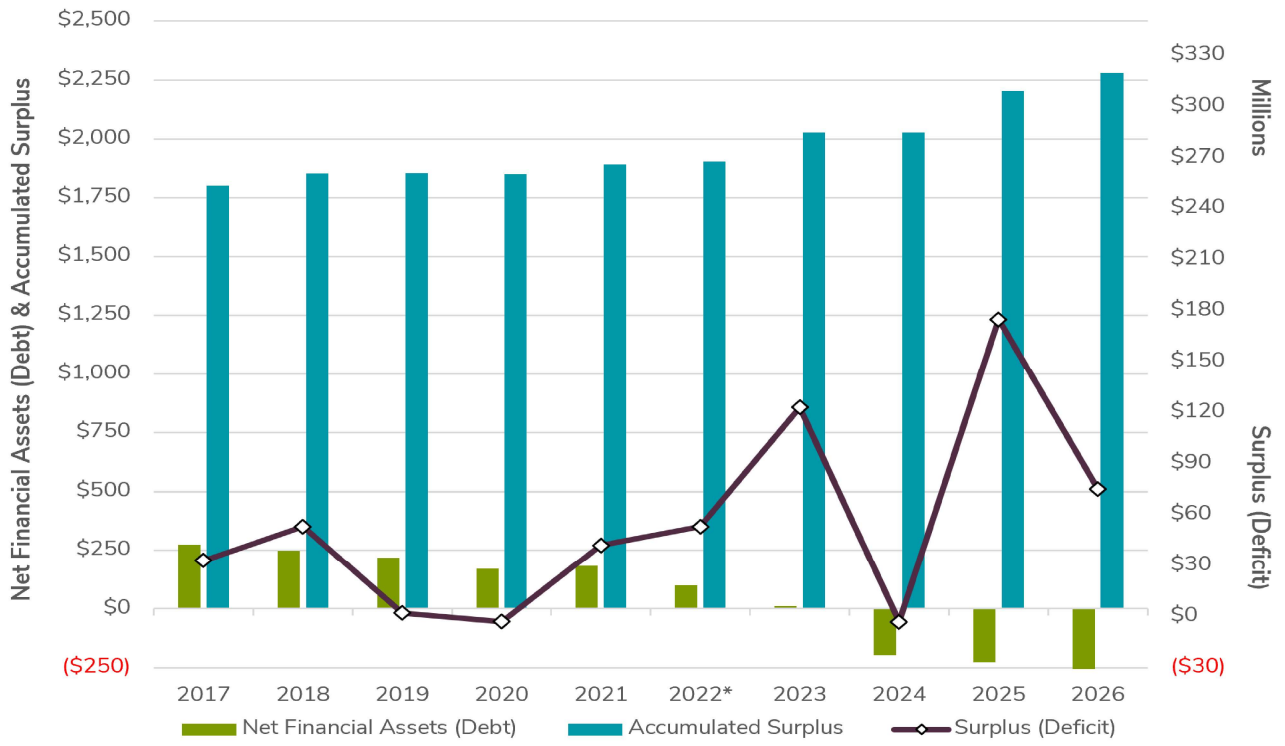
Details (continued)

Net Debt and Accumulated Surplus (continued)

The Government's liabilities increase was largely due to $391.8 million in borrowings, $7.4 million in retirement benefits, $5.0 million in environmental liabilities and $3.8 million surety bond for Victoria Gold Corp., offset by the decreases of $267.4 million in bank advances and short term borrowings, $5.1 million in due to Government of Canada and $3.5 million in unearned revenues.

Accumulated surplus can be calculated as net debt plus non-financial assets such as tangible capital assets. The accumulated surplus of the Government at March 31, 2026 was $2.281 billion ($2.205 billion at March 31, 2025). The $70.7 million increase in net debt and the $147.2 million increase in non-financial assets resulted in the $76.5 million increase in accumulated surplus.

Net Financial Assets (Debt), Accumulated Surplus and Surplus (Deficit)



(in millions)	2017	2018	2019	2020	2021	2022*	2023	2024	2025	2026
Net financial assets (debt)	$ 274	$ 248	$ 218	$ 172	$ 183	$ 99	$ 11	$ (196)	$ (227)	$ (298)
Accumulated surplus	$ 1,801	$ 1,854	$ 1,857	$ 1,853	$ 1,893	$ 1,905	$ 2,029	$ 2,028	$ 2,205	$ 2,281
Surplus (deficit)	$ 33	$ 53	$ 2	$ (3)	$ 42	$ 53	$ 123	$ (3)	$ 175	$ 75

* 2022 restated due to adoption of PS 3280

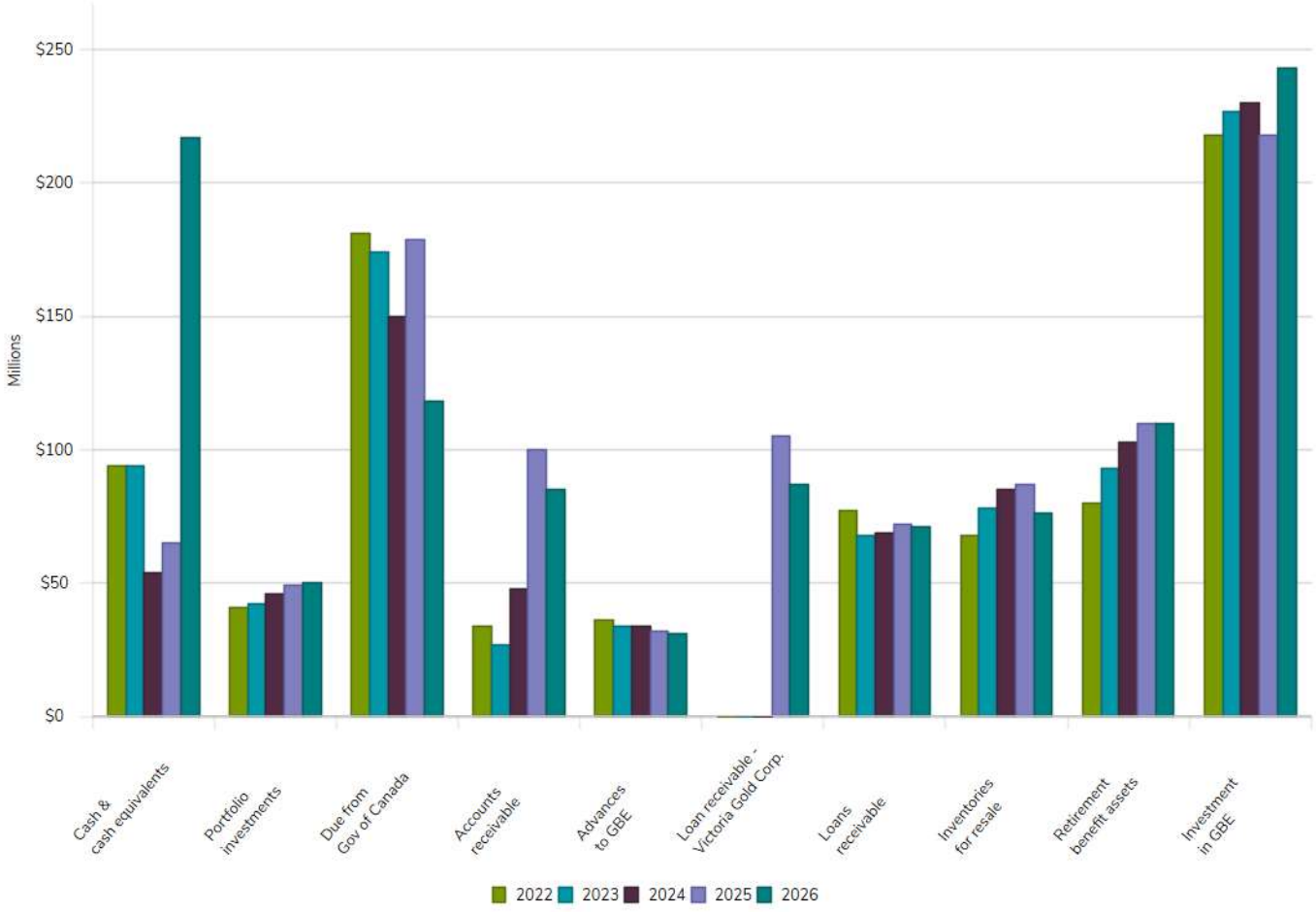
Details (continued)

Financial Assets

Financial assets consist of assets available to discharge existing liabilities or to fund future activities. At March 31, 2026, the value of total financial assets was $1.088 billion, which is an increase of $70.2 million from the previous year. The main increases were $152.3 million in cash and cash equivalents and $24.9 million in investments in government business enterprises. These increases were partially offset by decreases of $60.4 million in amounts due from the Government of Canada, $18.4 million in loan receivable related to Victoria Gold Corp., $15.2 million in accounts receivable, $11.1 million in inventories for resale, $1.7 million in loans receivable and $1.0 million in advances to government business enterprises.

In 2026, cash and cash equivalents accounted for $217.4 million, or 20.0% of the total financial assets compared with 2025 when they accounted for $65.1 million or 6.4%. The increase was driven by the Government's debt issuance.

Financial Assets by type



Details (continued)

Financial Assets (continued)

(in millions)	2022	2023	2024	2025	2026
Cash and cash equivalents	$ 94	$ 94	$ 54	$ 65	$ 217
Portfolio investments	41	42	46	49	50
Due from Government of Canada	181	174	150	179	118
Accounts receivable	34	27	48	100	85
Advances to GBEs	36	34	34	32	31
Loan receivable - Victoria Gold Corp.	-	-	-	105	87
Loans receivable	77	68	69	72	71
Inventories for resale	68	78	85	87	76
Retirement benefit assets	80	93	103	110	110
Investments in government business enterprises	218	227	230	218	243
	$ 829	$ 837	$ 819	$ 1,017	$ 1,088

Major categories of the Government's financial assets are described below.

Cash and cash equivalents

Cash and cash equivalents are bank balances, short-term investments that mature less than 90 days from the date of purchase and cash on hand.

At March 31, 2026, the Government held $217.4 million in cash and cash equivalents, which is an increase of $152.3 million from the previous year.

Due from Government of Canada

At March 31, 2026, the Government had receivables from the Government of Canada in the amount of $118.3 million, most of which were outstanding claims on cost-sharing agreements and projects delivered on behalf of the federal government. This was a decrease of $60.4 million from the prior year.

Accounts receivable

Accounts receivable decreased to $85.1 million at March 31, 2026 from $100.3 million at March 31, 2025. The decrease was mainly due to a valuation allowance adjustment of the accrued interest totalling $18.2 million for the loan receivable-Victoria Gold Corp.

Portfolio investments

Portfolio investments are reported at fair value. Portfolio investments may include GICs, term deposits, floating rate notes and funds that include bonds and equities.

As at March 31, 2026, the Government held $49.8 million in portfolio investments compared to $49.3 million in the previous year.

As of March 31, 2026, $42.9 million of the portfolio investments were specifically designated ($41.9 million at March 31, 2025) in order to meet 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).

Details (continued)

Financial Assets (continued)

Advances to government business enterprises

As of March 31, 2026, the Government has an outstanding balance of $31.2 million ($32.2 million at March 31, 2025) on advances made to the government business enterprises.

Loans receivable

The Government has loans receivable of $70.7 million, of which $23.0 million (32.5%) were Yukon Housing Corporation mortgages receivable, $33.4 million (47.3%) in land sale related loans receivable, and other loans receivable of $14.3 million (20.2%).

At March 31, 2026, the Government had advanced $185.0 million ($105.0 million at March 31, 2025) to the court-appointed receiver of Victoria Gold Corp. to support environmental stabilization and remediation at the Eagle Gold Mine. Following the receiver's $140.0 million sale agreement dated October 20, 2026, the Government recognized a $116.6 million valuation allowance, reducing the estimated recoverable value of the loan to $86.6 million, including the impact of ceasing to accrue interest.

Inventories for resale

Inventories for resale totaled $75.7 million as of March 31, 2026. This was a decrease of $11.1 million (12.8%) from the previous year. The inventories largely consist of lots being developed by the Government for sale to the public. In 2026, $1.1 million ($14.9 million at March 31, 2025) loss was recorded for impairment/write-off of inventories held for resale.

Retirement benefit assets

Retirement benefit assets totaling $110.4 million at March 31, 2026 ($110.2 million at March 31, 2025) are held in relation to the Government's obligations for future pension benefits for employees of Yukon University and Yukon Hospital Corporation and represent the market value of the investments less the liability of the benefits based on an actuarial valuation.

Investments in government business enterprises

Investments in government business enterprises, which are self-sustainable government corporations, represent 100% of the equity of the Yukon Development Corporation (YDC) and the Yukon Liquor Corporation (YLC). YDC had equity of $240.8 million at March 31, 2026 (2025 - $215.7 million), and YLC had equity of $1.9 million at March 31, 2026 (2025 - $2.1 million). The Yukon Energy Corporation, which supplies and sells power in the Yukon, is the wholly owned subsidiary of YDC.

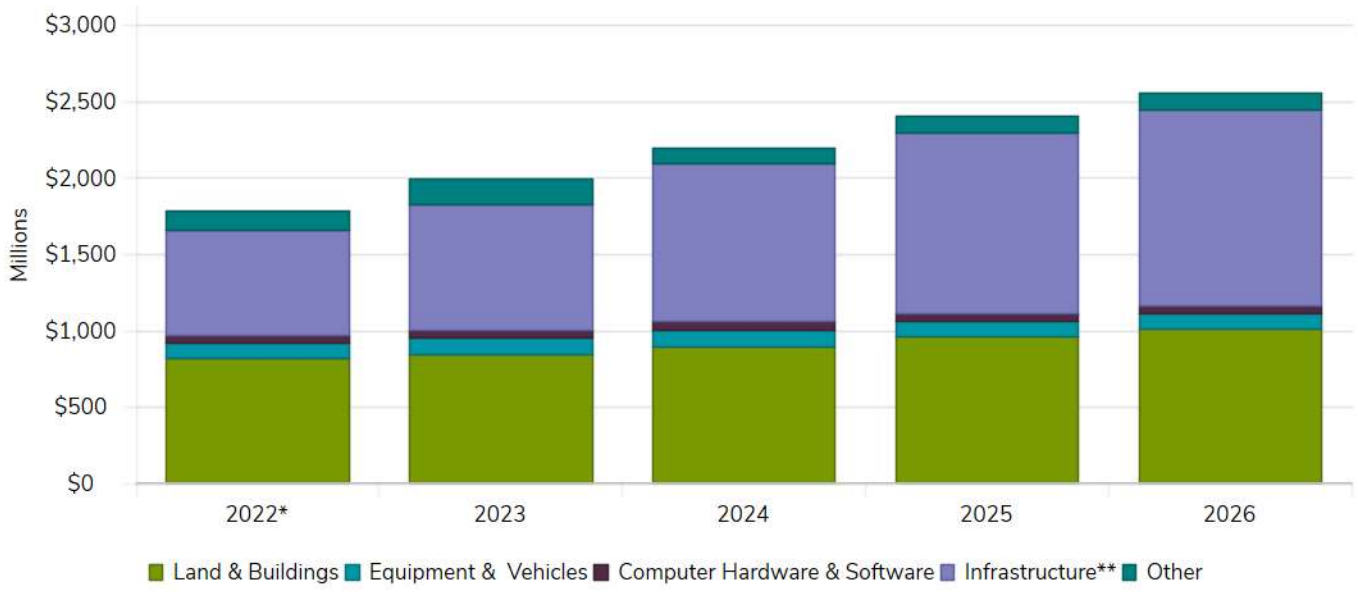
Non-financial Assets

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. Tangible capital assets are the largest category of non-financial assets.

Details (continued)

Non-financial Assets (continued)

Net Book Value of Tangible Capital Assets



(in millions)	2022*	2023	2024	2025	2026
Land & Buildings	$ 817	$ 847	$ 900	$ 959	$ 1,011
Equipment & Vehicles	106	107	109	107	107
Computer Hardware & Software	48	54	52	52	50
Infrastructure**	685	819	1,036	1,180	1,283
Other	131	169	103	109	104
	$ 1,787	$ 1,996	$ 2,200	$ 2,407	$ 2,555

* 2022 restated due to adoption of PS 3280
** Includes infrastructure, land improvements & fixtures and waste & water systems

In 2026, the Government made the following investment in tangible capital assets:

Opening balance at April 1, 2025	$ 2,407	million
Net additions during the year	247	million
Less: Amortization and other adjustments	(99)	million
Ending balance at March 31, 2026	$ 2,555	million

Details (continued)

Non-financial Assets (continued)

The Government's capital investment was largely spent on infrastructure, buildings, equipment and vehicles, and land improvements and fixtures.

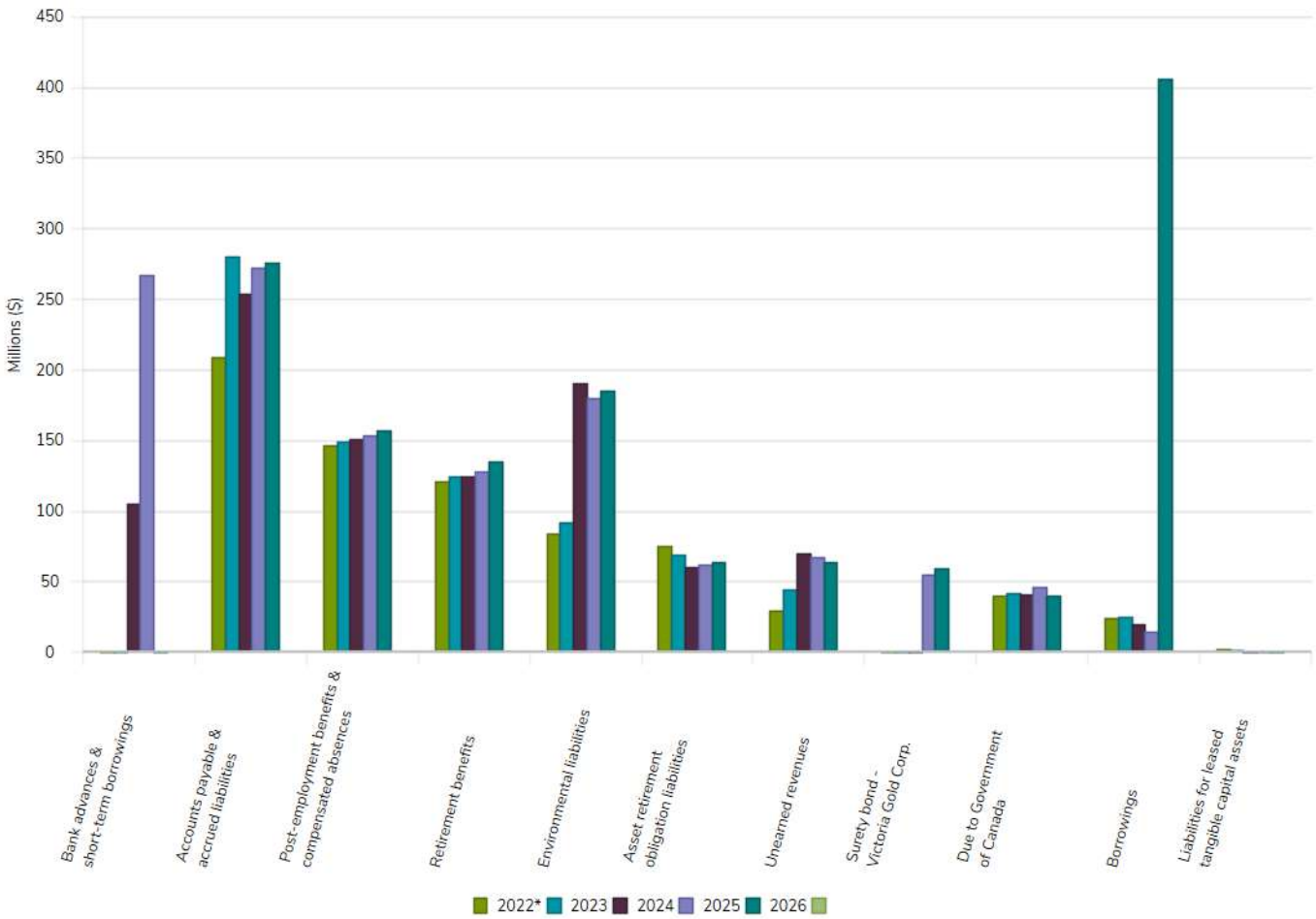
In accordance with the recommendations of the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, the value of transferred Crown land is not reported as a tangible capital asset.

Liabilities

At March 31, 2026, the liabilities of the Government totaled $1.386 billion ($1.245 billion at March 31, 2025), which is equivalent to 127.4% of the financial assets of the Government.

A five-year comparison of the Government's liabilities by category is illustrated below:

Liabilities



(in millions)	2022*	2023	2024	2025	2026
Bank advances and short-term borrowings	$ -	$ -	$ 105	$ 267	$ -
Accounts payable and accrued liabilities	209	280	254	272	276

Details (continued)

Liabilities (continued)

(in millions)	2022*	2023	2024	2025	2026
Post-employment benefits and compensated absences	146	149	151	153	157
Retirement benefits	121	124	124	128	135
Environmental liabilities	84	92	190	180	185
Asset retirement obligation liabilities	75	69	60	62	64
Unearned revenues	29	44	70	67	64
Surety bond - Victoria Gold Corp.	-	-	-	55	59
Due to Government of Canada	40	42	41	46	40
Borrowings	24	25	20	14	406
Liabilities for leased tangible capital assets	2	1	-	-	-
	$ 730	$ 826	$ 1,015	$ 1,244	$ 1,386

*2022 restated due to adoption of PS 3280

Major categories of the Government's liabilities are described as follows:

Bank advances and short-term borrowings

At March 31, 2026, the Government had no outstanding amounts under its short-term credit arrangements using line of credit ($267.4 million at March 31, 2025). The amounts drawn are repayable immediately on demand, and the line of credit can be terminated in whole or in part at any time.

Due to Government of Canada

Amounts due to the Government of Canada at March 31, 2026 were $40.5 million ($45.6 million at March 31, 2025). These amounts consist primarily of RCMP service agreement costs, Public Service Pension Plan contributions and payroll taxes.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are amounts that are generally paid within a year. The balance of $275.8 million at March 31, 2026 is an increase of 1.4% from the previous year's balance of $272.1 million.

Included in this total is the outstanding balance of the Carbon Price Rebate liability of $11.0 million (2025 - $28.5 million).

Details (continued)

Liabilities (continued)

Environmental liabilities

At March 31, 2026, the Government has recorded $185.4 million ($180.4 million at March 31, 2025) as a liability for the estimated costs related to the remediation of environmental contamination for which the Government is responsible and can reasonably estimate the value. Of the liabilities, $48.6 million (26.2%) is related to the Minto mine site, $47.0 million (25.4%) is for the Wolverine site, $20.0 million (10.8%) is for Wellgreen site, $29.9 million (16.1%) is for highway maintenance camps and airports and $15.8 million (8.5%) is for other storage tanks and buildings.

Asset retirement obligations

At March 31, 2026, the Government has recorded $63.7 million ($62.1 million at March 31, 2025) as a liability for the estimated costs related to retirement activities that the Government is legally obligated to perform upon the retirement of certain tangible capital assets. Of the liabilities, $43.9 million (68.9%) is related to the abatement of asbestos and other hazardous materials, $16.7 million (26.2%) is related to the closure and post-closure costs for the landfills operated by the Government, $2.4 million (3.8%) is related to the proper removal of fuel tanks and $0.7 million (1.1%) relates to the remediation of forestry access roads.

Unearned revenues

Unearned revenues of $63.5 million reported as of March 31, 2026 ($67.0 million at March 31, 2025) are mostly comprised of funding received from the Government of Canada that has not yet been expended in accordance with funding agreements.

Surety bond – Victoria Gold Corp.

At March 31, 2026, $103.8 million ($55.0 million at March 31, 2025) of the $185.0 million ($105.0 million at March 31, 2025) Court-approved loan to the receiver of Victoria Gold Corp.'s Eagle Gold Mine was funded through surety bonds. Based on the nominal sale price of the mine, following the receiver's sale agreement dated October 20, 2026, the Government revised the surety bond-related liability to $58.8 million. The balance remains subject to significant uncertainty pending further developments in the court process and the determination of any claims to future sale or restart-related proceeds.

Post-employment benefits and compensated absences

Post-employment benefits are provided to employees after employment but before retirement. These benefits consist of severance pay and a portion of sick leave and vacation leave that are paid out to employees at termination of employment. Compensated absences are benefits such as sick leave and vacation leave that are paid to employees during their employment. The Government uses actuaries to estimate its post-employment benefits and compensated absences liabilities.

The post-employment benefits and compensated absences liabilities at March 31, 2026 were $157.0 million ($153.3 million at March 31, 2025).

Retirement benefit liabilities

Retirement benefit liabilities totaled $135.5 million at March 31, 2026 ($128.1 million at March 31, 2025) and represent the Government's various pension plan liabilities and extended health benefit obligations, which are provided to retired employees. Pension plan liabilities are those for the Members of the Yukon Legislative Assembly and Territorial Court judges.

Details (continued)

Liabilities (continued)

Borrowings

The largest component of the $405.6 million reported as borrowings relates to the Government's $400 million bond issuance, net of $3.0 million in unamortized discount and issuance costs. In 2026, the Government issued two $200 million bond tranches. The first was a 10-year bond with a fixed interest rate of 3.8%, while the second was a five-year bond with a fixed interest rate of 3.1%. Interest on both bonds is payable semi-annually.

The next largest component of the Government's borrowings relates to the Yukon Hospital Corporation's demand term installment loans, which totalled $8.6 million ($13.8 million at March 31, 2025). The loans were used to finance the construction of a new staff residence and medical services building in Whitehorse, renovations to an extended care facility in Whitehorse, and the construction of new hospitals in Watson Lake and Dawson City. During 2026, the Yukon Hospital Corporation repaid $5.2 million of the existing loans.

The remaining portion of the Government's long-term debt consists of $0.2 million ($0.4 million at March 31, 2025) in mortgages and loans payable by the Yukon Housing Corporation (Housing). These amounts are payable to the Canada Mortgage and Housing Corporation (CMHC) and are therefore included in amounts due to the Government of Canada in the Consolidated Statement of Financial Position.

In Note 19 to the Consolidated Financial Statements, the Government's 'total debt' as defined in the *Yukon Act* (Canada) includes the Housing debt owed to CMHC along with the borrowings of the consolidated government business enterprises of YDC and YLC, capital lease obligations and credit facilities used. When all relevant items are taken into account the total debt is $810.6 million at March 31, 2026 ($589.7 million at March 31, 2025).

The Government of Canada increased Yukon's borrowing limit to $1.2 billion on December 16, 2024 (P.C. 2024-1341), pursuant to subsection 23(4) of the *Yukon Act* (Canada). Subsequent to the 2026 financial year-end, the limit was increased to $3.0 billion effective October 9, 2026 (P.C. 2026-0974).

Risks and Mitigation

Government's Operating Environment

Like all jurisdictions, the Government of Yukon's finances are subject to risks and uncertainties that arise from variables over which the government has limited or no direct control. Some of these risks and uncertainties include:

- Shifts in key considerations for economic performance such as commodity prices, private sector investment, inflation, interest rates, population/demographics, and personal income;
- Changes in revenue, especially taxation revenues, or changes in transfers expected from the federal government, which can contribute to actual revenue deviating from the budget estimates;
- Level of utilization of government services, particularly related to health care and social services;
- Unexpected health events, such as sudden and/or extreme outbreaks of disease;
- Occurrence and impact of natural disasters, like floods, wildfires, extreme weather events, or other events can impede the safe delivery of goods and services. Associated costs for cleanup and repair or replacement of infrastructure can also place financial burden on government finances;
- Geopolitical events causing repercussions on economic or fiscal parameters;
- Malicious behaviour (e.g., cybersecurity attacks) that could interrupt services, lead to loss of information or breach of privacy, and/or damage to equipment or facilities;
- Outcomes of litigation, legal settlements, arbitration and negotiations with third parties;
- Identification and quantification of environmental liabilities and asset retirement obligations;
- Changes in pension liability due to changes in interest rates, actuarial assumptions of future events or asset market values; and
- Changes in existing accounting standards and adoption of new accounting standards.

Transfers from the federal government historically comprise more than 80% of the Government's annual revenue and are generally stable from year-to-year. These transfers provide the Government a solid, stable foundation for its overall revenues, but the government’s fiscal health nevertheless relies on revenue that is tied to economic activity. As this activity can be volatile in an economy that can be impacted greatly by activity in the mining industry, the government takes a cautious and prudent approach to revenue forecasting and fiscal planning. Commodity prices and mining exploration and development plans are monitored on a regular basis in order to estimate the impact on fiscal projections. With respect to federal transfers, the Government works closely with the federal government to ensure timeliness of information and fairness in funding levels, including with respect to infrastructure programs that affect the Government’s capital planning.

Risks and Mitigation (continued)

Government's Operating Environment (continued)

The fiscal impact of changes in the underlying economic assumptions is estimated on a regular basis. By understanding the scope of inherent risks in the fiscal projections, the Government is better equipped to make sound financial decisions.

On the expense side, the Government closely monitors the spending of all departments and the resulting effect on the fiscal plan. This allows for any necessary supplementary estimates to be prepared, tabled and debated in the Legislative Assembly in order to address unanticipated spending or savings.

Changes to Canadian public sector accounting standards issued by the Public Sector Accounting Board can have an impact on the Government's budgets, estimates and actual results and on how they are presented in the Public Accounts. The Office of the Comptroller reviews proposed changes and provides input to assist the development of processes that reflect sound policy decision-making, transparency and accountability.

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PART TWO

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

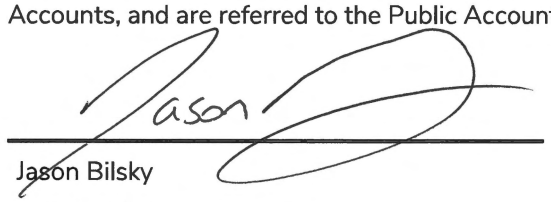
The preparation of the consolidated financial statements of the Government of Yukon (the Government) is the responsibility of management of the Department of Finance.

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. Where standards permit alternative accounting methods, management has chosen those that are most appropriate. Where required, management's best estimates and judgement have been applied in the preparation of these statements.

The Government fulfills its accounting and reporting responsibilities, through the Department of Finance, by maintaining systems of financial management and control designed to provide timely and reliable information to users, to properly safeguard assets, and to ensure all financial transactions are in accordance with the *Yukon Act* (Canada), and the *Financial Administration Act* (Yukon) and regulations.

The Auditor General of Canada performs an annual audit on the consolidated financial statements in order to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, the financial position of the Government, the results of its operations, the change in its net debt and its cash flows for the year, in accordance with Canadian public sector accounting standards. During the course of the audit, she also examines transactions that came to her notice in order to report on whether they are, in all material respects, in accordance with the statutory powers of the Government and those organizations included in the consolidation.

Annually, the consolidated financial statements are tabled in the Legislative Assembly as part of the Public Accounts, and are referred to the Public Accounts Committee.



Jason Bilsky
Deputy Minister of Finance
October 26, 2026

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Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of Yukon

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Government of Yukon and its controlled entities (the Group), which comprise the consolidated statement of financial position as at March 31, 2026, and the consolidated statement of operations and accumulated operating surplus, consolidated statement of remeasurement gains and losses, consolidated statement of change in net debt and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026, and the consolidated results of its operations, its consolidated remeasurement gains and losses, consolidated changes in its net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information included in Parts One and Two of the 2025-26 Yukon Public Accounts, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed,

we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the consolidated financial statements, we have audited transactions of the Government of Yukon and its controlled entities coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Yukon Act*, the *Financial Administration Act* of Yukon and regulations, and the specific operating authorities disclosed in Note 2(a) to the consolidated financial statements.

In our opinion, the transactions of the Government of Yukon and its controlled entities that came to our notice during the audit of the consolidated financial statements have complied, in all material respects, with the specified authorities referred to above.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Government of Yukon and its controlled entities' compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Government of Yukon and its controlled entities to comply with the specified authorities.

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

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



Karen Hogan, FCPA
Auditor General of Canada

Ottawa, Canada
October 26, 2026

GOVERNMENT OF YUKON

Consolidated Statement of Financial Position
as at March 31, 2026

	2026	2025
	(thousands of dollars)	
Financial assets		
Cash and cash equivalents (Note 4)	$ 217,398	$ 65,068
Due from Government of Canada (Note 5)	118,308	178,728
Accounts receivable (Note 6)	85,081	100,253
Portfolio investments (Note 7)	49,803	49,342
Advances to government business enterprises (Note 11(b)(c))	31,200	32,200
Loan receivable - Victoria Gold Corp. (Note 9)	86,558	105,000
Loans receivable (Note 9)	70,658	72,349
Inventories for resale (Note 10)	75,716	86,784
Retirement benefit assets (Note 18)	110,414	110,158
Investments in government business enterprises (Note 11(a))	242,697	217,781
	1,087,833	1,017,663
Liabilities		
Bank advances and short-term borrowings (Note 12)	-	267,438
Due to Government of Canada (Note 5)	40,473	45,599
Accounts payable and accrued liabilities (Note 13)	275,767	272,071
Unearned revenues (Note 14)	63,518	66,999
Surety bond - Victoria Gold Corp. (Note 9)	58,761	55,000
Environmental liabilities (Note 15)	185,400	180,365
Asset retirement obligation liabilities (Note 16)	63,681	62,129
Post-employment benefits and compensated absences (Note 17)	157,045	153,335
Retirement benefits (Note 18)	135,489	128,084
Borrowings (Note 19)	405,571	13,803
	1,385,705	1,244,823
Net debt	**(297,872)**	**(227,160)**
Non-financial assets		
Tangible capital assets (Note 20)	2,554,912	2,407,167
Inventories of supplies	14,247	15,182
Prepaid expenses	9,973	9,581
	2,579,132	2,431,930
Accumulated surplus	**$ 2,281,260**	**$ 2,204,770**
Accumulated surplus is comprised of:		
Accumulated operating surplus	2,271,037	2,195,949
Accumulated remeasurement gains	10,223	8,821
	$ 2,281,260	**$ 2,204,770**

Commitments (Note 11(d)), Contingencies (Notes 11(e) and 29), Guarantees (Notes 18(d)(e) and 26), Contractual rights (Note 23), Contractual obligations (Note 24), and Subsequent events (Note 30).

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

Approved on: October 26, 2026

Jason Bilsky
Deputy Minister of Finance

Currie Dixon
Minister of Finance

Consolidated Statement of Operations and Accumulated Operating Surplus for the year ended March 31, 2026

	2026		2025
	Budget	Actual	Actual
	(Note 1(b))		
	(thousands of dollars)		
Revenues (Schedule A)			
Transfers from Government of Canada	$ 1,893,955	$ 1,875,023	$ 1,821,302
Taxes and general revenues	297,551	360,619	344,267
Funding and service agreements with other parties	59,011	63,618	67,962
Income (loss) from investment in government business enterprises (Note 11(a))	23,106	30,995	(5,137)
	2,273,623	2,330,255	2,228,394
Expenses (Schedule B)			
Health and social services	768,500	760,667	719,880
Community and transportation	402,790	485,178	447,281
Education	308,973	297,533	271,132
General government	329,835	250,805	283,693
Natural resources	143,289	283,881	145,517
Justice	111,648	121,747	128,035
Business, tourism and culture	63,788	58,034	58,991
Interest on borrowings	12,120	5,723	1,104
	2,140,943	2,263,568	2,055,633
Recovery of prior years' expenses	-	8,401	2,246
Surplus for the year	**$ 132,680**	**$ 75,088**	**$ 175,007**
Accumulated operating surplus at beginning of year		2,195,949	2,020,942
Accumulated operating surplus at end of year		**$ 2,271,037**	**$ 2,195,949**

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

Consolidated Statement of Remeasurement Gains and Losses
for the year ended March 31, 2026

	2026	2025
	(thousands of dollars)	
Accumulated remeasurement gains at beginning of year	**$ 8,821**	**$ 6,870**
Unrealized gains attributable to:		
Portfolio investments	1,635	338
Amounts reclassified to the statement of operations and accumulated operating surplus:		
Portfolio investments	(630)	1,157
Other comprehensive gain of government business enterprises (Note 11(a))	397	456
Net remeasurement gains for the year	**1,402**	**1,951**
Accumulated remeasurement gains end of year	**$ 10,223**	**$ 8,821**

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

GOVERNMENT OF YUKON

Consolidated Statement of Change in Net Debt
for the year ended March 31, 2026

	2026		2025
	Budget	Actual	Actual
	(Note 1(b))		
	(thousands of dollars)		
Surplus for the year	$ 132,680	$ 75,088	$ 175,007
Effect of change in tangible capital assets			
Acquisitions	(334,011)	(247,200)	(289,549)
Amortization of tangible capital assets	80,279	91,990	81,953
Loss on disposal of tangible capital assets	22	645	231
Proceeds on disposal of tangible capital assets	195	-	-
Write-down of tangible capital assets	-	6,311	-
Change in asset retirement obligation estimate	-	509	411
	(253,515)	(147,745)	(206,954)
Effect of change in other non-financial assets			
Acquisition of inventories of supplies	(20)	(23,367)	(23,677)
Consumption of inventories of supplies	-	24,302	23,531
Increase in prepaid expenses	(60)	(392)	(963)
	(80)	543	(1,109)
Net remeasurement gains	-	1,402	1,951
Decrease (increase) in net debt	**$ (120,915)**	**(70,712)**	**(31,105)**
Net debt at beginning of year		(227,160)	(196,055)
Net debt at end of year		**$ (297,872)**	**$ (227,160)**

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

Consolidated Statement of Cash Flow
for the year ended March 31, 2026

	2026	2025
	(thousands of dollars)	
Operating transactions		
Surplus for the year	$ 75,088	$ 175,007
Non-cash items included in surplus for the year:		
Amortization of tangible capital assets	91,990	81,953
Recognition of surety bond income	(45,000)	-
Loans receivable valuation adjustment	98,505	(176)
Amortization of unearned revenues	(375)	(375)
Accretion expense	2,321	2,038
Accounts receivable valuation adjustment	18,169	-
Bad debt expense	1,649	816
Write-down of tangible capital assets	6,311	-
Loss (gain) on sale of inventories held for resale	424	(2,370)
Write-down of inventories held for resale	1,138	14,857
Loss on disposal of tangible capital assets	645	231
Adjustment as per ARO change of estimates	(97)	-
(Surplus) deficit of government business enterprises (Note 11(a))	(30,995)	5,137
Net change in accounts receivable	(3,142)	(53,270)
Net change in accounts payable and accrued liabilities balances	5,653	30,415
Proceeds from surety bond - Victoria Gold Corp.	48,761	55,000
Net change in environmental liabilities	5,035	(9,577)
Net change in other operating asset and liability balances	55,988	(30,362)
Amounts remitted from government business enterprises	7,041	8,033
Cash provided by (used for) operating transactions	339,109	277,357
Capital transactions		
Acquisition of tangible capital assets	(244,117)	(297,229)
Cash provided by (used for) capital transactions	(244,117)	(297,229)
Investing transactions		
Net proceeds from (acquisition of) portfolio investments	1,114	(1,389)
Repayment of advances to government business enterprises	945	2,000
Repayments of loans receivable	26,834	25,126
Issuance of loans receivable	(83,826)	(109,402)
Investment in inventories held for resale	(12,007)	(42,428)
Cash provided by (used for) investing transactions	(66,940)	(126,093)
Financing transactions		
Proceeds from borrowings	396,972	-
Repayment of borrowings	(5,256)	(5,099)
Repayment of liabilities for leased tangible capital assets	-	(362)
Cash provided by (used for) financing transactions	391,716	(5,461)
Change for the year	**419,768**	**(151,426)**
(Bank indebtedness) cash and cash equivalents, beginning of year	(202,370)	(50,944)
Cash and cash equivalents (bank indebtedness), end of year	**$ 217,398**	**$ (202,370)**
Represented by:		
Cash and cash equivalents (Note 4)	$ 217,398	$ 65,068
Bank advances and short-term borrowings (Note 12)	-	(267,438)
Total	**$ 217,398**	**$ (202,370)**
Interest received in the year	$ 9,419	$ 12,753
Interest paid in the year	$ 7,558	$ 7,000

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

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) Budget

The Budget figures are based on the Consolidated Budget of the Government Reporting Entity as published in the Government's Operation & Maintenance and Capital Estimates 2025-26 and approved in the Legislative Assembly in March 2025. 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.

(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 consolidated financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

2. Significant accounting policies

(a) Reporting entity and method of consolidation

The consolidated financial statements include the accounts of all controlled government sector entities and government not-for-profit organizations.

Government sector entities include departments and government-controlled corporations. Government not-for-profit organizations comprise government-controlled education and health institutions.

The accounts of government sector entities and not-for-profit organizations, except for those that are classified as government business enterprises, are consolidated using the full consolidation method. With the full consolidation method, revenue and expense transactions, capital, investing and financing transactions, and related assets and liability accounts between consolidated entities have been eliminated.

2. Significant accounting policies (continued)

(a) Reporting entity and method of consolidation (continued)

The accounts of government business enterprises are consolidated using the modified equity method. Under the modified equity method of consolidation, the accounting policies of consolidated entities are not adjusted to conform with those of the government organizations that are consolidated using the full consolidation method. Under the modified equity method, inter-entity revenue and expense transactions and related asset and liability balances are properly not eliminated in these consolidated financial statements.

All accounts of the government reporting entity are consolidated using the financial information for the year ended March 31. As for the organization that uses a fiscal year-end other than March 31, namely the Yukon Development Corporation, the Government uses their unaudited interim financial statements as at March 31.

Trusts administered by the Government on behalf of other parties (Note 22) are excluded from the government reporting entity.

The organizations comprising the government reporting entity are categorized by their specific operating authority and accounting method for consolidation as follows:

Full consolidation:	Authority for operations:
Government of Yukon departments	*Financial Administration Act*
Yukon Hospital Corporation	*Hospital Act*
Yukon Housing Corporation	*Housing Corporation Act*
Yukon University	*Yukon University Act*
Modified equity:	
Yukon Development Corporation	*Yukon Development Corporation Act*
Yukon Liquor Corporation	*Liquor Act* *Cannabis Control and Regulation Act*

(b) Specific accounting policies

Revenues

Revenues are recorded on an accrual basis.

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.

Government transfers include the Formula Financing grant and the Canada health and the Canada social transfers 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.

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

Revenues (continued)

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. Remittances are determined in accordance with the Department of Finance – Canada's best estimates for the taxation year, and income tax revenues are recognized on the basis of these estimates, subject to adjustments 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.

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

Property tax revenues are recognized in the period in which the taxable event occurs and when they are authorized by legislation, or the ability to assess and collect the tax has been provided through legislative convention. Reported property tax revenues include estimated revenues for the current period and adjustments between the estimated revenues of previous years and actual amounts.

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.

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.

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

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.

Accounts receivables are recorded at cost. A valuation allowance is recorded when collection of the receivable is considered doubtful.

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; and mortgage funds, bonds, and equities. Portfolio investments are measured at their fair value.

Loans receivable are stated at the lower of principal amounts and net recoverable value. Valuation allowances, which are recorded to reduce loans receivable to their net recoverable value, 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. Loans with significant concessionary terms are reviewed annually. Concessionary loans are recorded at the discounted value of the loan after the grant portion has been expensed.

Inventories for resale include land that has been developed by the Government and supplies held for eventual sale. 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 realizable value to recognize the loss. Supplies held for sale are recorded at the lower of cost and net realizable value.

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

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.

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. Certain tangible capital assets that have legal obligations requiring specific retirement activities create a future asset retirement liability that is offset at inception by capitalizing the estimated future cost and amortizing it over the life of the tangible capital asset. 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, certain 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.

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

Non-financial assets (continued)

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:

Asset category	Estimated useful life
Land	Indefinite
Buildings	
Buildings	10-100 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	5-20 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

[1] Includes Highways, Surfaces, Bridges and Airport runways

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

Other non-financial assets

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

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

Liabilities

Bank advances and short-term borrowings are due on demand.

Unearned revenues are cash received for which goods and services have not been provided by year-end and are primarily comprised of prepaid lease payments and 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 (or likely to fail 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.

Environmental liabilities

Liabilities for remediation of contaminated sites are recognized when an environmental standard exists; contamination exceeds the environmental standard; the Government is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made.

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 reporting entity's cost of borrowing, associated with the estimated number of years to complete 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

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

Asset retirement obligation liabilities (continued)
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.

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, as well as 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 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 a 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, territorial court judges, and the employees of Yukon University and the Yukon Hospital Corporation 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

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

Retirement benefits (continued)
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.

Borrowings

Borrowings are recognized initially at cost or amortized cost, reflecting premiums, discounts, and directly attributable transaction costs, and are subsequently measured at amortized cost using the effective interest method.

Borrowings include embedded interest rate swap derivatives. These embedded derivatives are not separated from the loan agreements and are not accounted for as standalone derivative instruments because the economic characteristics and risks associated with these embedded derivatives are closely related to those of the loan agreements. Therefore, they are included in the measurement of the borrowings.

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 consolidated statement of remeasurement gains and losses. The following is a list of the Government's financial instruments and their related measurement basis:

Financial Assets:	**Measurement Basis**
Cash and cash equivalents	Cost
Due from Government of Canada	Cost
Accounts receivable	Cost
Portfolio investments	Fair value
Advances to government business enterprises	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
Borrowings	Amortized cost

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

Fair value measurement

The determination of fair value requires judgement 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.

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 the tobacco settlement receivable, Victoria Gold Corp. loan receivable, inventories for resale, post-employment and retirement benefits, environmental liabilities, asset retirement obligations, amortization of tangible capital assets, corporate and personal income tax revenue, and contingencies.

There is measurement uncertainty related to the tobacco settlement receivable as it involves estimates in future net after-tax income of the three tobacco companies, annual distribution amounts, the discount rate and actual settlement period. The degree of measurement uncertainty cannot be reasonably determined.

There is measurement uncertainty related to the Victoria Gold Corp. loan receivable as its recoverability is subject to significant uncertainty. The recoverability of the receivable depends on a number of factors, including the outcome of the sale process, the terms of any definitive transaction, remediation and restart costs, regulatory requirements, and the timing and amount of future realizations. The degree of measurement uncertainty cannot be reasonably determined.

2. Significant accounting policies (continued)

(b) Specific accounting policies (continued)

Measurement uncertainty (continued)
There is measurement uncertainty related to the valuation of the inventories for resale. The estimated net realizable value of these inventories is dependent on assumptions regarding anticipated sale prices and estimated development and selling costs. The degree of measurement uncertainty cannot be reasonably determined.

The provision for environmental liabilities is subject to a high degree of measurement uncertainty because determining the existence and extent of contamination, the responsibility for, and the timing and cost of remediation activities are complex and subjective. These 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 is complex and subjective. These 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. Future changes in accounting standards

The Government will adopt the Conceptual Framework for Financial Reporting in the Public Sector (Conceptual Framework) and PS 1202 Financial Statement Presentation effective for the Government's fiscal year beginning on April 1, 2026.

The Conceptual Framework establishes the nature, purpose, and boundaries of financial accounting and reporting. It provides the foundation for the development of PSAS and supports the application of professional judgment. Upon implementation, it will be applied prospectively and will replace the conceptual components of PS 1000 Financial Statement Concepts and PS 1100 Financial Statement Objectives.

PS 1202, sometimes referred to as the new reporting model, outlines key requirements for presenting information in public sector financial statements, drawing on the principles set out in the Conceptual Framework. The new standard requires retroactive application, including the restatement of prior year comparatives.

In March 2026, the Public Sector Accounting Board issued Section PS 3251, Employee Benefits, which replaces the existing standards for employee benefits. It is effective for fiscal years beginning on or after April 1, 2029, with early adoption permitted. The new standard provides revised guidance for the recognition, measurement and disclosure of employee benefits, including defined benefit plans. The Government is assessing the impact of the new standard on its financial statements and will implement the standard by the effective date.

4. Cash and cash equivalents

	2026	2025
	(thousands of dollars)	
Bank balances	$ 217,340	$ 65,009
Cash on hand	58	59
	$ 217,398	$ 65,068

5. Due from/to Government of Canada

	2026	2025
	(thousands of dollars)	
Due from Government of Canada		
Cost-sharing agreements and projects delivered on behalf of the Government of Canada	$ 110,420	$ 170,580
Income tax	7,216	7,517
Other	672	631
	$ 118,308	$ 178,728
Due to Government of Canada		
RCMP	$ 13,164	$ 11,344
Public Service Pension Plan contribution	10,609	10,976
Payroll taxes	8,850	10,155
Program funding liable for claw back	3,081	3,081
Type II mine sites	849	1,270
CMHC mortgages and loans	170	364
Other	3,750	8,409
	$ 40,473	$ 45,599

Amounts due from and due to the Government of Canada are payable on demand and are non-interest bearing except for mortgages and loans due to CMHC (Note 19). The carrying amounts, with the exception of mortgages and loans due to CMHC, approximate fair values because of their short term to maturity.

6. Accounts receivable

	2026	2025
	(thousands of dollars)	
Taxes, interest, other revenue, and recovery receivables	$ 72,405	$ 48,183
Less: valuation allowance	(23,585)	(5,126)
	48,820	43,057
Tobacco settlement [1]	28,325	54,026
Due from government business enterprises that are not fully consolidated	7,936	3,170
	$ 85,081	$ 100,253

[1] The Government is party to litigation initiated against three tobacco manufacturers to recover health care costs associated with tobacco-related illnesses. This action is part of a coordinated effort among several Canadian jurisdictions and claimants.

On March 6, 2025, the Ontario Superior Court of Justice approved a mediated settlement of $32.5 billion under the *Companies' Creditors Arrangement Act.* Of this, $24.7 billion is payable to provinces and territories, including an upfront payment of $6.2 billion upon implementation of the agreement in August 2025.

The Government is entitled to approximately $101,000,000 under the agreement. During the year, the Government received the upfront payment of $25,701,000 in settlement proceeds. The outstanding balance is expected to be collected through annual instalments based on a percentage of the tobacco companies' net after-tax income. The receivable of $28,325,000 (2025 – $54,026,000) represents the remaining amount.

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 2026	Total 2025
			(thousands of dollars)		
Short-term investments	$ 175	$ 4,642	$ -	$ 4,817	$ 5,489
Bonds	2,745	6,757	-	9,502	6,304
Mortgages	-	4,533	-	4,533	4,347
Equities	4,006	26,945	-	30,951	30,357
Other debt securities	-	-	-	-	2,845
Investments at fair value	$ 6,926	$ 42,877	$ -	$ 49,803	$ 49,342

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 $42,877,000 (2025 - $41,935,000) are included in portfolio investments (Note 7).

9. Loans receivable

	2026	2025
	(thousands of dollars)	
Yukon Housing Corporation mortgages receivable, secured by registered charges against real property, chattel mortgages or general security agreements, due in varying annual amounts to the year 2055 (2025 – 2036) bearing interest rates ranging from 0.00% to 8.20% (2025 – 0.00% to 8.20%), excluding allowance for subsidies and valuation of $104,000 (2025 – $114,000) and discount in the amount of $582,000 (2025 – $655,000) for loans with concessionary terms.	$ 22,953	$ 26,524
Agreements for sale of land, due in varying annual amounts over a three- or five-year term to the year 2030 (2025 – 2029), bearing interest at 5.00% to 7.75% (2025 – 5.00% to 7.75%).	33,400	29,941

9. Loans receivable (continued)

	2026	2025
	(thousands of dollars)	
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% (2025 - 0.00% to 5.00%).	271	405
Local improvement loans, due in varying annual amounts to the year 2040 (2025 – 2040), bearing interest rates ranging from 0.50% to 5.25% (2025 – 0.50% to 5.25%).	7,585	8,232
Debenture loans to municipalities, due in varying annual amounts to the year 2038 (2025 – 2038), bearing interest rates ranging from 2.72% to 5.85% (2025 – 2.72% to 5.85%).	1,732	2,077
Other, net of allowance for doubtful accounts of $686,000 (2025 – $1,091,000).	4,717	5,170
	$ 70,658	$ 72,349

The Government received consideration in the form of loans receivable for sale of land of $21,424,000 (2025 - $24,446,000).

Loan receivable - Victoria Gold Corp.

On June 24, 2024, Victoria Gold Corp. suffered a significant heap leach failure at its Eagle Gold Mine, prompting the Government to order a temporary closure of the operation. The incident triggered an urgent need for environmental stabilization and remediation, which the Ontario Superior Court placed under the oversight of PricewaterhouseCoopers, as receiver, in August 2024.

At March 31, 2026, the Government advanced to the court-appointed receiver of Victoria Gold Corp. a total of $185,000,000 (2025 - $105,000,000). The loan bears 9.00% annual interest (2025 – 9.00%), compounded monthly. The advances were made under court-approved lending arrangements to support stabilization and remediation-related activities at the Eagle Gold Mine.

The loan is fully repayable on the maturity date which is the earlier of any of these events (i) the occurrence of a default (ii) lifting of the temporary closure of Eagle Gold Mine (iii) the closing of any sale, refinancing, recapitalization, liquidation or other transactions involving Victoria Gold Corp.'s business or property or (iv) the discharge, replacement of the receiver or termination of the receivership proceeding.

9. Loans receivable (continued)

On October 20, 2026, the court-appointed receiver of Victoria Gold Corp. and the purchaser entered into a $140,000,000 agreement for the sale of the Eagle Gold Mine, subject to the approval of the Ontario Superior Court. The Government estimated the net recoverable value of the loan receivable at $86,558,000 based on the probability-weighted present value of the sale proceeds, with some of the sale proceeds being contingent on events that are not currently expected to occur until future years (5-9 years). The Government considered these developments in the subsequent events period, and determined that the sale terms have provided additional evidence of conditions which existed at March 31, 2026. Accordingly, the Government has treated these developments as an adjusting subsequent event and has recognized a valuation allowance of $116,611,000 as at March 31, 2026. The Government has also ceased further accrual of interest on the loan receivable effective from April 1, 2026.

The estimated net recoverable value reflects the assessed likelihood and expected timing of the loan repayments. Significant judgment was applied in determining these estimates, and changes in the underlying assessments could materially affect the net recoverable value of the loan receivable.

Surety bond - Victoria Gold Corp.

Of the $185,000,000 (2025 - $105,000,000) Court-approved loan, $103,761,000 (2025 - $55,000,000) was funded by surety bonds from Intact Insurance Company and Trisura Guarantee Insurance Company (insurance companies), which the Government accessed under the Quartz Mining licence. The insurance companies raised an issue in Court at the December 9, 2024 proceeding, in the event of a sales process, about who would be entitled to assert claim to any surplus proceeds after the Government was fully repaid the non-bond sourced borrowings. The parties agreed that such an issue would be decided by the Court if and when that situation arose. The surety bond is recorded as a liability as at year-end.

The Government determined that the nominal sale price of the Eagle Gold Mine, which became known during the subsequent events period, has provided additional evidence for estimating the surety bond liability at March 31, 2026. Accordingly, the Government revised its surety bond liability balance at March 31, 2026 to $58,761,000. The balance remains subject to significant uncertainty regarding the legal effect of the surety arrangements, related Court orders and any claims to future sale or restart-related proceeds. The Government will continue to assess the reasonableness of this liability estimate based on future developments.

The Victoria Gold Corp. related balances represent a significant concentration of estimation uncertainty for the Government’s 2026 financial statements. Actual results may differ materially from the estimates and judgments reflected in these disclosures, and any resulting adjustments will be recognized in the period in which the underlying facts become known or the relevant uncertainties are resolved.

10. Inventories for resale

	2026	2025
	(thousands of dollars)	
Land		
Undeveloped land	$ 6	$ 603
Land under development [1]	59,014	68,354
Developed land	16,623	17,665
	75,643	86,622
Other	73	162
	$ 75,716	$ 86,784

[1] In 2026 a valuation of the land inventory for resale was performed based on current market conditions and independent appraisals.

As a result, an impairment loss of $1,138,000 (2025 - $14,857,000) was recognized as an expense in the statement of operations and accumulated operating surplus. The land inventory was written down from a carrying amount of $60,152,000 to a net realizable value of $59,014,000.

The net realizable value was determined using independent appraisals against internal valuations and reflects the estimated selling price in the ordinary course of operations, less estimated costs to complete and sell the land. No reversals of impairment losses were recognized during the year.

11. Investment in government business enterprises

(a) Summary of financial statements

Summary financial statements of the government entities accounted for by the modified equity method are provided below. The Yukon Liquor Corporation has a fiscal year-end of March 31. The Yukon Development Corporation ("YDC") has a fiscal year-end of December 31, therefore, the Government uses YDC's unaudited interim financial statements for the year ended March 31 for consolidation purposes. These summary financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board:

	Yukon Development Corporation	Yukon Liquor Corporation	2026 Total	2025 Total
	(thousands of dollars)			
Assets				
Current	$ 63,705	$ 6,653	$ 70,358	$ 61,408
Capital Assets	667,013	1,418	668,431	599,733
Regulatory debit balances (Note 11(f))	61,967	-	61,967	57,099
Right of use of assets	-	702	702	778
Other	39,190	33	39,223	31,239
	831,875	8,806	840,681	750,257
Liabilities				
Current	216,883	4,723	221,606	126,367
Long-term debt	242,144	-	242,144	247,232
Regulatory credit balances (Note 11(f))	10,532	-	10,532	29,559
Contributions in aid of construction	103,243	-	103,243	109,461
Lease liabilities	446	376	822	1,013
Other	17,865	1,772	19,637	18,844
Equity	240,762	1,935	242,697	217,781
	$ 831,875	$ 8,806	$ 840,681	$ 750,257

11. Investment in government business enterprises (continued)

(a) Summary of financial statements (continued)

	Yukon Development Corporation	Yukon Liquor Corporation	2026 Total	2025 Total
	(thousands of dollars)			
Revenues [1]	$ 148,320	$ 19,150	$ 167,470	$ 112,276
Expenses	150,911	12,794	163,705	138,079
(Deficit) surplus before the following:	(2,591)	6,356	3,765	(25,803)
Net movement in regulatory deferral (Note 11(f))	27,230	-	27,230	20,666
Surplus (deficit)	$ 24,639	$ 6,356	$ 30,995	$ (5,137)

[1] Yukon Liquor Corporation revenue is shown as net of cost of goods sold of $34,678,000 (2025 - $34,048,000).

	Yukon Development Corporation	Yukon Liquor Corporation	2026 Total	2025 Total
	(thousands of dollars)			
Equity, beginning of year	$ 215,729	$ 2,052	$ 217,781	$ 230,183
Surplus (deficit)	24,639	6,356	30,995	(5,137)
Other comprehensive gain	394	3	397	456
Profit to be remitted to the Government	-	(6,476)	(6,476)	(7,721)
Equity, end of year	$ 240,762	$ 1,935	$ 242,697	$ 217,781

Equity represents the Government's investment in the government business enterprises.

11. Investment in government business enterprises (continued)

(b) Inter-entity balances and transactions

	Yukon Development Corporation	Yukon Liquor Corporation	2026 Total	2025 Total
	(thousands of dollars)			
	$	$	$	$
Government of Yukon:				
Accounts receivable from	5,732	2,204	7,936	3,170
Advance receivable from	31,200	-	31,200	32,200
Accounts payable to	6,786	29	6,815	10,665
Revenues from	-	6,476	6,476	7,721
Expenses to [1]	46,252	-	46,252	38,349

[1] Only for Yukon Development Corporation: The amount includes cost of electricity of $21,290,000 (2025 – $17,479,000) purchased by the Government from an unrelated third party. This unrelated party buys electricity from the Yukon Development Corporation's wholly owned subsidiary, Yukon Energy Corporation.

(c) Advance receivable

Yukon Development Corporation

In 2018 the Government advanced $39,200,000 to YDC for the development of the Whitehorse diesel - natural gas conversion project, which was completed by the Yukon Energy Corporation ("YEC"), 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 was based off the one-year indicative swap rate plus a 0.65% premium increase. The rate of interest effective on March 31, 2026 was 3.42% (2025 – 5.69%). The loan agreement requires principal repayments of $1,000,000 on March 31 each year and full repayment of any principal outstanding at the end of each loan term if the loan is not extended. The payment due March 31, 2026 from YDC was received in March 2026.

11. Investment in government business enterprises (continued)

(d) Commitments

Yukon Development Corporation

In June 2010, YDC issued 30-year bonds in the amount of $100,000,000 at a fixed coupon rate of 5.0% per annum. 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 2026, the Government paid $2,331,000 (2025 – $2,625,000) to YDC based on the MOU.

The Government committed funding to YDC under the Winter Electrical Affordability Rebate program. The funding had been authorized up to $3,850,000 for the year ending March 31, 2026. This rebate program provided subsidies to non-government residential customers for the period October 1, 2025 to March 31, 2026. In 2026, the Government provided $3,850,000 (2025 – $nil) to YDC for this purpose.

The Government has committed funding to YDC under the Affordability Rate Relief Rebate program, implemented in 2026 with an initial rebate period of January 1, 2026 to March 31, 2026. The funding had been authorized up to $1,600,000 for the year ending March 31, 2026. This rebate program provides subsidies to non-government residential customers. In 2026, the Government provided $1,600,000 (2025 – $nil) to YDC for this purpose.

As at March 31, 2026, YEC had contractual obligations for future purchases of products or services in the amount of $96,050,000 (2025 – $43,870,000).

The Yukon Water Board has issued licenses to YEC for the purposes of operating hydro generation stations in the Yukon. The licenses also indicated the terms and conditions for the operation of these facilities. The current water licenses have the following terms:

Aishihik Generating Station	December 31, 2027
Mayo Generating Station	December 31, 2030
Whitehorse Generating Station	July 30, 2045

Yukon Liquor Corporation

In the normal course of operations, the Yukon Liquor Corporation enters into multi-year arrangements for the provision of freight and other goods and services. The total commitments as at March 31, 2026 for future years are $8,256,000 (2025 – $6,927,000).

(e) Contingencies

Yukon Development Corporation

YEC has not recognized a provision for asset retirement obligations for the closure and restoration obligations for certain generation, transmission and distribution assets. YEC anticipates maintaining and operating these assets for an indefinite period, making the dates of retirement of the assets indeterminate. The significant uncertainties around the timing of any potential future cash outflows are such that a reasonable estimate of the liability is not possible at this time. A provision will be recognized when the timing of the retirement of these assets can be reasonably estimated.

11. Investment in government business enterprises (continued)

(f) Regulatory deferral accounts

Yukon Development Corporation

Regulatory deferral accounts in YDC's financial statements are accounted for differently than they would be in the absence of rate regulation. Where regulatory decisions dictate, YDC defers certain expenses or revenues as regulatory deferral account debit balances or regulatory deferral account credit balances and recognizes them in the net movement of regulatory deferral account balances as it collects or refunds amounts through customer rates. Any adjustments to these regulatory deferral accounts are recognized in the net movement of regulatory deferral account balances in the period that the Yukon Utilities Board ("YUB") renders a subsequent decision. All amounts maintained as regulatory deferral account debit balances and regulatory deferral account credit balances are expected to be recovered or settled and are assessed on an annual basis by comparing the rates approved by the YUB to the current balances.

The net movement in regulatory deferral account balances is reported as income from investment in government business enterprises in the Government's consolidated statement of operations and accumulated operating surplus.

12. Bank advances and short-term borrowings

The amounts borrowed from lines of credit fluctuated throughout the year with interest rates between 3.60% to 4.10% (2025 - 4.10% to 6.35%). Interest expense incurred was $1,834,000 (2025 - $5,896,000).

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

	2026	2025
	(thousands of dollars)	
Bank balances[1]	$ -	$ (91,580)
Line of credit	-	359,018
	$ -	$ 267,438

[1] Bank balances offset against the line of credit (rather than being separately presented within cash and cash equivalents) are those for which the Government has legally enforceable rights to set off the outstanding balance under the line of credit against bank balances in other accounts with the same financial institution, as well as an intention to realize/settle those balances on a net basis (or otherwise simultaneously).

13. Accounts payable and accrued liabilities

	2026	2025
	(thousands of dollars)	
Accounts payable	$ 90,687	$ 84,091
Accrued liabilities [1]	131,455	127,278
Contractors' holdbacks and security deposits	29,217	29,783
Due to government business enterprises (Note 11(b))	6,815	10,665
Other	17,593	20,254
	$ 275,767	$ 272,071

[1] The Government is defending multiple legal actions including contract, negligence property and personal injury and tax disputes. When a liability is identified and reasonably estimable, it is recorded as an accrued liability and an expense. The Government has recorded an accrued liability of $11,142,000 (2025 - $13,654,000).

One of the legal disputes relates to a 2022 class action against the Government regarding the use of holds, restraints and seclusions of students at Jack Hulland Elementary School. In 2025 the parties reached an agreement on a settlement framework, which was approved by the court and provides a process for adjudicating claims. The ultimate cost of the settlement remains uncertain because it depends on the number and nature of claims submitted through the settlement process and the adjudication of those claims.

14. Unearned revenues

	2026	2025
	(thousands of dollars)	
Unearned balance of government transfers	$ 35,637	$ 41,242
Prepaid lease payments [1]	13,875	14,625
Other	14,006	11,132
	$ 63,518	$ 66,999

[1] The Government has an agreement with Northwestel Inc., a private sector, non-government entity for the Dempster Fibre Line (DFL), a fiber optic telecommunications network connecting Dawson City, Yukon and Inuvik, Northwest Territories. Based on the terms of the agreement, Northwestel has prepaid $15,000,000 to gain access to rights to the DFL over 20 years. The construction was concluded in September 2024 and $750,000 was recognized as revenue in 2026 (2025 - $375,000). The unearned amount of $13,875,000 (2025 - $14,625,000) will be recognized as revenue on a straight-line basis over the remaining lease term.

15. Environmental liabilities

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

	2026		2025	
	Number of sites	Estimated Liability	Number of sites	Estimated Liability
		(thousands of dollars)		
Liabilities for:				
Highway maintenance camps and airports	36	$ 29,884	36	$ 28,181
Other storage tanks and buildings	93	15,826	91	15,963
Wellgreen	1	19,946	1	20,165
Wolverine	1	46,963	1	45,595
Minto	1	48,568	1	47,820
Other	35	19,243	34	17,815
	167	180,430	164	175,539
Type II sites	1	4,970	1	4,826
	168	$ 185,400	165	$ 180,365

(a) Contaminated sites and other environmental liabilities

The Government has recorded environmental liabilities for contaminated sites of $180,430,000 (2025 - $175,539,000). 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.

As at March 31, 2026, the Government was aware of 167 sites (2025 – 164 sites) where the Government is obligated or is likely obligated to incur such costs. During the year remediation work was undertaken at 10 sites (2025 - 10 sites).

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 $19,946,000 (2025 - $20,165,000), which reflects the Government's potential exposure before any potential recoveries from the other parties.

15. Environmental liabilities (continued)

(a) Contaminated sites and other environmental liabilities (continued)
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 $46,963,000 (2025 - $45,595,000) as an estimated liability for the remediation of this mine.

Following **Minto Metals Corporation**'s (Minto) abandonment of the Minto Mine site in 2023, the Government recognized an environmental liability for related reclamation and closure activities. During the year, the estimated total cost to remediate the site was revised to $116,800,000, based on updated project information available at March 31, 2026.

At March 31, 2026, the remaining environmental liability was approximately $48,568,000 (2025 - $47,820,000). Of the $72,143,000 surety bond held by insurers for the mine, the Government claimed $21,094,000 (2025 - $22,482,000). At year end, the remaining balance of the surety bond is approximately $4,754,000 (2025 - $25,849,000).

The Government holds security from Minto in trust in relation to the environmental liability. At year-end, the balance held in trust was $2,887,000 (2025 – $3,386,000).

In 2026, Selkirk Mining Corporation, a subsidiary of a Selkirk First Nation corporation, acquired substantially all of Minto's tangible assets. The Government agreed to pause reclamation work beginning April 2026, while Selkirk Mining Corporation undertakes an 18-month feasibility program to evaluate long-term options for the site.

The Government continues to recognize the liability because responsibility for the site had not been transferred at year end. The amount and timing of future remediation costs remain subject to the outcome of Selkirk Mining Corporation's restart assessment and any future transfer of licences and related security.

15. Environmental liabilities (continued)

(b) Type II sites

Pursuant to the Devolution Transfer Agreement ("DTA"), 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 Ketza River site discussed below, the Government is not aware of any financial obligations on its part in relation to these mine sites.

On April 10, 2015, Veris Gold Corporation abandoned the Ketza River Mine site ("the site"). The site is identified as a Type II mine site in the DTA between the Government and the Government of Canada. The Government has provided notice to the Government of Canada pursuant to the DTA that the site has been abandoned by its owner/operator. Once a Type II site becomes abandoned the DTA requires that an Independent Assessor assess the condition of the site and develop a remediation plan. The Government is responsible for the cost of this assessment. Under the DTA, the Government of Canada accepted financial responsibility for the remediation of impacts attributable to activities that were permitted by the Government of Canada. The Government will be financially responsible for remediation of impacts of activities it permitted after devolution. The Government's costs, if any, may be offset by the security bond it holds. The financial obligations related to the assessment required under the DTA are estimated to be $4,970,000 (2025 - $4,826,000) and remediation costs, if any, which are the Government's responsibility, are currently undeterminable. No assets are designated for settling these liabilities.

16. Asset retirement obligation liabilities

The following table presents the total estimated amounts of asset retirement obligation liabilities:

	Asbestos & other hazardous building material	Forestry access roads	Fuel tanks	Landfills	2026 Total	2025 Total
	(thousands of dollars)					
Opening balance	$ 42,864	$ 635	$ 2,325	$ 16,305	$ 62,129	$ 60,269
Liability incurred	-	24	-	-	24	43
Liability settled	(205)	-	-	-	(205)	(82)
Accretion	1,824	28	102	408	2,362	2,377
Changes in estimates	(624)	-	(5)	-	(629)	(478)
	$ 43,859	$ 687	$ 2,422	$ 16,713	$ 63,681	$ 62,129

The undiscounted amount of estimated future cash flows is $144,857,000 (2025 - $145,917,000).

(a) Asbestos & other hazardous building materials liability

The Government owns and leases several buildings that are known to have asbestos and other hazardous building materials, which represents a health hazard upon demolition of the building. Per Occupational Health and Safety legislation, there is a legal obligation to remove the asbestos and other hazardous building materials in a prescribed manner when the building is demolished. The buildings have a remaining estimated useful life ranging from 1 to 69 years (2025 – 1 to 70 years). Estimated costs have been discounted to their present value using a discount rate range of 3.50% to 4.50% per annum (2025 – 3.50% to 4.50%). The retirement costs are expected to be incurred between 2027 and 2096.

(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 (2025 – 1 to 10 years). Estimated costs have been discounted to their present value using a discount rate of 4.50% per annum (2025 – 4.50%). The retirement costs are expected to be incurred between 2027 and 2036.

16. Asset retirement obligation liabilities (continued)

(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 7 to 18 years (2025 - 8 to 19 years). Estimated costs have been discounted to their present value using a discount rate range of 3.50% to 4.50% per annum (2025 – 3.50% to 4.50%). The retirement costs are expected to be incurred between 2033 and 2053.

(d) Landfill liability

There are 23 (2025 - 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 47 years (2025 – 0 to 48 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 (2025 – 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 2027 and 2099.

17. Post-employment benefits and compensated absences

(a) The Government of Yukon and Yukon Housing Corporation

Employees of the Government of Yukon and the Yukon Housing Corporation receive severance benefits that are paid on termination of service or upon retirement based on the number of years worked, the level of the pay at the time of termination or retirement and the category of employment. In addition, if an employee has at least five years of continuous service, a cash-in of sick leave will be paid. 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 Government and the Yukon Housing Corporation have conducted actuarial valuations of post-employment benefits as at December 31, 2025. March 31, 2026 amounts are based on an extrapolation of the December 31, 2025 amounts. These post-employment benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

The Government and the Yukon Housing Corporation also account 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 in this group are eligible to receive severance payouts based on service accrued prior to December 31, 2019.

17. Post-employment benefits and compensated absences (continued)

(a) The Government of Yukon and Yukon Housing Corporation (continued)

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.

Members of the Yukon Legislative Assembly receive a severance benefit in accordance with the *Legislative Assembly Retirement Allowance Act, 2007* (Yukon). The accrued benefit obligation is calculated actuarially using the projected benefit method prorated on service. The accrued benefit liability at March 31, 2026 is based on an extrapolation of an actuarial valuation that was performed as at March 31, 2024. The Government has designated a portion of its assets for the purpose of meeting this obligation (Note 8).

(b) Yukon University

The Yukon University's ("the University") cost of benefit plans, other than pensions, including severance benefits, sick leave and managers' accrued leave, payable upon termination of employment, death or retirement, is actuarially determined using the projected accrued benefit method prorated on employment services. These post-employment benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation. The actuarial valuation of the accrued benefit liability was performed as at March 31, 2026.

The University accrues vacation leave and other compensated absences for employees as earned.

(c) Yukon Hospital Corporation

Employees of the Yukon Hospital Corporation are entitled to specified severance, special leave and sick leave benefits as provided for under union contracts and conditions of employment. There are no segregated assets for these post-employment benefits.

The Yukon Hospital Corporation accrues vacation leave as earned. This liability is included in accounts payable and accrued liabilities.

17. Post-employment benefits and compensated absences (continued)

The accrued liabilities for the above benefits were as follows:

	2026	2025
	(thousands of dollars)	
Post-employment benefits and compensated absences liability		
Government of Yukon employees	$ 139,234	$ 135,883
Members of the Yukon Legislative Assembly	685	1,535
Yukon Hospital Corporation	3,367	2,800
Yukon Housing Corporation	2,873	2,605
Yukon University	10,886	10,512
(Schedule D)	$ 157,045	$ 153,335

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 January 1, 2013, there are two groups paying different rates of contributions to the plan.

In the calendar year 2025, the Government contributed $1.01 for every dollar contributed by the old group of plan members and $1.00 for the new group of plan members. For the portion of the employee’s salary above $210,200 the Government contributed $5.09 for every dollar contributed by both groups of plan members.

In the calendar year 2026, the Government contributes $1.01 for every dollar contributed by the old group of plan members and $1.00 for the new group of plan members. For the portion of the employee’s salary above $220,000 the Government contributes $5.04 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 $48,229,000 (2025 – $48,691,000).

18. Retirement benefits (continued)

(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, 2024. The accrued benefit obligation as at March 31, 2026 is based on an actuarial valuation performed for accounting purposes using the membership data as of March 31, 2024.

(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.

18. Retirement benefits (continued)

(c) Territorial Court Judiciary Pension Plan (continued)

The last actuarial valuation for funding purposes was performed as of March 31, 2023. The accrued benefit obligation as at March 31, 2026 is based on an actuarial valuation performed for accounting purposes using the membership data as of March 31, 2023.

(d) Yukon University Employees' Pension Plan

The University Employees' Pension Plan is a contributory defined benefit pension plan. The University's pension plan provides mandatory pension benefits for all full-time employees and optional benefits for part-time employees after 24 months of continuous service. The University's pension plan provides for defined retirement benefits based on an employee's years of service and average final earnings, in accordance with the *Pension Benefits Standards Act, 1985* (Canada). The University has contracted with external organizations to provide the services of trustee, administration, consulting and investment manager for the pension plan. The pension plan assets are held by a trustee and separate financial statements are prepared for the pension plan.

An actuarial valuation for funding purposes was performed as at June 30, 2025, which established the University's required contributions as 100% (June 30, 2024 - 100%) of employee contributions. The actuarial valuation for funding purposes as at June 30, 2025 indicates the University had an actuarial surplus of $26,879,000 (June 30, 2024 – $27,035,000) at the measurement date on a going concern basis and a surplus of $26,200,000 (June 30, 2024 – $17,708,000) if valued on the basis that the pension plan was to be terminated/wound up as at June 30, 2025. The solvency ratio of the plan was 120% at June 30, 2025 (114% at June 30, 2024).

An actuarial valuation for accounting purposes was performed as at March 31, 2026.

For any unfunded pension liability, the University has obtained a letter of credit in lieu of making solvency payments. The amount of the letter of credit is equal to the amount of solvency payments required as determined by the actuary. The Government has issued letters to a bank guaranteeing that, should there be a requirement to draw upon the letters of credit required by the University to address its solvency deficit in its pension plan, the Government will provide the necessary financial support to address any resulting debt, interest and costs that may be required under the federal pension legislation. As the solvency ratio was 120% and the average solvency ratio exceeds 100% in the most recent actuarial valuation, the letter of credit was canceled effective April 2, 2025.

18. Retirement benefits (continued)

(e) Yukon Hospital Corporation Employees' Pension Plan

The Yukon Hospital Corporation ("the Corporation") Employees' Pension Plan is a contributory defined benefit pension plan, which provides defined retirement benefits based on the length of service and final average earnings of an employee and is administered by the Corporation's Board of Trustees. A separate pension fund is maintained to hold plan assets. The Corporation has contracted with external organizations to provide trustee and investment management services for the fund.

An actuarial valuation for funding purposes was performed at December 31, 2025, which established the Corporation's required contribution as 115% (2024 – 115%) of employee contributions. This valuation reported that, as at December 31, 2025, the pension plan had a surplus of $69,168,000 (2024 – $71,534,000) on a going concern basis. The solvency ratio of the plan at December 31, 2025 is 120% (111% at December 31, 2024).

In accordance with the *Pension Benefits Standards Act, 1985*, the Corporation is required to make special payments when applicable to address any pension solvency requirements. The pension plan had a solvency surplus of $39,204,000 in 2025 calendar year (2024 - $22,468,000) if valued on the basis that the pension plan was terminated/wound up at the end of 2025 calendar year. The Corporation is allowed to cover up to a specified maximum with a conforming letter of credit that is guaranteed by the Government. As at March 31, 2026, the Corporation had a Government-guaranteed conforming letter of credit totalling $15,366,000 (2025 - $19,450,000). Starting June 1, 2024, the Corporation has taken a contribution holiday in accordance with *the Federal Income Tax Act*.

An actuarial valuation for accounting purposes was performed as at March 31, 2026.

(f) 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. The extended health care plan is self-insured. The accrued benefit obligation as at March 31, 2026 is based on an extrapolation of an actuarial valuation conducted as at December 31, 2025.

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 are 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.

18. Retirement benefits (continued)

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

	2026	2025
	(thousands of dollars)	
Accrued benefit asset		
Yukon Hospital Corporation Employees' Pension Plan	$ (71,904)	$ (72,243)
Yukon University Employees' Pension Plan	(38,510)	(37,915)
	$ (110,414)	$ (110,158)
Accrued benefit liability		
Extended health care retirement benefit	$ 91,755	$ 86,188
Legislative Assembly Retirement Allowances Plan	29,242	28,054
Life insurance retirement benefit	4,263	4,196
Territorial Court Judiciary Pension Plan	10,229	9,646
	$ 135,489	$ 128,084
Total net benefit liability (Schedule E)	$ 25,075	$ 17,926

19. Borrowings

	2026	2025
	(thousands of dollars)	
Yukon Government Canadian Domestic Bond - 1, due June 1, 2035, bearing fixed interest rate at 3.80% payable semi-annually	$ 200,000	$ -
Yukon Government Canadian Domestic Bond - 2, due December 1, 2030, bearing fixed interest rate at 3.10% payable semi-annually	200,000	-
Yukon Hospital Corporation – loans with a chartered bank. (see below)	8,599	13,803
Yukon Housing Corporation – mortgages payable to chartered banks and Canada Mortgage and Housing Corporation (CMHC), secured by fixed charges against housing projects, with net book value of $467,000 (2025 – $497,000), repayable in blended monthly payments with maturities up to the year 2029, bearing fixed interest rate of 5.00%.	144	199
Yukon Housing Corporation – loans payable to chartered banks and CMHC, repayable in blended periodic instalments with maturities up to the year 2029, bearing fixed interest rate of 9.50%.	26	165
	$ 408,769	$ 14,167
Less: Amounts included in Due to Government of Canada (Note 5)	(170)	(364)
	408,599	13,803
Less: Unamortized discount and issuance costs	(3,028)	-
	$ 405,571	$ 13,803

Principal repayment requirements over the next five years on outstanding borrowings are as follows:

	(thousands of dollars)
2027	$ 5,006
2028	3,634
2029	129
2030	200,000
2031	-
2032 and beyond	200,000
	$ 408,769

19. Borrowings (continued)

Yukon Hospital Corporation - loans with chartered bank

	2026	2025
	(thousands of dollars)	
Demand term installment loan with the CIBC with interest calculated at a fixed rate of 5.15% per annum for the Watson Lake Hospital construction project. Blended payments of $160,000 due monthly with the final payment due on December 31, 2026.	$ 1,407	$ 3,201
Demand term installment loan with the CIBC with interest calculated at a fixed rate of 4.525% per annum for the Dawson City Hospital construction project. Principal payments of $100,000 due monthly with the final payment due on April 1, 2028.	2,500	3,700
Demand term installment loan with the CIBC with interest calculated at a fixed rate of 5.23% per annum for the Crocus Ridge construction project. Blended payments of $117,000 due monthly with the final payment due on March 15, 2028.	2,673	3,908
Demand term installment loan with the CIBC with interest calculated at a fixed rate of 5.30% per annum for the Pension solvency and Letter of Credit interest. Blended payments of $93,000 due monthly with the final payment due on February 28, 2028.	2,019	2,994
	$ 8,599	$ 13,803

The remaining undiscounted contractual cash flows on Yukon Hospital Corporation's borrowings are $9,008,000 as at March 31, 2026 (2025 - $14,787,000).

19. Borrowings (continued)

Borrowing limit

The *Yukon Borrowing Limits Regulations* prescribe what constitutes borrowing, identifies the entities whose borrowing must be taken into account, and establishes how the value of borrowing is determined.

At March 31, 2026, the regulation, made pursuant to subsection 23 (4) of the Yukon Act (Canada), authorized the Government of Yukon and its entities to borrow, in aggregate, up to a maximum of $1.2 billion under P.C. 2024-1341. Subsequent to year-end, an Order in Council (P.C. 2026-0974) came into force on October 9, 2026, increasing the aggregate borrowing limit to $3.0 billion.

	2026	2025
	(thousands of dollars)	
Authorized borrowing limit	$ 1,200,000	$ 1,200,000
Borrowings by Government of Yukon	400,000	-
Borrowings by government reporting entity:		
Government business enterprises		
Yukon Development Corporation, bonds	100,000	100,000
Yukon Development Corporation, other long-term debt	112,014	116,159
	212,014	216,159
Fully consolidated entities		
Yukon Hospital Corporation, bank loans	8,599	13,803
Yukon Housing Corporation, mortgages payable	144	199
Yukon Housing Corporation, loans payable	26	165
	8,769	14,167
Accrued interest payable	5,489	1,813
Credit facilities used	184,297	357,543
Total debt	810,569	589,682
Available borrowing capacity	$ 389,431	$ 610,318

20. Tangible capital assets

	2026	2025
	Net Book Value	Net Book Value
	(thousands of dollars)	
Land	$ 24,948	$ 24,911
Buildings	985,967	934,248
Equipment & vehicles	106,954	106,497
Computer hardware & software	50,316	51,865
Infrastructure	1,171,482	1,064,046
Land improvements & fixtures	59,649	58,313
Waste & water systems	52,043	57,937
Communications technology	103,553	109,350
(Schedule C)	$ 2,554,912	$ 2,407,167

21. Expenses by object

	2026	2025
	(thousands of dollars)	
Personnel	$ 919,656	$ 861,501
Government transfers	456,789	461,299
Contract and special services	278,873	270,508
Materials, supplies, and utilities	186,705	170,603
Amortization	91,990	81,953
Rent	71,862	64,547
Communication and transportation	52,888	53,479
Environmental obligations	26,501	13,578
Accretion	2,362	2,376
Interest on borrowings	5,723	1,104
Valuation allowance adjustment (Note 9)	116,611	-
Other	53,608	74,685
	$ 2,263,568	$ 2,055,633

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, 2026, 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, 2026, except for the Compensation Fund (Yukon) which is at December 31, 2025.

	2026	2025
	(thousands of dollars)	
Compensation Fund (Yukon)	$ 330,259	$ 313,006
Canada Community Building Fund	119,732	135,143
Lottery Commission	5,148	8,736
Crime Prevention and Victim Services	8,467	8,557
Forest Sector trust	7,215	6,996
Quartz Mining Licence Security Deposit	9,696	6,012
Extended health and dental plan trust funds	8,141	4,353
Oil & Gas Well Abandonment Deposit	3,067	2,975
Public Guardian trust	3,146	2,587
School Trust Accounts	2,491	1,868
Other	3,809	2,657
	$ 501,171	$ 492,890

23. Contractual rights

The Government has entered into agreements to receive, or has contractual rights for, the following receipts subsequent to March 31, 2026:

	Expiry Date	2027	2028 - 2034	Total
		(thousands of dollars)		
Contribution and Service Agreements				
Infrastructure Canada	2034	$ 79,902	$ 385,339	$ 465,241
Transport Canada	2029	43,623	39,639	83,262
Indigenous Services Canada	2032	34,000	136,000	170,000
Health Canada	2030	18,555	17,628	36,183
Canada Mortgage and Housing Corporation	2030	9,699	10,187	19,886
Environment and Natural Resources	2031	33,060	17,298	50,358
Early Learning and Childcare Agreement	2031	19,327	57,868	77,195
Employment and Social Development	2029	7,617	12,537	20,154
Canada-Yukon Nature Agreement	2028	501	501	1,002
Canadian Heritage	2028	9,895	9,876	19,771
Justice Canada	2027	1,343	-	1,343
National Action Plan to End Gender Based Violence	2027	4,118	-	4,118
National Food Program	2027	5,096	-	5,096
Student Financial Assistance	2027	509	2,036	2,545
Shakwak Highway Project	2028	9,119	-	9,119
Other	2029	18,293	8,639	26,932
		$ 294,657	$ 697,548	$ 992,205

24. Contractual obligations

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2026:

	Expiry Date	2027	2028 - 2040	Total
		(thousands of dollars)		
Capital projects - in progress at March 31, 2026	2032	$ 260,505	$ 58,187	$ 318,692
RCMP policing agreement	2032	49,788	248,941	298,729
Other operational commitments	2034	142,541	96,577	239,118
Yukon Hospital Corporation medical equipment maintenance	2030	14,205	8,296	22,501
Building/office space leases	2033	14,493	13,151	27,644
Mineral Resources and Geoscience Services	2028	19,365	3,859	23,224
Alkan Air Ltd. medical evacuation contract	2036	15,715	141,433	157,148
Information Services Corporation	2040	268	4,905	5,173
Student Transportation	2028	4,928	1,320	6,248
NorthwesTel Inc. mobile radio network system	2035	6,194	50,531	56,725
		$ 528,002	$ 627,200	$ 1,155,202

25. 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 (2025 – 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, no (2025 – no) departments exceeded the authorized amounts.

26. Guarantees

At March 31, 2026, YDC had long-term debt of $242,144,000 (2025 – $247,232,000) (Note 11(a)) and a credit facility of up to $200,000,000 (2025 - $100,000,000). While the Government has not issued guarantees for these instruments, as YDC is an agent of the Government, lenders may have recourse to the Government. Except for the amounts committed as described in Note 11(d), it is expected that no significant costs will be incurred by the Government with respect to any guarantees and debts.

27. 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 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, excluding equity 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. For the receivable related to the tobacco settlement, the Government monitors the financial results of the tobacco companies to determine if a valuation allowance is required.

27. Risk management of financial instruments (continued)

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

	2026	2025
	(thousands of dollars)	
Carrying value	$ 85,081	$ 100,253
Allowance for doubtful accounts	$ 23,585	$ 5,126
Accounts receivable % less than 30 days	84 %	90 %
Accounts receivable % over 90 days	13 %	8 %

To manage the credit risk on mortgages and 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 mortgages and loans receivable to credit risk is $70,658,000 (2025 - $72,349,000). As at March 31, 2026, approximately 96% (2025 – 98%) of loans receivable were current or less than 30 days past due, whereas 4% (2025 – 2%) were over 30 days past due.

For the Loan receivable - Victoria Gold Corp., the Government monitors developments in the sale process and court proceedings to assess the impacts to the Government.

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, due to Government of Canada, and other borrowings.

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 Government manages this risk on its borrowings by distributing debt maturities over many years (Note 19).

Expected contractual maturities for financial liabilities are disclosed in the table below.

Undiscounted cash flows of financial liablities	Less than one year or on demand	Later than one year and less than five years	Later than five years	Total
	(thousands of dollars)			
Accounts payables and accrued liabilities	$ 269,326	$ -	$ -	$ 269,326
Due to Government of Canada	40,372	101	-	40,473
Borrowings	4,937	203,662	200,000	408,599
Interest on bonds	12,908	55,200	34,200	102,308
	$ 327,543	$ 258,963	$ 234,200	$ 820,706

27. Risk management of financial instruments (continued)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate 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 $46,000 (2025 - $53,000).

The Government manages this risk on its debt by issuing securities at predominantly fixed rates of interest rather than at floating rates of interest. To reduce its exposure to interest rate risk, the Government, through its government reporting entities, uses interest rate contracts, including interest rate swap agreements, to manage the fixed and floating interest rate mix on its debt portfolio. The Government has interest rate swaps on a value of debt of $8,599,000 (2025 - $13,803,000). At March 31, 2026, 100% (2025 – 100%) of the Government's gross debt effectively carried a rate of interest that was fixed for greater than a one-year period. As such, fluctuations in market interest rates would not impact future cash flows and the operations of the Government.

The Government has access to lines of credit up to the following limits:

	2026	2025
	(thousands of dollars)	
Government of Yukon	$ 350,000	$ 449,000
Yukon University	1,000	1,000
	$ 351,000	$ 450,000

The Government of Yukon used its line of credit during the year and incurred interest expenses at prime rate minus 0.85% (2025 - prime rate minus 0.85%) per annum. The University line of credit was unused at both 2026 and 2025. 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 risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate 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.

27. Risk management of financial instruments (continued)

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. Overall, the other price risk is not considered significant.

28. 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.

29. 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, 2026, the amounts claimed, excluding the claim from Northern Cross (Yukon) Ltd., which is described below, is $18,884,000 (2025 - $12,884,000). 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, a reasonable 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 the 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 $395,000,000 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 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 any liability exists 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 2026, the Government paid $867,000 (2025 – $735,000) for liability claims such as bodily injury, property damage and automobile liability. The Government had unpaid claims against the fund in the amount of $809,000 as at March 31, 2026 (2025 – $1,301,000). This amount is reported as part of the Government's accrued liabilities. The fund balance at March 31, 2026 was $3,778,000 (2025 – $1,552,000).

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.

30. Subsequent events

On October 20, 2026, the court-appointed receiver of Victoria Gold Corp. and the purchaser entered into a $140,000,000 agreement for the sale of the Eagle Gold Mine. The impacts of this subsequent event are described in Note 9.

On October 20, 2026, the Government entered into a framework agreement with the court-appointed receiver of Victoria Gold Corp. and the purchaser. The agreement establishes the parties' rights, obligations and protections relating to post-closing activities, implementation of the restart plan, and legacy contamination from the Eagle Gold Mine heap leach failure in the event that future contamination concerns arise. The Government's obligation to incur any costs depends on future events and the satisfaction of specific contractual conditions and these are undeterminable at the date of the financial statements.

31. Comparative information

Certain comparative information for 2025 has been reclassified to conform with the 2026 presentation.

Schedule A

Consolidated Schedule of Revenues by Source
for the year ended March 31, 2026

	2026		2025
	Budget	Actual	Actual
	(thousands of dollars)		
Transfers from Government of Canada			
Formula financing grant	$ 1,454,190	$ 1,454,186	$ 1,350,134
Contributions and service agreements	355,825	333,205	325,753
Other government transfers	83,940	87,632	145,415
	1,893,955	1,875,023	1,821,302
Taxes and general revenues			
Income taxes	152,860	172,116	157,186
Other taxes			
Tobacco tax	10,220	9,110	9,728
Fuel oil tax	11,790	11,164	9,090
General property tax	6,695	8,289	7,636
Liquor tax	5,269	5,032	5,146
Insurance premium tax	9,430	10,133	9,100
Grant in lieu of property tax	264	276	256
Sale of land	31,750	21,424	24,446
Licences, permits, and fees	41,753	37,602	34,649
Tobacco settlement (Note 6)	-	-	54,026
Investment and interest revenue	12,295	23,087	14,103
Hospital revenues	8,740	4,385	3,775
Resource revenue - mineral, oil and gas and forestry	2,087	3,237	2,057
Aviation operations	1,345	1,907	1,800
Income from portfolio investments	2,222	1,362	1,791
Fines	500	666	541
Surety bond - Victoria Gold Corp.	-	45,000	-
Other revenue	331	5,829	8,937
	297,551	360,619	344,267
Funding and service agreements with other parties	59,011	63,618	67,962
Income (loss) from investment in government business enterprises			
Yukon Liquor Corporation	6,306	6,356	7,461
Yukon Development Corporation	16,800	24,639	(12,598)
	23,106	30,995	(5,137)
	$ 2,273,623	$ 2,330,255	$ 2,228,394

Schedule B

Consolidated Schedule of Operations by Function
for the year ended March 31, 2026

	Health and Social Services		Community and Transportation		Education		General government[1]	
	2026	2025	2026	2025	2026	2025	2026	2025
	(thousands of dollars)							
Revenues								
Transfers from Government of Canada	$ 65,898	$ 76,255	$ 160,993	$ 186,100	$ 51,885	$ 18,587	$ 1,556,891	$ 1,501,299
Taxes and general revenues	9,185	63,364	60,094	59,479	7,290	6,950	214,607	202,211
Funding and service agreements with other parties	15,223	12,934	13,572	10,163	10,298	17,007	731	3,424
Income (loss) from investment in government business enterprises	-	-	24,639	(12,598)	-	-	6,356	7,461
	90,306	152,553	259,298	243,144	69,473	42,544	1,778,585	1,714,395
Expenses (Note 21)								
Personnel	321,288	298,244	92,850	91,655	216,235	195,500	148,409	139,095
Contracts, materials and other	271,874	253,544	187,073	190,670	2,424	1,898	66,242	67,609
Government transfers	151,067	151,489	156,873	122,582	70,063	65,384	22,623	66,897
Amortization expenses	16,438	16,603	48,382	42,374	8,811	8,350	13,531	10,092
Subtotal	760,667	719,880	485,178	447,281	297,533	271,132	250,805	283,693
Interest on borrowings	451	1,075	15	29	-	-	5,257	-
	761,118	720,955	485,193	447,310	297,533	271,132	256,062	283,693
Recovery of prior years' expenses	3,292	664	65	47	362	229	1,101	427
Surplus (deficit) for the year	$ (667,520)	$ (567,738)	$ (225,830)	$ (204,119)	$ (227,698)	$ (228,359)	$ 1,523,624	$ 1,431,129

[1] Includes the legislature, tax collection and administration, Formula Financing and other government transfers from the federal government, liquor profits, general administration and central agency services such as building maintenance, Public Service Commission, finance and IT services to government departments and organizations

Schedule B

Consolidated Schedule of Operations by Function (continued)
for the year ended March 31, 2026

	Natural Resources		Justice		Business, Tourism and Culture		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
	(thousands of dollars)							
Revenues								
Transfers from Government of Canada	$ 23,306	$ 23,121	$ 9,505	$ 8,943	$ 6,545	$ 6,997	$ 1,875,023	$ 1,821,302
Taxes and general revenues	67,905	10,976	1,468	1,235	70	52	360,619	344,267
Funding and service agreements with other parties	21,996	23,049	1,173	703	625	682	63,618	67,962
Income (loss) from investment in government business enterprises	-	-	-	-	-	-	30,995	(5,137)
	113,207	57,146	12,146	10,881	7,240	7,731	2,330,255	2,228,394
Expenses (Note 21)								
Personnel	70,402	69,076	49,062	46,782	21,410	21,149	919,656	861,501
Contracts, materials and other	190,935	56,144	60,887	70,189	9,975	9,722	789,410	649,776
Government transfers	20,551	18,447	9,701	9,138	25,911	27,362	456,789	461,299
Amortization expenses	1,993	1,850	2,097	1,926	738	758	91,990	81,953
Subtotal	283,881	145,517	121,747	128,035	58,034	58,991	2,257,845	2,054,529
Interest on borrowings	-	-	-	-	-	-	5,723	1,104
	283,881	145,517	121,747	128,035	58,034	58,991	2,263,568	2,055,633
Recovery of prior years' expenses	453	700	2,907	96	221	83	8,401	2,246
Surplus (deficit) for the year	$ (170,221)	$ (87,671)	$ (106,694)	$ (117,058)	$ (50,573)	$ (51,177)	$ 75,088	$ 175,007

Schedule C

Consolidated Schedule of Tangible Capital Assets
for the year ended March 31, 2026

	Land	Buildings	Equipment & vehicles	Computer hardware & software	Infrastructure	Land improvements & fixtures	Waste & water systems	Communications technology	2026 Total	2025 Total
					(thousands of dollars)					
Cost of tangible capital assets, opening	$ 24,911	$1,526,621	$ 266,999	$ 144,816	$ 1,615,163	$ 84,130	$ 83,069	$ 118,959	$ 3,864,668	$ 3,584,550
Change in asset retirement obligation estimate	-	(509)	-	-	-	-	-	-	(509)	(411)
Acquisitions	37	79,880	17,354	6,819	136,118	6,034	752	206	247,200	289,549
Write-downs	-	-	(53)	(812)	-	-	(5,446)	-	(6,311)	-
Disposals	-	(404)	(7,484)	(1,049)	-	-	-	-	(8,937)	(9,020)
Cost of tangible capital assets, closing	24,948	1,605,588	276,816	149,774	1,751,281	90,164	78,375	119,165	4,096,111	3,864,668
Accumulated amortization, opening	-	592,373	160,502	92,951	551,117	25,817	25,132	9,609	1,457,501	1,384,337
Amortization expense	-	27,331	16,520	7,556	28,682	4,698	1,200	6,003	91,990	81,953
Disposals	-	(83)	(7,160)	(1,049)	-	-	-	-	(8,292)	(8,789)
Accumulated amortization, closing	-	619,621	169,862	99,458	579,799	30,515	26,332	15,612	1,541,199	1,457,501
Net book value (Note 20)	$ 24,948	$ 985,967	$ 106,954	$ 50,316	$ 1,171,482	$ 59,649	$ 52,043	$ 103,553	$ 2,554,912	$ 2,407,167
Asset retirement obligation[a]	$ -	$ 651	$ 93	$ -	$ 279	$ -	$ 1,623	$ -	$ 2,646	$ 2,342
Work-in-progress[a]	$ -	$ 87,757	$ 4,269	$ 18,608	$ 312,366	$ 7,447	$ 2,660	$ -	$ 433,107	$ 571,459

[a] Included in net book value

Schedule D

Consolidated Schedule of Post-employment Benefits and Compensated Absences
For the year ended March 31, 2026

	Government of Yukon Employees	Members of Yukon Legislative Assembly	Yukon Hospital Corporation	Yukon Housing Corporation	Yukon University	2026 Total	2025 Total
				(thousands of dollars)			
Accrued benefit obligation							
Obligation at beginning of year	$ 124,584	$ 1,461	$ -	$ 2,257	$ 8,709	$ 137,011	$ 127,397
Current service costs	11,475	151	-	220	1,017	12,863	12,032
Interest cost on benefit obligation	5,988	58	-	83	313	6,442	6,434
Curtailment / settlement gain	-	-	-	-	(168)	(168)	-
Actuarial loss (gain)	(7,477)	17	-	77	(239)	(7,622)	4,899
Benefits paid	(13,186)	(985)	-	(88)	(665)	(14,924)	(13,751)
Accrued benefit obligation at end of year	121,384	702	-	2,549	8,967	133,602	137,011
Unrecognized net actuarial gain (loss)	17,074	(17)	-	324	(605)	16,776	10,234
Accrued benefit liability	138,458	685	-	2,873	8,362	150,378	147,245
Liabilities that are not included in actuarial valuation	776	-	3,367	-	2,524	6,667	6,090
Post employment benefits and compensated absences (Note 17)	$ 139,234	$ 685	$ 3,367	$ 2,873	$ 10,886	$ 157,045	$ 153,335
Net benefit cost							
Current service cost	$ 11,475	$ 151	$ -	$ 220	$ 1,017	$ 12,863	$ 12,032
Interest cost on benefit obligation	5,988	58	-	83	313	6,442	6,434
Curtailment / settlement gain	-	-	-	-	(168)	(168)	-
Amortization of net actuarial loss (gain)	(976)	(74)	-	(63)	(239)	(1,352)	(1,574)
Net costs for the year	$ 16,487	$ 135	$ -	$ 240	$ 923	$ 17,785	$ 16,892

Schedule D

Consolidated Schedule of Post-employment Benefits and Compensated Absences (continued)
For the year ended March 31, 2026

	Government of Yukon Employees	Members of Yukon Legislative Assembly	Yukon Hospital Corporation	Yukon Housing Corporation	Yukon University
2025-26 Key Assumptions					
Discount rate on benefit costs	4.60 %	5.60 %	N/A	3.50 %	4.50 %
Discount rate on accrued benefit obligation at end of year	5.10 %	5.60 %	N/A	4.00 %	4.90 %
Inflation rate at end of year	2.00 %	2.00 %	N/A	2.00 %	2.00 %
Rate of compensation increase	see below[1]	2.50 %	N/A	see below[1]	see below[2]
Amortization period (expected average remaining service life)	14.2 years	1.0 years	N/A	13.7 years	13.0 years

[1]Based on the annual rates from the Public Service Pension Plan ("PSPP") March 31, 2023 valuation report.

[2]Group 1: 3.00% and Group 2: 4.00%.

2024-25 Key Assumptions					
Discount rate on benefit costs	4.90 %	5.70 %	N/A	4.90 %	4.85 %
Discount rate on accrued benefit obligation at end of year	4.60 %	5.60 %	N/A	3.50 %	4.50 %
Inflation rate at end of year	2.00 %	2.00 %	N/A	2.00 %	2.00 %
Rate of compensation increase	see below[1]	2.50 %	N/A	see below[1]	see below[2]
Amortization period (expected average remaining service life)	13.0 years	2.0 years	N/A	11.8 years	10.0 years

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

[2]Group 1: 3.00% and Group 2: 4.00%

Schedule E

Consolidated Schedule of Retirement Benefits
for the year ended March 31, 2026

	Extended health care retirement benefit	Legislative Assembly Retirement Allowances Plan	Life insurance retirement benefit	Territorial Court Judiciary Pension Plan	Yukon Hospital Corporation Employees' Pension Plan	Yukon University Employees' Pension Plan	2026 Total	2025 Total
				(thousands of dollars)				
Pension and retirement plan assets are valued at fair value.								
Accrued benefit obligation								
Obligation at beginning of year	$ 87,764	$ 41,863	$ 4,044	$ 17,364	$ 131,177	$ 113,276	$ 395,488	$ 357,247
Current service costs	3,558	1,588	43	581	5,522	4,542	15,834	14,865
Transfer from other plans	-	-	-	-	309	-	309	2,235
Interest cost on benefit obligation	4,143	2,331	186	924	8,780	5,979	22,343	21,451
Actuarial (gain) loss	(13,348)	169	(863)	715	1,403	(481)	(12,405)	17,795
Benefits paid	(2,526)	(2,076)	(189)	(915)	(8,043)	(5,895)	(19,644)	(17,356)
Administration expenses	-	-	-	-	-	(768)	(768)	(749)
Accrued benefit obligation at end of year	79,591	43,875	3,221	18,669	139,148	116,653	401,157	395,488
Plan assets - valued at fair value								
Value at beginning of year	-	13,702	-	7,512	210,770	159,423	391,407	364,467
Actual return on plan assets	-	865	-	299	18,054	7,402	26,620	32,425
Transfer from other plans	-	-	-	-	309	-	309	2,235
Employer contributions	-	393	-	558	45	325	1,321	2,902
Member contributions	-	90	-	111	74	332	607	3,909
Benefits paid	-	(488)	-	(915)	(8,043)	(5,895)	(15,341)	(13,227)
Actual plan expenses	-	-	-	-	(991)	(768)	(1,759)	(1,304)
Value at end of year	-	14,562	-	7,565	220,218	160,819	403,164	391,407

Schedule E

Consolidated Schedule of Retirement Benefits (continued)
for the year ended March 31, 2026

	Extended health care retirement benefit	Legislative Assembly Retirement Allowances Plan	Life insurance retirement benefit	Territorial Court Judiciary Pension Plan	Yukon Hospital Corporation Employees' Pension Plan	Yukon University Employees' Pension Plan	2026 Total	2025 Total
				(thousands of dollars)				
Funded status - plan deficit (surplus)	79,591	29,313	3,221	11,104	(81,070)	(44,167)	(2,008)	4,081
Unrecognized net actuarial gain (loss)	12,164	(71)	1,042	(875)	9,166	5,657	27,083	13,845
Accrued benefit liability (asset) (Note 18)	$ 91,755	$ 29,242	$ 4,263	$ 10,229	$ (71,904)	$ (38,510)	$ 25,075	$ 17,926
Net benefit cost								
Current service cost	$ 3,558	$ 1,588	$ 43	$ 581	$ 6,002	$ 4,542	$ 16,314	$ 14,930
Less: Member contributions	-	(90)	-	(111)	(74)	(332)	(607)	(3,909)
Interest cost on benefit obligation	4,143	2,331	186	924	8,780	5,979	22,343	21,451
Expected return on plan assets	-	(767)	-	(392)	(13,937)	(8,334)	(23,430)	(22,910)
Amortization of net actuarial loss (gain)	391	107	26	139	(387)	(2,124)	(1,848)	(4,499)
Net cost for the year	$ 8,092	$ 3,169	$ 255	$ 1,141	$ 384	$ (269)	$ 12,772	$ 5,063

Schedule E

Consolidated Schedule of Retirement Benefits (continued)
for the year ended March 31, 2026

	Extended health care retirement benefit	Legislative Assembly Retirement Allowances Plan	Life insurance retirement benefit	Territorial Court Judiciary Pension Plan	Yukon Hospital Corporation Employees' Pension Plan	Yukon University Employees' Pension Plan
2025-26 Key Assumptions						
Expected long-term rate of return on assets at beginning of year	N/A	5.60 %	N/A	5.30 %	6.75 %	5.33 %
Discount rate on benefit costs	4.60 %	5.60 %	4.60 %	5.30 %	6.75 %	5.33 %
Discount rate on accrued benefit obligation at end of year	5.10 %	5.60 %	5.10 %	5.30 %	6.75 %	5.72 %
Inflation rate at end of year	2.00 %	2.00 %	2.00 %	2.00 %	2.00 %	2.00 %
Rate of compensation increase	see below [1]	2.50 %	see below [1]	3.00 %	2.50 %	see below [3]
Health care cost trend rate	see below [2]	N/A	N/A	N/A	N/A	N/A
Amortization period (expected average remaining service life)	14.2 years	1.0 years	10.6 years	1.9 years	9.3 years	13.0 years

[1] Based on the annual rates from the Public Service Pension Plan ("PS") March 31, 2023 valuation report.

[2] 5.3% per annum for 2026-27, decreasing linearly to 4.9% in 2029, and following the McMaster Model to an ultimate trend rate of 4.0% in 2040.

[3] Group 1: 3.00% and Group 2: 4.00%.

2024-25 Key Assumptions						
Expected long term rate of return on assets at beginning of year	N/A	5.60 %	N/A	5.30 %	6.75 %	6.20 %
Discount rate on benefit costs	4.90 %	5.70 %	4.90 %	5.40 %	6.75 %	6.20 %
Discount rate on accrued benefit obligation at end of year	4.60 %	5.60 %	4.60 %	5.30 %	6.75 %	5.33 %
Inflation rate at end of year	2.00 %	2.00 %	2.00 %	2.00 %	2.00 %	2.00 %
Rate of compensation increase	see below [1]	2.50 %	see below [1]	3.00 %	2.50 %	see below[3]
Health care cost trend rate	see below [2]	N/A	N/A	N/A	N/A	N/A
Amortization period (expected average remaining service life)	13.0 years	2.0 years	9.5 years	2.2 years	9.3 years	12.0 years

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

[2] 5.5% per annum for 2025-26, decreasing linearly to 4.9% in 2029, and following the McMaster Model to an ultimate trend rate of 4.0% in 2040.

[3] Group 1: 3.00% and Group 2: 4.00%.

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PART THREE

NON-CONSOLIDATED FINANCIAL STATEMENTS AND OTHER INFORMATION

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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, 2026

	2026	2025
	(thousands of dollars)	
Financial assets		
Cash and cash equivalents (Note 4)	$ 144,743	$ 910
Due from Government of Canada (Note 5)	110,709	172,078
Accounts receivable (Note 6)	79,192	97,351
Portfolio investments (Note 7)	42,877	41,935
Advances to Territorial corporations (Note 9)	55,171	60,901
Loan receivable - Victoria Gold Corp. (Note 10)	86,558	105,000
Loans receivable (Note 10)	48,539	46,595
Inventories for resale (Note 11)	75,643	86,622
	643,432	611,392
Liabilities		
Bank advances and short-term borrowings (Note 12)	-	267,438
Due to Government of Canada (Note 5)	40,257	45,137
Accounts payable and accrued liabilities (Note 13)	237,846	250,520
Unearned revenues (Note 14)	31,864	25,754
Surety bond - Victoria Gold Corp. (Note 10)	58,761	55,000
Environmental liabilities (Note 15)	184,255	178,811
Asset retirement obligation liabilities (Note 16)	53,913	51,990
Post-employment benefits and compensated absences (Note 17)	139,919	137,418
Retirement benefits (Note 18)	135,488	128,084
Borrowings (Note 19)	396,972	-
	1,279,275	1,140,152
Net debt	**(635,843)**	**(528,760)**
Non-financial assets		
Tangible capital assets (Note 20)	2,200,199	2,085,703
Inventories of supplies	9,438	10,892
Prepaid expenses	4,056	4,139
	2,213,693	2,100,734
Accumulated surplus	**$ 1,577,850**	**$ 1,571,974**
Accumulated surplus is comprised of:		
Accumulated operating surplus	1,573,176	1,568,305
Accumulated remeasurement gains	4,674	3,669
	$ 1,577,850	**$ 1,571,974**

Commitments (Note 25), Contingencies (Note 30), Guarantees (Note 27), Contractual rights (Note 23), Contractual obligations (Note 24), and Subsequent events (Note 31).

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

Approved on: October 26, 2026

Jason Bilsky
Deputy Minister of Finance

Currie Dixon
Minister of Finance

Non-Consolidated Statement of Operations and Accumulated Operating Surplus for the year ended March 31, 2026

	2026		2025
	Main Estimates	Actual	Actual
	(Note 1(b))		
	(thousands of dollars)		
Revenues (Schedule A)			
Transfers from Government of Canada			
Formula financing grant	$ 1,454,190	$ 1,454,186	$ 1,350,134
Contributions and service agreements	306,100	291,316	305,947
Other government transfers	83,940	87,630	145,304
Taxes and general revenues	275,590	343,958	329,260
Funding and service agreements with other parties	49,583	55,452	53,319
	2,169,403	2,232,542	2,183,964
Expenses (Note 21 and Schedule B)	2,087,439	2,236,072	2,037,639
Recovery of prior years' expenses	-	8,401	2,246
Surplus for the year	$ 81,964	$ 4,871	$ 148,571
Accumulated operating surplus at beginning of year		1,568,305	1,419,734
Accumulated operating surplus at end of year		**$ 1,573,176**	**$ 1,568,305**

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

Non-Consolidated Statement of Remeasurement Gains and Losses for the year ended March 31, 2026

	2026	2025
	(thousands of dollars)	
Accumulated remeasurement gains at beginning of year	**$ 3,669**	**$ 2,174**
Unrealized gains attributable to:		
Portfolio investments	1,635	338
Amounts reclassified to the statement of operations and accumulated operating surplus:		
Portfolio investments	(630)	1,157
Net remeasurement gains for the year	**1,005**	**1,495**
Accumulated remeasurement gains at year end	**$ 4,674**	**$ 3,669**

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

GOVERNMENT OF YUKON

Non-Consolidated Statement of Change in Net Debt
for the year ended March 31, 2026

	2026		2025
	Main Estimates (Note 1(b))	Actual	Actual
	(thousands of dollars)		
Surplus for the year	$ 81,964	$ 4,871	$ 148,571
Effect of change in tangible capital assets			
Acquisitions	(233,816)	(197,897)	(250,086)
Amortization of tangible capital assets	64,097	76,818	67,230
Loss on disposal of tangible capital assets	22	272	231
Proceeds on disposal of tangible capital assets	195	-	-
Change in asset retirement obligation estimate	-	-	(17)
Write-down of tangible capital assets	-	6,311	-
	(169,502)	(114,496)	(182,642)
Effect of change in other non-financial assets			
Acquisition of inventories of supplies	-	(11,007)	(12,753)
Consumption of inventories of supplies	-	12,461	13,002
(Increase) decrease in prepaid expenses	-	83	(890)
	-	1,537	(641)
Net remeasurement gains	-	1,005	1,495
Increase in net debt	**(87,538)**	**(107,083)**	**(33,217)**
Net debt at beginning of year		(528,760)	(495,543)
Net debt at end of year		**$ (635,843)**	**$ (528,760)**

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

Non-Consolidated Statement of Cash Flow
for the year ended March 31, 2026

	2026	2025
	(thousands of dollars)	
Operating transactions		
Surplus for the year	$ 4,871	$ 148,571
Non-cash items included in surplus for the year:		
Amortization of tangible capital assets	76,818	67,230
Recognition of surety bond income	(45,000)	-
Loans receivable valuation adjustment	98,390	3,063
Amortization of unearned revenues	(750)	(375)
Accretion expense	2,008	1,933
Accounts receivable valuation adjustment	18,169	-
Write-down of tangible capital assets	6,311	-
Loss (gain) on sale of inventories held for resale	424	(2,370)
Write-down of inventories held for resale	1,138	14,857
Loss on disposal of tangible capital assets	272	231
Net change in accounts receivable	(8)	(54,935)
Net change in accounts payable and accrued liabilities balances	(10,864)	29,629
Proceeds from surety bond - Victoria Gold Corp.	48,761	55,000
Net change in environmental liabilities	5,444	(10,377)
Net change in other operating asset and liabilities balances	74,110	(26,284)
Cash provided by (used for) operating transactions	280,094	226,173
Capital transactions		
Acquisition of tangible capital assets	(199,684)	(258,331)
Cash provided by (used for) capital transactions	(199,684)	(258,331)
Investing transactions		
Net proceeds from (acquisition of) portfolio investments	633	(808)
Repayments of advances from Territorial corporations	6,150	2,250
Advances to Territorial corporations	(420)	(2,552)
Repayment of loans receivable	20,401	19,944
Issuance of loans receivable	(80,868)	(106,368)
Investment in inventories held for resale	(12,007)	(42,428)
Cash provided by (used for) investing transactions	(66,111)	(129,962)
Financing transactions		
Repayment of liabilities for leased tangible capital assets	-	(362)
Proceeds from bond issuance	396,972	-
Cash provided by (used for) financing transactions	396,972	(362)
Change for the year	411,271	(162,482)
(Bank indebtedness) cash and cash equivalents, beginning of year	(266,528)	(104,046)
Cash and cash equivalents (bank indebtedness), end of year	**$ 144,743**	**$ (266,528)**
Represented by:		
Cash and cash equivalents (Note 4)	$ 144,743	$ 910
Bank advances and short-term borrowings (Note 12)	-	(267,438)
Total	**$ 144,743**	**$ (266,528)**
Interest received in the year	$ 5,891	$ 8,400
Interest paid in the year	$ 7,091	$ 5,896

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

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 March 2025. 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 (PSAS) as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

2. Significant accounting policies

Revenues

Revenues are recorded on an accrual basis.

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.

Government transfers include the Formula Financing grant and the Canada health and the Canada social transfers 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.

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. Remittances are determined in accordance with the Department of Finance – Canada's best estimates for the taxation year, and income tax revenues are recognized on the basis of these estimates, subject to adjustments 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.

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

Property tax revenues are recognized in the period in which the taxable event occurs and when they are authorized by legislation, or the ability to assess and collect the tax has been provided through legislative convention. Reported property tax revenues include estimated revenues for the current period and adjustments between the estimated revenues of previous years and actual amounts.

2. Significant accounting policies (continued)

Revenues (continued)

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.

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.

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.

Accounts receivables are recorded at cost. A valuation allowance is recorded when collection of the receivable is considered doubtful.

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.

2. Significant accounting policies (continued)

Assets (continued)

Financial assets (continued)

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.

Loans receivable are stated at the lower of principal amounts and net recoverable value. Valuation allowances, which are recorded to reduce loans receivable to their net recoverable value, 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 realizable 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.

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. Certain tangible capital assets that have legal obligations requiring specific retirement activities create a future asset retirement liability that is offset at inception by capitalizing the estimated future cost and amortizing it over the life of the tangible capital asset. 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, certain 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.

2. Significant accounting policies (continued)

Assets (continued)

Non-financial assets (continued)

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:

Asset category	Estimated useful life
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

[1] Includes Highways, Surfaces, Bridges and Airport runways

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

2. Significant accounting policies (continued)

Assets (continued)

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. These inventories of supplies are valued at the lower of cost and replacement value, as they are not held for sale but rather 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 are due on demand.

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 (or likely to fail 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.

Environmental liabilities

Liabilities for remediation of contaminated sites are recognized when an environmental standard exists; contamination exceeds the environmental standard; the Government is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made.

2. Significant accounting policies (continued)

Liabilities (continued)

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 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.

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, as well as 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.

2. Significant accounting policies (continued)

Liabilities (continued)

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 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 a 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.

Borrowings

Borrowings are recognized initially at cost or amortized cost, reflecting premiums, discounts, and directly attributable transaction costs, and are subsequently measured at amortized cost using the effective interest method.

2. Significant accounting policies (continued)

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:

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
Borrowings	Amortized cost

Fair value measurement

The determination of fair value requires judgement 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.

2. Significant accounting policies (continued)

Other (continued)

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 the tobacco settlement receivable, Victoria Gold Corp. loan receivable, inventories for resale, post-employment and retirement benefits, environmental liabilities, asset retirement obligations, amortization of tangible capital assets, corporate and personal income tax revenue, and contingencies.

There is measurement uncertainty related to the tobacco settlement receivable as it involves estimates in future net after-tax income of the three tobacco companies, annual distribution amounts, the discount rate and actual settlement period. The degree of measurement uncertainty cannot be reasonably determined.

There is measurement uncertainty related to the Victoria Gold Corp. loan receivable as its recoverability is subject to significant uncertainty. The recoverability of the receivable depends on a number of factors, including the outcome of the sale process, the terms of any definitive transaction, remediation and restart costs, regulatory requirements, and the timing and amount of future realizations. The degree of measurement uncertainty cannot be reasonably determined.

There is measurement uncertainty related to the valuation of the inventories for resale. The estimated net realizable value of these inventories is dependent on assumptions regarding anticipated sale prices and estimated development and selling costs. The degree of measurement uncertainty cannot be reasonably determined.

The provision for environmental liabilities is subject to a high degree of measurement uncertainty because determining the existence and extent of contamination, the responsibility for, and the timing and cost of remediation activities are complex and subjective. These 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 is complex and subjective. These 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. Future changes in accounting standards

The Government will adopt the Conceptual Framework for Financial Reporting in the Public Sector (Conceptual Framework) and PS 1202 Financial Statement Presentation effective for the Government's fiscal year beginning on April 1, 2026.

The Conceptual Framework establishes the nature, purpose, and boundaries of financial accounting and reporting. It provides the foundation for the development of PSAS and supports the application of professional judgment. Upon implementation, it will be applied prospectively and will replace the conceptual components of PS 1000 Financial Statement Concepts and PS 1100 Financial Statement Objectives.

PS 1202, sometimes referred to as the new reporting model, outlines key requirements for presenting information in public sector financial statements, drawing on the principles set out in the Conceptual Framework. The new standard requires retroactive application, including the restatement of prior year comparatives.

In March 2026, the Public Sector Accounting Board issued Section PS 3251, Employee Benefits, which replaces the existing standards for employee benefits. It is effective for fiscal years beginning on or after April 1, 2029, with early adoption permitted. The new standard provides revised guidance for the recognition, measurement and disclosure of employee benefits, including defined benefit plans. The Government is assessing the impact of the new standard on its financial statements and will implement the standard by the effective date.

4. Cash and cash equivalents

	2026	2025
	(thousands of dollars)	
Bank balances	$ 144,698	$ 864
Cash on hand	45	46
	$ 144,743	$ 910

5. Due from/to Government of Canada

	2026	2025
	(thousands of dollars)	
Due from Government of Canada		
Cost-sharing agreements and projects delivered on behalf of the Government of Canada	$ 103,490	$ 164,558
Income tax	7,216	7,517
Other	3	3
	$ 110,709	$ 172,078
Due to Government of Canada		
RCMP	$ 13,164	$ 11,344
Public Service Pension Plan contribution	10,609	10,976
Payroll taxes	8,850	10,155
Program funding liable for claw back	3,081	3,081
Type II mine sites	849	1,270
Other	3,704	8,311
	$ 40,257	$ 45,137

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

	2026	2025
	(thousands of dollars)	
Taxes, interest, and other revenue receivables	$ 60,702	$ 40,905
Less: valuation allowance	(21,992)	(3,708)
	38,710	37,197
Tobacco settlement [1]	28,325	54,026
Due from Territorial corporations	12,157	6,128
	$ 79,192	$ 97,351

[1]The Government is party to litigation initiated against three tobacco manufacturers to recover health care costs associated with tobacco-related illnesses. This action is part of a coordinated effort among several Canadian jurisdictions and claimants.

On March 6, 2025, the Ontario Superior Court of Justice approved a mediated settlement of $32.5 billion under the *Companies' Creditors Arrangement Act*. Of this, $24.7 billion is payable to provinces and territories, including an upfront payment of $6.2 billion upon implementation of the agreement in August 2025.

The Government is entitled to approximately $101,000,000 under the agreement. During the year, the Government received the upfront payment of $25,701,000 in settlement proceeds. The outstanding balance is expected to be collected through annual instalments based on a percentage of the tobacco companies' net after-tax income. The receivable of $28,325,000 (2025 – $54,026,000) represents the remaining amount.

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 2026	Total 2025
	(thousands of dollars)				
Short-term investments	$ -	$ 4,642	$ -	$ 4,642	$ 5,336
Bonds	-	6,757	-	6,757	6,304
Mortgages	-	4,533	-	4,533	4,347
Equities	-	26,945	-	26,945	25,948
Investments at fair value	$ -	$ 42,877	$ -	$ 42,877	$ 41,935

Portfolio investments include designated investments set aside within the Consolidated Revenue Fund (Note 88). 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 $42,877,000 (2025 - $41,935,000) are included in portfolio investments (Note 77).

9. Advances to Territorial corporations

	2026	2025
	(thousands of dollars)	
Yukon Development Corporation Infrastructure loan	$ 31,200	$ 32,200
Yukon Housing Corporation Working capital advances	23,971	28,701
	$ 55,171	$ 60,901

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.

9. Advances to Territorial corporations (continued)

The per annum interest rate is based off the one-year indicative swap rate plus a 0.65% premium increase. The rate of interest effective on March 31, 2026, is 3.42% (2025 – 5.69%). The loan agreement requires principal repayments of $1,000,000 on March 31 each year and full repayment of any principal outstanding at the end of each loan term if the loan is not extended. The payment due March 31, 2026 from YDC was received in March 2026.

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

10. Loans receivable

	2026	2025
	(thousands of dollars)	
Agreements for sale of land, due in varying annual amounts over a three- or five-year term to the year 2030 (2025 – 2029), bearing interest at 5.00% to 7.75% (2025 – 5.00% to 7.75%).	$ 33,400	$ 29,941
Local improvement loans, due in varying annual amounts to the year 2040 (2025 – 2040), bearing interest rates ranging from 0.50% to 5.25% (2025 – 0.50% to 5.25%).	7,585	8,232
Domestic well loans, due in varying annual amounts to the year 2040 (2025 – 2038), bearing interest rates ranging from 0.50% to 5.25% (2025 – 0.50% to 4.50%).	5,251	5,687
Debenture loans to municipalities, due in varying annual amounts to the year 2038 (2025 – 2038), bearing interest rates ranging from 2.72% to 5.85% (2025 – 2.72% to 5.85%).	1,732	2,077
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% (2025 - 0.00% to 5.00%).	270	405
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 2040 (2025 - 2039), bearing interest rates ranging from 3.00% to 5.25% (2025 – 4.75% to 5.25%).	301	305
Energy infrastructure development loan due in periodic instalments bearing interest at 6.40% (2025 – 6.40%).	-	205
Business development assistance loans, due in varying annual amounts with varying terms, bearing interest rates ranging from 0.00% to 5.20% (2025 – 0.00% to 5.20%).	-	65
Less: Valuation Allowance	-	(322)
	$ 48,539	$ 46,595

10. Loans receivable (continued)

The Government received consideration in the form of loans receivable for sale of land of $21,424,000 (2025 - $24,446,000).

Loan receivable - Victoria Gold Corp.

On June 24, 2024, Victoria Gold Corp. suffered a significant heap leach failure at its Eagle Gold Mine, prompting the Government to order a temporary closure of the operation. The incident triggered an urgent need for environmental stabilization and remediation, which the Ontario Superior Court placed under the oversight of PricewaterhouseCoopers, as receiver, in August 2024.

At March 31, 2026, the Government advanced to the court-appointed receiver of Victoria Gold Corp. a total of $185,000,000 (2025 - $105,000,000). The loan bears 9.00% annual interest (2025 – 9.00%), compounded monthly. The advances were made under court-approved lending arrangements to support stabilization and remediation-related activities at the Eagle Gold Mine.

The loan is fully repayable on the maturity date which is the earlier of any of these events (i) the occurrence of a default (ii) lifting of the temporary closure of Eagle Gold Mine (iii) the closing of any sale, refinancing, recapitalization, liquidation or other transactions involving Victoria Gold Corp.'s business or property or (iv) the discharge, replacement of the receiver or termination of the receivership proceeding.

On October 20, 2026, the court-appointed receiver of Victoria Gold Corp. and the purchaser entered into a $140,000,000 agreement for the sale of the Eagle Gold Mine, subject to the approval of the Ontario Superior Court. The Government estimated the net recoverable value of the loan receivable at $86,558,000 based on the probability-weighted present value of the sale proceeds, with some of the sale proceeds being contingent on events that are not currently expected to occur until future years (5-9 years). The Government considered these developments in the subsequent events period, and determined that the sale terms have provided additional evidence of conditions which existed at March 31, 2026. Accordingly, the Government has treated these developments as an adjusting subsequent event and has recognized a valuation allowance of $116,611,000 as at March 31, 2026. The Government has also ceased further accrual of interest on the loan receivable effective from April 1, 2026.

The estimated net recoverable value reflects the assessed likelihood and expected timing of the loan repayments. Significant judgment was applied in determining these estimates, and changes in the underlying assessments could materially affect the net recoverable value of the loan receivable.

Surety bond - Victoria Gold Corp.

Of the $185,000,000 (2025 - $105,000,000) Court-approved loan, $103,761,000 (2025 - $55,000,000) was funded by surety bonds from Intact Insurance Company and Trisura Guarantee Insurance Company (insurance companies), which the Government accessed under the Quartz Mining licence. The insurance companies raised an issue in Court at the December 9, 2024 proceeding, in the event of a sales process, about who would be entitled to assert claim to any surplus proceeds after the Government was fully repaid the non-bond sourced borrowings. The parties agreed that such an issue would be decided by the Court if and when that situation arose. The surety bond is recorded as a liability as at year-end.

10. Loans receivable (continued)

The Government determined that the nominal sale price of the Eagle Gold Mine, which became known during the subsequent events period, has provided additional evidence for estimating the surety bond liability at March 31, 2026. Accordingly, the Government revised its surety bond liability balance at March 31, 2026 to $58,761,000. The balance remains subject to significant uncertainty regarding the legal effect of the surety arrangements, related Court orders and any claims to future sale or restart-related proceeds. The Government will continue to assess the reasonableness of this liability estimate based on future developments.

The Victoria Gold Corp. related balances represent a significant concentration of estimation uncertainty for the Government's 2026 financial statements. Actual results may differ materially from the estimates and judgments reflected in these disclosures, and any resulting adjustments will be recognized in the period in which the underlying facts become known or the relevant uncertainties are resolved.

11. Inventories for resale

	2026	2025
	(thousands of dollars)	
Undeveloped land	$ 6	$ 603
Land under development [1]	59,014	68,354
Developed land	16,623	17,665
	$ 75,643	$ 86,622

[1] In 2026 a valuation of the land inventory for resale was performed based on current market conditions and independent appraisals.

As a result, an impairment loss of $1,138,000 (2025 - $14,857,000) was recognized as an expense in the statement of operations and accumulated operating surplus. The land inventory was written down from a carrying amount of $60,152,000 to a net realizable value of $59,014,000.

The net realizable value was determined using independent appraisals against internal valuations and reflects the estimated selling price in the ordinary course of operations, less estimated costs to complete and sell the land. No reversals of impairment losses were recognized during the year.

12. Bank advances and short-term borrowings

The amounts borrowed from lines of credit fluctuated throughout the year with interest rates between 3.60% to 4.10% (2025 - 4.10% to 6.35%). Interest expense incurred was $1,834,000 (2025 - $5,896,000).

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

	2026	2025
	(thousands of dollars)	
Bank balances[1]	$ -	$ (91,580)
Line of credit	-	359,018
	$ -	$ 267,438

[1] Bank balances offset against the line of credit (rather than being separately presented within cash and cash equivalents) are those for which the Government has legally enforceable rights to set off the outstanding balance under the line of credit against bank balances in other accounts with the same financial institution, as well as an intention to realize/settle those balances on a net basis (or otherwise simultaneously).

13. Accounts payable and accrued liabilities

	2026	2025
	(thousands of dollars)	
Accounts payable	$ 65,297	$ 62,514
Accrued liabilities [1]	118,785	117,814
Contractors' holdbacks and security deposits	23,367	27,659
Due to Territorial corporations	12,804	22,279
Other	17,593	20,254
	$ 237,846	$ 250,520

[1] The Government is defending multiple legal actions including contract, negligence property and personal injury and tax disputes. When a liability is identified and reasonably estimable, it is recorded as an accrued liability and an expense. The Government has recorded an accrued liability of $11,142,000 (2025 - $13,654,000).

One of the legal disputes relates to a 2022 class action against the Government regarding the use of holds, restraints and seclusions of students at Jack Hulland Elementary School. In 2025 the parties reached an agreement on a settlement framework, which was approved by the court and provides a process for adjudicating claims. The ultimate cost of the settlement remains uncertain because it depends on the number and nature of claims submitted through the settlement process and the adjudication of those claims.

14. Unearned revenues

	2026	2025
	(thousands of dollars)	
Unearned balance of government transfers	$ 17,989	$ 10,932
Prepaid lease payments [1]	13,875	14,625
Other	-	197
	$ 31,864	$ 25,754

[1] The Government has an agreement with Northwestel Inc., a private sector, non-government entity for the Dempster Fibre Line (DFL), a fiber optic telecommunications network connecting Dawson City, Yukon and Inuvik, Northwest Territories. Based on the terms of the agreement, Northwestel has prepaid $15,000,000 to gain access to rights to the DFL over 20 years. The construction was concluded in September 2024 and $750,000 was recognized as revenue in 2026 (2025 - $375,000). The unearned amount of $13,875,000 (2025 - $14,625,000) will be recognized as revenue on a straight-line basis over the remaining lease term.

15. Environmental liabilities

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

	2026		2025	
	Number of sites	Estimated Liability	Number of sites	Estimated Liability
		(thousands of dollars)		
Liabilities for:				
Highway maintenance camps and airports	36	$ 29,884	36	$ 28,181
Other storage tanks and buildings	87	14,681	87	14,409
Wellgreen	1	19,946	1	20,165
Wolverine	1	46,963	1	45,595
Minto	1	48,568	1	47,820
Other	35	19,243	34	17,815
	161	179,285	160	173,985
Type II sites	1	4,970	1	4,826
	162	$ 184,255	161	$ 178,811

(a) Contaminated sites and other environmental liabilities

The Government has recorded environmental liabilities for contaminated sites of $179,285,000 (2025 - $173,985,000). 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.

As at March 31, 2026, the Government was aware of 161 sites (2025 – 160 sites) where the Government is obligated or is likely obligated to incur such costs. Phase I Environmental Site Assessments (ESA) have been undertaken on 154 of the 161 sites (2025 - 148 of the 160 sites). During the year remediation work was undertaken at 7 sites (2025 - 10 sites).

15. Environmental liabilities (continued)

(a) Contaminated sites and other environmental liabilities (continued)

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 $19,946,000 (2025 - $20,165,000), 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 $46,963,000 (2025 - $45,595,000) as an estimated liability for the remediation of this mine.

Following **Minto Metals Corporation**'s (Minto) abandonment of the Minto Mine site in 2023, the Government recognized an environmental liability for related reclamation and closure activities. During the year, the estimated total cost to remediate the site was revised to $116,800,000, based on updated project information available at March 31, 2026.

At March 31, 2026, the remaining environmental liability was approximately $48,568,000 (2025 - $47,820,000). Of the $72,143,000 surety bond held by insurers for the mine, the Government claimed $21,094,000 (2025 - $22,482,000). At year end, the remaining balance of the surety bond is approximately $4,754,000 (2025 - $25,849,000).

The Government holds security from Minto in trust in relation to the environmental liability. At year-end, the balance held in trust was $2,887,000 (2025 – $3,386,000).

In 2026, Selkirk Mining Corporation, a subsidiary of a Selkirk First Nation corporation, acquired substantially all of Minto's tangible assets. The Government agreed to pause reclamation work beginning April 2026, while Selkirk Mining Corporation undertakes an 18-month feasibility program to evaluate long-term options for the site.

The Government continues to recognize the liability because responsibility for the site had not been transferred at year end. The amount and timing of future remediation costs remain subject to the outcome of Selkirk Mining Corporation's restart assessment and any future transfer of licences and related security.

15. Environmental liabilities (continued)

(b) Type II sites

Pursuant to the Devolution Transfer Agreement ("DTA"), 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 Ketza River site discussed below, the Government is not aware of any financial obligations on its part in relation to these mine sites.

On April 10, 2015, Veris Gold Corporation abandoned the Ketza River Mine site ("the site"). The site is identified as a Type II mine site in the DTA between the Government and the Government of Canada. The Government has provided notice to the Government of Canada pursuant to the DTA that the site has been abandoned by its owner/operator. Once a Type II site becomes abandoned the DTA requires that an Independent Assessor assess the condition of the site and develop a remediation plan. The Government is responsible for the cost of this assessment. Under the DTA, the Government of Canada accepted financial responsibility for the remediation of impacts attributable to activities that were permitted by the Government of Canada. The Government will be financially responsible for remediation of impacts of activities it permitted after devolution. The Government's costs, if any, may be offset by the security bond it holds. The financial obligations related to the assessment required under the DTA are estimated to be $4,970,000 (2025 - $4,826,000) and remediation costs, if any, which are the Government's responsibility, are currently undeterminable. No assets are designated for settling these liabilities.

16. Asset retirement obligation liabilities

The following table presents the total estimated amounts of asset retirement obligation liabilities:

	Asbestos & other hazardous building materials	Forestry access roads	Fuel tanks	Landfills	2026	2025
	(thousands of dollars)					
Opening balance	$ 32,963	$ 635	$ 2,087	$ 16,305	$ 51,990	$ 50,103
Liability incurred	-	24	-	-	24	19
Liability settled	(109)	-	-	-	(109)	(82)
Accretion	1,478	28	94	408	2,008	1,933
Changes in estimates	-	-	-	-	-	17
	$ 34,332	$ 687	$ 2,181	$ 16,713	$ 53,913	$ 51,990

The undiscounted amount of estimated future cash flows is $126,183,000 (2025 - $126,150,000).

(a) Asbestos & other hazardous building materials liability

The Government owns and leases several buildings that are known to have asbestos and other hazardous building materials, which represents a health hazard upon demolition of the building. Per Occupational Health and Safety legislation, there is a legal obligation to remove the asbestos and other hazardous building materials in a prescribed manner when the building is demolished. The buildings have a remaining estimated useful life ranging from 1 to 69 years (2025 – 1 to 70 years). Estimated costs have been discounted to their present value using a discount rate of 4.50% per annum (2025 – 4.50%). The retirement costs are expected to be incurred between 2027 and 2096.

(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 (2025 – 1 to 10 years). Estimated costs have been discounted to their present value using a discount rate of 4.50% per annum (2025 – 4.50%). The retirement costs are expected to be incurred between 2027 and 2036.

16. Asset retirement obligation liabilities (continued)

(c) Fuel tank 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 7 to 18 years (2025 - 8 to 19 years). Estimated costs have been discounted to their present value using a discount rate of 4.50% per annum (2025 – 4.50%). The retirement costs are expected to be incurred between 2033 and 2053.

(d) Landfill liability

There are 23 (2025 - 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 47 years (2025 – 0 to 48 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 (2025 – 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 2027 and 2099.

17. Post-employment benefits and compensated absences

	2026	2025
	(thousands of dollars)	
Severance benefits	$ 63,787	$ 63,276
Sick leave obligation	24,609	25,506
Vacation leave obligation	28,880	31,239
Accrued benefit obligation	117,276	120,021
Unamortized net actuarial gain	18,636	13,933
Post-employment benefits accrued liability	135,912	133,954
Compensated absences	4,007	3,464
	$ 139,919	$ 137,418

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, 2026 is based on an actuarial valuation conducted as at December 31, 2025. In projecting the accrued obligation for these benefits as at March 31, 2026, the Government assumed a discount rate of 5.10% (2025 - 4.60%) and general salary increases of 2.00% (2025 - 2.00%) per annum. The net actuarial gain or loss is amortized over the expected average remaining service life of the active employees of 14.2 yrs.

Expenses related to post-employment benefits for the year ended March 31, 2026 were $15,354,000 (2025 - $14,390,000). Benefits paid by the Government from the post-employment benefits liability during the year amounted to $12,546,000 (2025 - $12,664,000). 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

17. Post-employment benefits and compensated absences (continued)

(a) Yukon Government employees (continued)
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, 2026, the severance benefit obligation for this benefit was $685,000 (2025 - $1,535,000). The value of the assets designated by the Government to meet this obligation was $688,000 at March 31, 2026 (2025 - $1,478,000), which was included in the value disclosed in Note 8. The accrued benefit liability at March 31, 2026 is based on an extrapolation of an actuarial valuation that was performed as at March 31, 2024.

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 $1.01 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 2026, for the portion of the employee’s salary above $220,000, the Government contributes $5.04 for every dollar contributed by both groups of plan members. In the calendar year 2025, for the portion of the employee’s salary above $210,200 the Government contributed $5.09 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 $47,490,000 (2025 - $47,963,000).

18. Retirement benefits (continued)

(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 88). 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, 2024. The accrued benefit obligation as at March 31, 2026 is based on an actuarial valuation performed for accounting purposes using the membership data as of March 31, 2024.

(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, 2026 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 as at March 31, 2026 is based on an extrapolation of an actuarial valuation conducted as at December 31, 2025. 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.

18. Retirement benefits (continued)

(d) Extended health care and life insurance retirement benefits (continued)

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:

	2026	2025
	(thousands of dollars)	
Accrued benefit liability		
Extended health care retirement benefit	$ 91,756	$ 86,188
Legislative Assembly Retirement Allowance Plan	29,242	28,054
Life insurance retirement benefit	4,261	4,196
Territorial Court Judiciary Pension Plan	10,229	9,646
(Schedule D)	$ 135,488	$ 128,084

19. Borrowings

Long-term debt consists of market bond issuances recorded at amortized cost. On initial recognition, the carrying amount of each bond is based on the proceeds received net of any issue discount and directly attributable transaction costs. Subsequently, the debt is measured using the effective interest method, under which discounts and transaction costs are amortized to interest expense over the term of the related borrowing. At March 31, 2026, the Government had two bond issuances outstanding, each repayable at maturity.

	2026	2025
	(thousands of dollars)	
Yukon Government Canadian Domestic Bond - 1, due June 1, 2035, bearing fixed interest rate at 3.80% payable semi-annually	$ 200,000	$ -
Yukon Government Canadian Domestic Bond - 2, due December 1, 2030, bearing fixed interest rate at 3.10% payable semi-annually	200,000	-
	400,000	-
Unamortized discount and issuance costs	(3,028)	-
Total long-term debt	$ 396,972	$ -

Principal repayment requirements over the next five years and thereafter on outstanding borrowings are as follows:

	(thousands of dollars)
2027	$ -
2028	-
2029	-
2030	200,000
2031	-
2032 and beyond	200,000
	$ 400,000

Interest expense on borrowings, included in operations and maintenance expenses, is $5,257,000.

20. Tangible capital assets

	2026 Net Book Value	2025 Net Book Value
	(thousands of dollars)	
Land	$ 17,000	$ 17,000
Buildings	668,015	652,189
Equipment & vehicles	90,553	89,344
Computer hardware & software	38,149	37,891
Transportation infrastructure	1,171,482	1,064,046
Land improvements & fixtures	59,403	57,945
Waste & water systems	52,043	57,937
Communications technology	103,554	109,351
(Schedule C)	$ 2,200,199	$ 2,085,703

21. Expenses by object

	2026	2025
	(thousands of dollars)	
Personnel	$ 775,982	$ 735,398
Government transfers	676,494	660,707
Contract and special services	265,198	247,956
Materials, supplies, and utilities	148,350	136,424
Rent	74,794	67,463
Amortization	76,818	67,230
Communication and transportation	44,033	45,620
Environmental obligations	26,501	13,578
Accretion	2,008	1,933
Valuation allowance adjustment (Note 10)	116,611	-
Other	29,283	61,330
	$ 2,236,072	$ 2,037,639

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, 2026, 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, 2026, except for the Compensation Fund (Yukon) which is at December 31, 2025.

	2026	2025
	(thousands of dollars)	
Compensation Fund (Yukon)	$ 330,259	$ 313,006
Canada Community Building Funds	119,732	135,143
Lottery Commission	5,148	8,736
Crime Prevention and Victim Services	8,467	8,557
Forest Sector Trust	7,215	6,996
Quartz Mining Licence Security Deposit	9,696	6,012
Extended Health and Dental Plan Trust Funds	8,141	4,353
Oil & Gas Well Abandonment Deposit	3,067	2,975
Public Guardian Trust	3,146	2,587
School Trust Accounts	2,491	1,868
Other	3,809	2,657
	$ 501,171	$ 492,890

23. Contractual rights

The Government has entered into agreements to receive, or has contractual rights for, the following receipts subsequent to March 31, 2026:

	Expiry Date	2027	2028 - 2034	Total
		(thousands of dollars)		
Contribution and Service Agreements				
Infrastructure Canada	2034	$ 79,902	$ 385,339	$ 465,241
Transport Canada	2029	43,623	39,639	83,262
Indigenous Services Canada	2032	34,000	136,000	170,000
Health Canada	2030	18,555	17,628	36,183
Environment and Natural Resources Canada	2031	33,060	17,298	50,358
Early Learning and Childcare Agreement	2031	19,327	57,868	77,195
Employment and Social Development	2029	7,617	12,537	20,154
Canada-Yukon Nature Agreement	2028	501	501	1,002
Canadian Heritage	2028	9,895	9,876	19,771
Justice Canada	2027	1,343	-	1,343
National Action Plan to End Gender Based Violence	2027	4,118	-	4,118
Shakwak Highway Project	2028	9,119	-	9,119
National Food Program	2027	5,096	-	5,096
Student Finance Assistance	2028	509	2,036	2,545
Other	2027	665	-	665
		$ 267,330	$ 678,722	$ 946,052

24. Contractual obligations

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2026:

	Expiry Date	2027	2028 - 2040	Total
		(thousands of dollars)		
Capital projects - in progress at March 31, 2026	2032	$ 260,505	$ 58,187	$ 318,692
RCMP policing agreement	2032	49,788	248,941	298,729
Yukon Hospital Corporation	2027	151,188	-	151,188
Other operational commitments	2034	92,256	67,842	160,098
Building/office space leases	2033	12,997	12,402	25,399
Mineral Resources and Geoscience Services	2028	19,365	3,859	23,224
Alkan Air Ltd. medical evacuation contract	2036	15,715	141,433	157,148
Information Services Corporation	2040	268	4,905	5,173
Student Transportation	2028	4,928	1,320	6,248
Northwestel Inc. mobile radio network system	2035	6,194	50,531	56,725
		$ 613,204	$ 589,420	$ 1,202,624

25. Commitments

In June 2010, the Yukon Development Corporation ("YDC") issued 30-year bonds in the amount of $100,000,000 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 2026, the Government paid $2,331,000 (2025 - $2,625,000) to YDC based on the MOU.

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 (2025 – 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, no (2025 – no) departments exceeded the authorized amounts.

27. Guarantees

The Government has guaranteed repayment of loans payable by the Yukon Housing Corporation of $170,000 (2025 - $364,000).

At March 31, 2026, Yukon Development Corporation had long-term debt of $242,304,000 (2025 - $247,232,000) and a credit facility of up to $200,000,000 (2025 - $100,000,000). While the Government has not issued guarantees for these instruments, as Yukon Development Corporation is an agent of the Government, lenders may have recourse to the Government.

In August 2025, 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, 2025 to June 30, 2026. The maximum amount of letters of credit to which the guarantee applied was $15,366,000 (2025 - $19,450,000).

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

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 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.

28. Risk management of financial instruments (continued)

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, excluding equity 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. For the receivable related to the tobacco settlement, the Government monitors the financial results of the tobacco companies to determine if a valuation allowance is required.

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

	2026	2025
	(thousands of dollars)	
Carrying value	$ 79,192	$ 97,351
Allowance for doubtful accounts	$ 21,992	$ 3,708
Accounts receivable % less than 30 days	87 %	93 %
Accounts receivable % over 90 days	11 %	6 %

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 $48,539,000 (2025 - $46,595,000). As at March 31, 2026, 97% (2025 – 100%) of loans receivable were current, whereas 3% (2025 – 0%) were past due.

For the Loan receivable - Victoria Gold Corp., the Government monitors developments in the sale process and court proceedings to assess the impacts to the Government.

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, due to Government of Canada and other borrowings.

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 Government manages this risk on its borrowings by distributing debt maturities over many years.

28. Risk management of financial instruments (continued)

Expected contractual maturities for financial liabilities are disclosed in the table below.

Undiscounted cash flows of financial liablities	Less than one year or on demand	Later than one year and less than five years	Later than five years	Total
		(thousands of dollars)		
Accounts payables and accrued liabilities	$ 231,405	$ -	$ -	$ 231,405
Due to Government of Canada	40,257	-	-	40,257
Borrowings	-	200,000	200,000	400,000
Interest on bonds	12,908	55,200	34,200	102,308
	$ 284,570	$ 255,200	$ 234,200	$ 773,970

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate 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 $46,000 (2025 - $53,000).

The Government has access to line of credit up to $350,000,000 (2025 - $449,000,000). During the year, the Government utilized its line of credit and incurred interest expenses at prime rate minus 0.85% (2025 - 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.

The Government manages this risk on its borrowings by maintaining its debt portfolio at fixed rates of interest rather than at floating rates, providing predictability over future interest payments. At March 31, 2026, 100% of the Government's gross debt effectively carried a rate of interest that was fixed for periods greater than a one-year. As a result, fluctuations in market interest rates would not impact future cash flows and the operations of the Government.

28. Risk management of financial instruments (continued)

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate 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. Overall, 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.

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, 2026, the amounts claimed, excluding the claim from Northern Cross (Yukon) Ltd., which is described below, is $18,884,000 (2025 - $12,884,000). 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, a reasonable 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 the 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 $395,000,000 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 any liability exists 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 2026, the Government paid $867,000 (2025 – $735,000) for liability claims such as bodily injury, property damage and automobile liability. The Government had unpaid claims against the fund in the amount of $809,000 as at March 31, 2026 (2025 – $1,301,000). This amount is reported as part of the Government's accrued liabilities. The fund balance at March 31, 2026 was $3,778,000 (2025 – $1,552,000).

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.

31. Subsequent events

On October 20, 2026, the court-appointed receiver of Victoria Gold Corp. and the purchaser entered into a $140,000,000 agreement for the sale of the Eagle Gold Mine. The impacts of this subsequent event are described in Note 10.

On October 20, 2026, the Government entered into a framework agreement with the court-appointed receiver of Victoria Gold Corp. and the purchaser. The agreement establishes the parties' rights, obligations and protections relating to post-closing activities, implementation of the restart plan, and legacy contamination from the Eagle Gold Mine heap leach failure in the event that future contamination concerns arise. The Government's obligation to incur any costs depends on future events and the satisfaction of specific contractual conditions and these are undeterminable at the date of the financial statements.

32. Comparative information

Certain comparative information for 2025 has been reclassified to conform with the 2026 presentation.

Schedule A

Schedule of Revenues
for the year ended March 31, 2026

	2026		2025
	Main Estimates (Note 1(b))	Actual	Actual
	(thousands of dollars)		
Transfers from Government of Canada			
Formula financing grant	$ 1,454,190	$ 1,454,186	$ 1,350,134
Contributions and service agreements	306,100	291,316	305,947
Other government transfers	83,940	87,630	145,304
	1,844,230	1,833,132	1,801,385
Taxes and general revenues			
Income taxes	152,860	172,914	157,966
Other taxes			
Tobacco tax	10,220	9,110	9,728
Fuel oil tax	11,790	11,164	9,090
General property tax	7,510	8,289	7,636
Liquor tax	5,269	5,032	5,146
Insurance premium tax	9,430	10,133	9,100
Grant in lieu of property tax	264	276	256
Sale of land	31,750	21,424	24,446
Licences, permits, and fees	21,630	25,052	22,544
Tobacco settlement (Note 6)	-	-	54,026
Yukon Liquor Corporation			
Liquor profit	6,306	5,650	7,153
Cannabis profit	-	826	568
Investment and interest revenue	12,295	19,498	9,254
Resource revenue - mineral, oil and gas and forestry	2,090	3,237	2,058
Income from portfolio investments	2,222	1,362	1,791
Aviation operations	1,345	1,907	1,800
Fines	500	666	541
Restricted funds	-	949	582
Surety bond - Victoria Gold Corp.	-	45,000	-
Other revenue	109	1,469	5,575
	275,590	343,958	329,260
Funding and service agreements with other parties	49,583	55,452	53,319
	$ 2,169,403	$ 2,232,542	$ 2,183,964

Schedule B

Schedule of Expenses
for the year ended March 31, 2026

	2026	Actual 2026						2025
	Main Estimates	Personnel	Government Transfers	Other	Amortization Expenses	Accretion Expenses	Total	Actual
	(Notes 1(b))						(Note 21)	
	(thousands of dollars)							
Yukon Legislative Assembly	$ 9,785	$ 8,414	$ -	$ 2,504	$ 39	$ -	$ 10,957	$ 7,670
Elections Office	2,606	714	-	1,418	-	-	2,132	845
Office of the Ombudsman	2,113	1,626	-	405	11	-	2,042	1,805
Child and Youth Advocate Office	1,415	1,113	-	275	-	-	1,388	1,208
Executive Council Office	26,818	16,871	7,174	5,346	-	-	29,391	27,255
Community Services	224,095	39,308	125,875	99,713	5,100	434	270,430	222,602
Economic Development	27,356	8,538	13,686	1,494	-	-	23,718	24,898
Education	302,954	172,355	106,658	25,180	7,336	764	312,293	288,714
Energy, Mines and Resources	84,602	35,823	14,594	165,861	781	36	217,095	69,948
Environment	56,316	34,578	6,205	22,474	1,212	17	64,486	73,388
Finance	27,032	10,737	2,970	9,037	170	-	22,914	20,821
French Language Services Directorate	8,148	5,915	551	1,471	-	-	7,937	7,914
Health and Social Services	698,482	229,468	303,302	168,013	6,367	84	707,234	677,879
Highways and Public Works	267,632	90,659	1,286	146,351	46,137	597	285,030	268,435
Justice	109,784	49,062	9,703	58,708	2,097	47	119,617	126,023
Public Service Commission	59,627	56,594	-	3,346	176	-	60,116	57,721
Tourism and Culture	34,339	12,872	12,655	6,997	738	29	33,291	34,027
Women and Gender Equity Directorate	5,084	1,335	2,890	99	-	-	4,324	5,904
Yukon Development Corporation (Transfer Payment)	20,708	-	20,510	-	-	-	20,510	16,880
Yukon Housing Corporation (Transfer Payment)	48,971	-	37,068	-	-	-	37,068	40,728
Restricted Funds	2,068	-	11,367	(13,922)	6,654	-	4,099	62,974
Adjustments	67,504	-	-	-	-	-	-	-
	$ 2,087,439	$ 775,982	$ 676,494	$ 704,770	$ 76,818	$ 2,008	$ 2,236,072	$ 2,037,639

Schedule C

Schedule of Tangible Capital Assets
for the year ended March 31, 2026

	Land	Buildings	Equipment & vehicles	Computer hardware & software	Infrastructure	Land improvements & fixtures	Waste & water systems	Communications technology	2026 Total	2025 Total
				(thousands of dollars)						
Cost of tangible capital assets, opening	$ 17,000	$1,075,159	$ 218,860	$ 115,569	$ 1,615,163	$ 82,650	$ 83,069	$ 118,959	$3,326,429	$3,085,198
Change in asset retirement obligation estimate	-	-	-	-	-	-	-	-	-	17
Acquisitions	-	33,645	14,791	6,351	136,118	6,034	752	206	197,897	250,086
Write-downs	-	-	(53)	(812)	-	-	(5,446)	-	(6,311)	-
Disposals	-	(62)	(6,454)	(1,000)	-	-	-	-	(7,516)	(8,872)
Cost of tangible capital assets, closing	17,000	1,108,742	227,144	120,108	1,751,281	88,684	78,375	119,165	3,510,499	3,326,429
Accumulated amortization, opening	-	422,970	129,516	77,678	551,117	24,705	25,132	9,608	1,240,726	1,182,137
Amortization expense	-	17,817	13,259	5,281	28,682	4,576	1,200	6,003	76,818	67,230
Disposals	-	(60)	(6,184)	(1,000)	-	-	-	-	(7,244)	(8,641)
Accumulated amortization, closing	-	440,727	136,591	81,959	579,799	29,281	26,332	15,611	1,310,300	1,240,726
Net book value as at March 31 (Note 20)	**$ 17,000**	**$ 668,015**	**$ 90,553**	**$ 38,149**	**$ 1,171,482**	**$ 59,403**	**$ 52,043**	**$ 103,554**	**$2,200,199**	**$2,085,703**
Work-in-progress [(a)]	$ -	$ 31,194	$ 3,711	$ 18,412	$ 312,366	$ 7,447	$ 2,660	$ -	$ 375,790	$ 530,251
Asset retirement obligation [(a)]	$ -	$ 651	$ 93	$ -	$ 279	$ -	$ 1,623	$ -	$ 2,646	$ 2,771

[(a)] Included in net book value

Schedule D

Schedule of Retirement Benefits
for the year ended March 31, 2026

	Extended health care retirement benefit	Legislative Assembly Retirement Allowances Plan	Life insurance retirement benefit	Territorial Court Judiciary Pension Plan	2026 Total	2025 Total
			(thousands of dollars)			
Pension and retirement plan assets are valued at fair market value.						
Accrued benefit obligation						
Obligation at beginning of year	$ 87,764	$ 41,863	$ 4,044	$ 17,364	$ 151,035	$ 138,235
Current service costs	3,558	1,588	43	581	5,770	5,605
Plan amendment	-	-	-	-	-	2,235
Interest cost on benefit obligation	4,143	2,331	186	924	7,584	7,309
Actuarial (gain) loss	(13,348)	169	(863)	715	(13,327)	2,909
Benefits paid	(2,526)	(2,076)	(189)	(915)	(5,706)	(5,258)
Accrued benefit obligation at end of year	79,591	43,875	3,221	18,669	145,356	151,035
Plan assets						
Value at beginning of year	-	13,702	-	7,512	21,214	17,241
Actual return on plan assets	-	865	-	299	1,164	1,629
Plan amendment	-	-	-	-	-	2,235
Government contributions	-	393	-	558	951	992
Member contributions	-	90	-	111	201	245
Benefits paid	-	(488)	-	(915)	(1,403)	(1,128)
Value at end of year	-	14,562	-	7,565	22,127	21,214
Funded status - plan deficit	79,591	29,313	3,221	11,104	123,229	129,821
Unrecognized net actuarial gain (loss)	12,165	(71)	1,040	(875)	12,259	(1,737)
Accrued benefit liability (Note 18)	91,756	29,242	4,261	10,229	135,488	128,084
Net benefit cost						
Current service costs	3,558	1,588	43	581	5,770	5,605
Less: Member contributions	-	(90)	-	(111)	(201)	(245)
Interest cost on benefit obligation	4,143	2,331	186	924	7,584	7,309
Expected return on plan assets	-	(767)	-	(392)	(1,159)	(1,031)
Amortization of net actuarial (gain) loss	392	107	26	139	664	(1,729)
Net cost for the year	$ 8,093	$ 3,169	$ 255	$ 1,141	$ 12,658	$ 9,909

Schedule D

Schedule of Retirement Benefits
for the year ended March 31, 2026

	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	5.60 %	N/A	5.30 %
Discount rate on benefit costs	4.60 %	5.60 %	4.60 %	5.30 %
Discount rate on accrued benefit obligation at end of year	5.10 %	5.60 %	5.10 %	5.30 %
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)	14.2 years	1.0 year	10.6 years	1.9 years

[1] Based on the annual rates from the Public Service Pension Plan ("PSPP") March 31, 2023 valuation report.

[2] 5.3% per annum for 2026-27, decreasing linearly to 4.9% in 2029, and following the McMaster Model to an ultimate trend rate of 4.0% in 2040.

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SECTION II

SUPPLEMENTARY FINANCIAL INFORMATION

(unaudited)

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Schedule 1

Non-Consolidated Comparative Schedule of Revenues for the year ended March 31, 2026

	2026 $	2025 $	Increase (Decrease) $
Transfers from Government of Canada			
Formula financing grant	1,454,185,541	1,350,134,320	104,051,221
Other government transfers			
Canada health transfer	64,547,050	59,489,950	5,057,100
Public Safety Canada	2,000	8,432,406	(8,430,406)
Carbon amounts received	355,130	56,346,052	(55,990,922)
Canada social transfer	20,564,000	19,319,000	1,245,000
Cannabis transfer	2,033,942	1,716,971	316,971
Vaping transfer	128,243	-	128,243
	87,630,365	145,304,379	(57,674,014)
Contributions and service agreements			
Investing in Canada infrastructure program	57,661,552	51,036,306	6,625,246
National trade corridors fund	66,769,170	92,103,207	(25,334,037)
Small Communities Fund	11,968,487	7,335,382	4,633,105
Continuing care facilities	11,855,845	10,499,397	1,356,448
Child welfare	18,631,920	14,441,172	4,190,748
Skills and labour market development	6,170,491	6,747,237	(576,746)
French language programs	10,039,812	9,621,130	418,682
Type II mine sites	4,595,933	6,614,039	(2,018,106)
Early learning and childcare	16,331,157	12,337,751	3,993,406
Territorial health investment fund	9,552,478	17,261,022	(7,708,544)
Assisted Living	4,505,227	3,474,129	1,031,098
Shared Health Priorities	7,335,566	8,005,017	(669,451)
Land claims implementation	3,920,336	3,581,483	338,853
Environment and climate change Canada	5,223,070	9,103,327	(3,880,257)
Proof of vaccination fund	-	3,398,023	(3,398,023)
RCMP - mobile radio system	3,370,500	2,560,720	809,780
Travel recoveries - First Nations benefits	2,535,541	2,761,822	(226,281)
Arrest processing unit	2,252,709	2,238,464	14,245
Women and Gender Equality Canada	3,859,223	3,765,874	93,349
Natural Resources Canada	10,531,888	5,360,417	5,171,471
Canada Community Building Fund	1,386,233	2,219,211	(832,978)
Drug and Rare Disease	3,320,521	1,923,346	1,397,175
Health Canada	3,487,309	7,412,726	(3,925,417)
Youth criminal justice	1,642,865	1,653,000	(10,135)
Inuvialuit Final Agreement	2,080,785	1,681,858	398,927
Legal Aid	1,862,066	1,219,910	642,156
Community recreation and active living	1,393,733	1,209,914	183,819
National Food Program	2,420,475	-	2,420,475
Other funding and service agreements	16,611,215	16,381,015	230,200

Schedule 1

Non-Consolidated Comparative Schedule of Revenues (continued)
for the year ended March 31, 2026

	2026 $	2025 $	Increase (Decrease) $
	291,316,107	305,946,899	(14,630,792)
Taxation			
Income taxes	172,914,143	157,966,053	14,948,090
Tobacco tax	9,109,832	9,727,900	(618,068)
Fuel oil tax	11,163,728	9,090,347	2,073,381
Insurance premium tax	10,133,057	9,099,627	1,033,430
General property tax	8,289,271	7,636,130	653,141
Liquor tax	5,032,408	5,145,623	(113,215)
Grant in lieu of property tax	276,268	256,461	19,807
	216,918,707	198,922,141	17,996,566
Licences, permits, and fees			
Business and professional	8,386,041	7,145,151	1,240,890
Motor vehicle	6,908,145	6,606,745	301,400
Continuing care facilities	3,766,794	3,660,972	105,822
Building safety	1,532,012	1,200,711	331,301
Land titles	594,007	533,781	60,226
Hunting, fishing and outfitting	877,412	828,276	49,136
Land use	569,099	516,208	52,891
Campground permits	1,218,527	1,133,672	84,855
Other	1,199,824	918,325	281,499
	25,051,861	22,543,841	2,508,020
Investment and interest revenue			
Banking and investment	1,115,528	849,721	265,807
Land sale agreements	1,596,052	2,107,445	(511,393)
Interest Yukon Hospital Loan	-	834,197	(834,197)
Interest on Loan to Receiver of Victoria Gold Corp.	15,231,860	2,937,403	12,294,457
Income from portfolio investments	1,362,171	1,790,916	(428,745)
Interest on advances to Territorial corporations	1,101,240	1,889,080	(787,840)
Local improvement loans	243,114	209,682	33,432
Debenture loans	80,975	91,590	(10,615)
Preferred dividend tax credit	86,017	245,154	(159,137)
Delinquent accounts	42,854	89,568	(46,714)
	20,859,811	11,044,756	9,815,055

Schedule 1

Non-Consolidated Comparative Schedule of Revenues (continued)
for the year ended March 31, 2026

	2026 $	2025 $	Increase (Decrease) $
Fines			
Territorial Court	660,702	536,220	124,482
Library fines	5,519	4,667	852
	666,221	540,887	125,334
Other			
Resource revenue - mineral, oil and gas and forestry	3,236,645	2,057,545	1,179,100
Yukon Liquor Corporation			
Liquor profit	5,649,557	7,153,218	(1,503,661)
Cannabis profit	826,162	567,582	258,580
Sale of land	21,424,347	24,446,418	(3,022,071)
Restricted funds	949,437	582,153	367,284
Aviation operations	1,906,908	1,799,609	107,299
Tobacco settlement	-	54,026,272	(54,026,272)
Surety bond - Victoria Gold Corp.	45,000,000	-	45,000,000
Other revenue	1,468,223	5,576,288	(4,108,065)
	80,461,279	96,209,085	(15,747,806)
Funding and service agreements with other parties			
Third-party health care costs	10,585,400	79,585	10,505,815
Airports	1,741,809	1,810,822	(69,013)
Fire management	2,846,748	5,441,570	(2,594,822)
Continuing and other health care recoveries from clients	1,130,670	523,815	606,855
Water and sewer	511,790	337,289	174,501
Canada Health Info-way Development	-	584,403	(584,403)
Minto Mine Security	21,702,481	22,482,571	(780,090)
Worker's Compensation Health and Safety Board	-	2,621,465	(2,621,465)
US Infrastructure and Jobs Act	6,417,444	-	6,417,444
Restricted funds	42,606	48,654	(6,048)
Other	10,473,106	19,388,505	(8,915,399)
	55,452,054	53,318,679	2,133,375
	2,232,541,946	2,183,964,987	48,576,959

Schedule 2

Non-Consolidated Schedule of Revenues by Department
for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
Yukon Legislative Assembly					
Taxes and General Revenues					
Income from portfolio investment	2,222,000	-	2,222,000	1,362,171	(859,829)
	2,222,000	-	2,222,000	1,362,171	(859,829)
Executive Council Office					
From Canada					
Operation and Maintenance					
Yukon Environment Socio-economic Assessment Act implementation	413,000	80,000	493,000	431,684	(61,316)
Parks Canada	-	200,000	200,000	152,000	(48,000)
Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)	4,470,000	(346,000)	4,124,000	3,935,336	(188,664)
Yukon Environmental and Socio-economic Assessment Board	-	-	-	40,388	40,388
Canadian Northern Economic Development Agency - Inclusive Diversification and Economic Advancement in the North	194,000	10,000	204,000	203,714	(286)
	5,077,000	(56,000)	5,021,000	4,763,122	(257,878)
Taxes and General Revenues					
Water license fees	40,000	-	40,000	49,865	9,865
	40,000	-	40,000	49,865	9,865
Total revenues	5,117,000	(56,000)	5,061,000	4,812,987	(248,013)

Non-Consolidated Schedule of Revenues by Department (continued)

for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
Community Services					
From Canada					
Operation and Maintenance					
Emergency measures					
Environment and Climate Change Canada	-	-	-	2,000	2,000
Crown-Indigenous Relations and Northern Affairs Canada					
- Emergency measures	222,000	-	222,000	221,956	(44)
Indigenous Services Canada					
-Emergency Management Assistance Program	293,000	-	293,000	288,999	(4,001)
Disaster Mitigation and Adaptation Fund	1,730,000	(696,000)	1,034,000	1,034,023	23
Sport Canada	353,000	-	353,000	353,025	25
Community recreation/active living	1,378,000	-	1,378,000	1,393,733	15,733
Canada Council for the Arts	16,000	17,000	33,000	33,300	300
Natural Resources Canada					
- Fighting and Managing Wildfires in a Changing Climate	2,765,000	-	2,765,000	3,616,500	851,500
- 2 Billion Trees	1,352,000	-	1,352,000	589,652	(762,348)
- Resilient communities through fire smart	1,199,000	-	1,199,000	1,237,716	38,716
- Climate Change Adoption	328,000	-	328,000	314,217	(13,783)
Capital					
Canada Community-Building Fund	2,500,000	-	2,500,000	1,386,233	(1,113,767)
Small Communities Fund	10,750,000	-	10,750,000	9,135,513	(1,614,487)
Investing in Canada Infrastructure Program	30,224,000	3,786,000	34,010,000	40,615,004	6,605,004
Disaster Mitigation and Adaptation Fund	-	-	-	194,098	194,098
Natural Resources Canada					
- Fighting and Managing Wildfires in a Changing Climate	1,071,000	-	1,071,000	1,071,000	-
- Resilient Communities through Fire Smart	253,000	-	253,000	281,174	28,174
	54,434,000	3,107,000	57,541,000	61,768,143	4,227,143

Schedule 2

Non-Consolidated Schedule of Revenues by Department (continued)

for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
Community Services					
Taxes and General Revenues					
Building safety licenses and fees	1,000,000	-	1,000,000	1,532,012	532,012
Photocopier fees	2,000	-	2,000	5,519	3,519
Sale of land	31,550,000	-	31,550,000	21,263,947	(10,286,053)
Interest on local improvement	200,000	-	200,000	243,114	43,114
General property tax	7,510,000	-	7,510,000	8,289,271	779,271
Grant-in-lieu of property tax	264,000	-	264,000	276,268	12,268
Professional/consumer licensing	701,000	-	701,000	1,241,131	540,131
Business/corporate licensing	5,500,000	-	5,500,000	7,144,910	1,644,910
Employment standards	6,000	-	6,000	8,747	2,747
Community, Water, Sewer and Solid Waste Projects	413,000	-	413,000	289,763	(123,237)
	47,146,000	-	47,146,000	40,294,682	(6,851,318)
Third-Party recoveries					
Operation and Maintenance					
Miscellaneous partnerships	-	-	-	9,795	9,795
Community recreation/active living	60,000	-	60,000	115,800	55,800
Sport Canada	1,103,000	-	1,103,000	937,196	(165,804)
Public library	15,000	-	15,000	-	(15,000)
Water and sewer services	981,000	-	981,000	511,790	(469,210)
Mosquito Control	46,000	-	46,000	110,149	64,149
Direct fire - export	-	2,533,000	2,533,000	2,846,748	313,748
Community assessment	879,000	-	879,000	961,896	82,896
	3,084,000	2,533,000	5,617,000	5,493,374	(123,626)
Total revenues	104,664,000	5,640,000	110,304,000	107,556,199	(2,747,801)

Schedule 2

Non-Consolidated Schedule of Revenues by Department (continued)

for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
Economic Development					
From Canada					
Operation and Maintenance					
Employment and Social Development Canada					
Foreign Credential Recognition Program	1,043,000	-	1,043,000	623,917	(419,083)
Labour Market Development Agreement	3,446,000	150,000	3,596,000	3,380,574	(215,426)
Workforce Development Agreement	2,166,000	-	2,166,000	2,166,000	-
	6,655,000	150,000	6,805,000	6,170,491	(634,509)
Taxes and General Revenues					
Trade School Registration Fees	1,000	-	1,000	-	(1,000)
Venture Loan Guarantees	-	-	-	888	888
Total revenues	6,656,000	150,000	6,806,000	6,171,379	(634,621)

Schedule 2

Non-Consolidated Schedule of Revenues by Department (continued)

for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
Education					
From Canada					
Operation and Maintenance					
Canadian Heritage - French language programs	3,375,000	112,000	3,487,000	3,197,585	(289,415)
National School Food Program	4,807,000	-	4,807,000	2,420,475	(2,386,525)
Student financial assistance					
- Canada student loan	509,000	-	509,000	540,835	31,835
Early learning and child care	16,095,000	2,529,000	18,624,000	16,331,157	(2,292,843)
Capital					
Investing in Canada infrastructure program	5,521,000	-	5,521,000	4,503,926	(1,017,074)
Early Learning and Child Care	515,000	-	515,000	-	(515,000)
	30,822,000	2,641,000	33,463,000	26,993,978	(6,469,022)
Taxes and General Revenues					
Extension programs fees	5,000	-	5,000	-	(5,000)
Summer school fees	10,000	-	10,000	4,860	(5,140)
Apprenticeship and certification	1,000	-	1,000	2,421	1,421
	16,000	-	16,000	7,281	(8,719)
Third-Party recoveries					
Operation and Maintenance					
Student accommodation	80,000	-	80,000	55,500	(24,500)
Staff accommodation rental	40,000	-	40,000	812	(39,188)
Stikine students	264,000	-	264,000	336,000	72,000
Facility lease	-	-	-	15,800	15,800

Non-Consolidated Schedule of Revenues by Department (continued)

for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
Education					
Yukon Association of Education Professionals - Teachers on call	80,000	-	80,000	2,486	(77,514)
Council of Ministers of Education of Canada agreement - Monitors	370,000	-	370,000	191,127	(178,873)
Capital					
School-based information technology	88,000	-	88,000	74,671	(13,329)
	922,000	-	922,000	676,396	(245,604)
Total revenues	31,760,000	2,641,000	34,401,000	27,677,655	(6,723,345)

Schedule 2

Non-Consolidated Schedule of Revenues by Department (continued)

for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
Energy, Mines and Resources					
From Canada					
Operation and Maintenance					
Agriculture and Agri-Food Canada					
- Sustainable Canadian agricultural partnership	1,110,000	-	1,110,000	1,102,539	(7,461)
- Canadian Food Inspection Agency	2,000	-	2,000	1,500	(500)
Canadian Northern Economic Development Agency					
- IDEANorth	-	-	-	75,000	75,000
Canadian Forest Services					
- National Forest Inventory	300,000	-	300,000	263,361	(36,639)
Natural Resources Canada					
- Zero Emission Vehicle Infrastructure Program	-	154,000	154,000	37,144	(116,856)
- Oil to Heat Pump Affordability Program	-	1,928,000	1,928,000	898,215	(1,029,785)
- Codes Acceleration Fund	302,000	(145,000)	157,000	173,747	16,747
- Canadian Biomass Mapping Initative	-	-	-	74,077	74,077
Environment and Climate Change Canada					
- Low carbon economy fund	9,897,000	(5,430,000)	4,467,000	4,466,660	(340)
Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)					
- Type II mine sites	8,716,000	(3,699,000)	5,017,000	4,595,933	(421,067)
Prior Year Adjustments	-	-	-	(187,175)	(187,175)
Capital					
Natural Resources Canada					
- Canadian Biomass Mapping Initative	-	-	-	48,423	48,423
	20,327,000	(7,192,000)	13,135,000	11,549,424	(1,585,576)

Schedule 2

Non-Consolidated Schedule of Revenues by Department (continued)

for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
Energy, Mines and Resources					
Taxes and General Revenues					
Land management					
- Lands administration/interest	1,150,000	495,000	1,645,000	1,596,052	(48,948)
- Land sales fees	20,000	15,000	35,000	230,372	195,372
Land leases	189,000	(8,000)	181,000	195,269	14,269
Land use fees	21,000	(10,000)	11,000	23,235	12,235
Quarrying royalties and leases	80,000	-	80,000	91,547	11,547
Sale of land	200,000	(100,000)	100,000	160,400	60,400
- Maps, publications and charts	-	6,000	6,000	-	(6,000)
Land planning					
- Application fees	7,000	-	7,000	3,200	(3,800)
Forest management					
- Application fees	3,000	-	3,000	311	(2,689)
- Timber royalty	20,000	-	20,000	19,326	(674)
- Development fee	10,000	-	10,000	8,065	(1,935)
- Coal leases, permits and royalties	15,000	-	15,000	10,724	(4,276)
- Land leases	-	-	-	5,624	5,624
Agricultural land application and grazing lease fees	5,000	-	5,000	7,176	2,176
Geothermal and petroleum resources					
- Rentals and administration	-	-	-	4,000	4,000
Mineral resources					
- Loan to the Receiver for Victoria Gold Corp. (Interest)	9,500,000	5,725,000	15,225,000	15,231,860	6,860
- Surety bond - Victoria Gold Corp.	-	-	-	45,000,000	45,000,000
Mineral resources- Coal leases, permits and royalties	22,000	-	22,000	18,857	(3,143)
- Placer mining fees	385,000	-	385,000	527,333	142,333
- Quartz mining fees and leases	1,635,000	-	1,635,000	2,642,406	1,007,406
- Maps, publications and charts	5,000	-	5,000	2,580	(2,420)
Energy					
- Electric vehicle charging fees	-	-	-	30,358	30,358
	13,267,000	6,123,000	19,390,000	65,808,695	46,418,695

Schedule 2

Non-Consolidated Schedule of Revenues by Department (continued)

for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
Energy, Mines and Resources					
Third-Party recoveries					
Operation and Maintenance					
Land management					
- Legal surveys	10,000	-	10,000	-	(10,000)
Agriculture					
- Agriculture conference	3,000	-	3,000	-	(3,000)
Mineral resources					
-Security for Minto Mine	21,115,000	70,000	21,185,000	21,702,481	517,481
	21,128,000	70,000	21,198,000	21,702,481	504,481
Total revenues	54,722,000	(999,000)	53,723,000	99,060,600	45,337,600

Non-Consolidated Schedule of Revenues by Department (continued)

for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
Environment					
From Canada					
Operation and Maintenance					
Corporate Services and Climate Change					
Inuvialuit Final Agreement	1,717,000	250,000	1,967,000	2,080,785	113,785
Climate change preparedness in the North	500,000	52,000	552,000	643,028	91,028
Canada Yukon Nature Agreement	6,457,000	700,000	7,157,000	6,389,525	(767,475)
Environment and Climate Change Canada	-	110,000	110,000	110,000	-
Climate Change Scientist	141,000	-	141,000	81,012	(59,988)
Parks Canada	185,000	-	185,000	185,000	-
Environment sustainability					
Environmental occurrences notification agreement	6,000	-	6,000	7,096	1,096
Environment and Climate Change Canada	641,000	30,000	671,000	646,410	(24,590)
Polar Knowledge Canada	109,000	35,000	144,000	144,014	14
Climate Change Preparedness in the North	350,000	-	350,000	-	(350,000)
Natural Resources Canada	806,000	213,000	1,019,000	1,156,000	137,000
Fisheries and Oceans	-	135,000	135,000	32,241	(102,759)
Parks Canada	-	40,000	40,000	40,000	-
Klondike Plateau Bear Project	-	-	-	82,077	82,077
NatureServe Canada	-	-	-	11,559	11,559
Miscellaneous Partnerships	48,000	-	48,000	-	(48,000)
Capital					
Investing in Canada infrastructure program	450,000	-	450,000	147,980	(302,020)
	11,410,000	1,565,000	12,975,000	11,756,727	(1,218,273)
Taxes and General Revenues					
Campground permits	1,821,000	(700,000)	1,121,000	1,218,527	97,527
Domestic Animal Permits	-	-	-	50	50
Wilderness tourism licensing	8,000	-	8,000	9,835	1,835
Hunting licenses and seals	465,000	-	465,000	531,583	66,583
Trapping and fur licenses	6,000	-	6,000	6,762	762

Schedule 2

Non-Consolidated Schedule of Revenues by Department (continued)

for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
Environment					
Fishing licenses	360,000	-	360,000	323,557	(36,443)
Outfitting fees	10,000	-	10,000	5,625	(4,375)
	2,670,000	(700,000)	1,970,000	2,095,939	125,939
Third-Party recoveries					
Operation and Maintenance					
Mapping recoveries	3,000	-	3,000	570	(2,430)
Miscellaneous partnerships	48,000	-	48,000	4,414	(43,586)
Compulsory inspections - Province of British Columbia	2,000	-	2,000	2,500	500
Conservation Action Team	2,000	-	2,000	3,600	1,600
Gwich'in Renewable Resources Board	-	25,000	25,000	25,000	-
Newmont Corporation	-	100,000	100,000	150,000	50,000
Standards and approvals - technical review	25,000	-	25,000	38,245	13,245
NatureServe Canada	34,000	-	34,000	-	(34,000)
Environmental sustainability - miscellaneous partnerships					
Government of the Northwest Territories	-	14,000	14,000	13,970	(30)
	-	14,000	14,000	13,970	(30)
Trapper education workshop	26,000	-	26,000	30,300	4,300
Science Horizons - Clean Foundation Internship	-	25,000	25,000	25,000	-
Klondike Plateau Bear Project	65,000	75,000	140,000	-	(140,000)
	205,000	239,000	444,000	293,599	(150,401)
Total revenues	14,285,000	1,104,000	15,389,000	14,146,265	(1,242,735)

Schedule 2

Non-Consolidated Schedule of Revenues by Department (continued)

for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
Finance					
From Canada					
Formula Financing grant	1,454,190,000	-	1,454,190,000	1,454,185,541	(4,459)
Canada health transfer	61,690,000	-	61,690,000	64,547,050	2,857,050
Canada social transfer	19,650,000	-	19,650,000	20,564,000	914,000
Cannabis transfer	1,850,000	-	1,850,000	2,033,942	183,942
Vaping transfer	750,000	-	750,000	128,243	(621,757)
	1,538,130,000	-	1,538,130,000	1,541,458,776	3,328,776
Taxes and General Revenues					
Personal income tax	119,080,000	-	119,080,000	127,229,544	8,149,544
Corporate income tax	33,780,000	-	33,780,000	45,684,599	11,904,599
Fuel oil tax	11,790,000	-	11,790,000	11,163,728	(626,272)
Single trip	-	-	-	368	368
Insurance premium tax	9,430,000	-	9,430,000	10,133,057	703,057
Tobacco tax	10,220,000	-	10,220,000	9,109,832	(1,110,168)
Banking and investment	300,000	-	300,000	1,115,528	815,528
Interest on advance to Territorial Corporation	1,014,000	-	1,014,000	1,101,240	87,240
Interest on accounts receivable	50,000	-	50,000	35,261	(14,739)
Miscellaneous revenue	50,000	-	50,000	403,291	353,291
Preferred dividend tax	-	-	-	86,017	86,017
Exchange rate gain or loss	-	-	-	6,677	6,677
Delinquent charge tax	-	-	-	7,593	7,593
Tobacco Settlement	-	-	-	5	5
Recovery of Bad Debt Expense	-	-	-	110,077	110,077
	185,714,000	-	185,714,000	206,186,817	20,472,817

Schedule 2

Non-Consolidated Schedule of Revenues by Department (continued)

for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
Finance					
Third-Party recoveries					
Operation and Maintenance					
Charge card incentive	50,000	-	50,000	138,180	88,180
Yukon Bureau of Statistics - recoverable services	-	-	-	53,396	53,396
	50,000	-	50,000	191,576	141,576
Total revenues	1,723,894,000	-	1,723,894,000	1,747,837,169	23,943,169

Schedule 2

Non-Consolidated Schedule of Revenues by Department (continued)

for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
French Language Services Directorate					
From Canada					
Operation and Maintenance					
Health Canada - Official Languages from Health Program	152,000	-	152,000	152,227	227
Canadian Heritage	6,340,000	350,000	6,690,000	6,690,000	-
	6,492,000	350,000	6,842,000	6,842,227	227
Total revenues	6,492,000	350,000	6,842,000	6,842,227	227

Non-Consolidated Schedule of Revenues by Department (continued)

for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
Health and Social Services					
From Canada					
Operation and Maintenance					
Prior Year Adjustments	-	136,000	136,000	144,550	8,550
Territorial health investment fund	10,706,000	800,000	11,506,000	9,552,478	(1,953,522)
Shared Health Priorities	7,270,000	-	7,270,000	7,335,566	65,566
Child welfare	12,639,000	-	12,639,000	18,631,920	5,992,920
Federal child benefit	280,000	-	280,000	112,197	(167,803)
Transition homes	1,157,000	-	1,157,000	-	(1,157,000)
Youth criminal justice	1,643,000	-	1,643,000	1,642,865	(135)
Social assistance	509,000	-	509,000	18,450	(490,550)
Health Canada					
- Mental Health	752,000	-	752,000	695,454	(56,546)
- Home Care	1,030,000	-	1,030,000	-	(1,030,000)
- Aging and Dignity	2,530,000	-	2,530,000	2,572,826	42,826
Assisted living	3,800,000	-	3,800,000	4,505,227	705,227
Safe At Home Funding	-	-	-	461,428	461,428
Recoverable services	15,000	-	15,000	-	(15,000)
Women and Gender Equality Canada					
- National Action Plan to End Gender-Based Violence	650,000	150,000	800,000	845,024	45,024
Travel recoveries - first nations benefits	2,000,000	-	2,000,000	2,535,541	535,541
Universal Access to Contraception And Diabetes Medications	-	1,562,000	1,562,000	306,143	(1,255,857)
Pan Canadian Pharmaceutical Alliance Agreement	-	-	-	156,111	156,111
Drugs and rare disease	-	3,310,000	3,310,000	3,320,521	10,521
Hearing assessments and aids	61,000	-	61,000	4,594	(56,406)
Chronic disease surveillance	181,000	-	181,000	140,349	(40,651)
Health Canada - Smoking Cessation	-	-	-	74,534	74,534
Health Canada - Substance Use and Addictions	-	-	-	144,495	144,495

Schedule 2

Non-Consolidated Schedule of Revenues by Department (continued)

for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
Health and Social Services					
Continuing care facilities	9,450,000	-	9,450,000	11,855,845	2,405,845
Prior year adjustments	-	-	-	(549,033)	(549,033)
	54,673,000	5,958,000	60,631,000	64,507,085	3,876,085
Taxes and General Revenues					
Registration and fees	36,000	-	36,000	62,528	26,528
Environmental health - inspection/permits	10,000	-	10,000	13,215	3,215
Continuing care facilities	4,246,000	-	4,246,000	3,766,794	(479,206)
Managed Alcohol Program	-	-	-	71,242	71,242
	4,292,000	-	4,292,000	3,913,779	(378,221)
Third-Party recoveries					
Operation and Maintenance					
Social supports					
- Client recovery	50,000	-	50,000	14,708	(35,292)
- Social assistance	80,000	-	80,000	111,934	31,934
Third-party health care costs	8,641,000	-	8,641,000	10,585,400	1,944,400
Canadian partnership against cancer	875,000	-	875,000	664,787	(210,213)
Health Data Research Network	120,000	-	120,000	146,079	26,079
Hearing assessments and aids	587,000	-	587,000	240,657	(346,343)
Rental recovery	74,000	-	74,000	37,154	(36,846)
Community health					
- Yukon immunization program	50,000	-	50,000	3,852	(46,148)
Community nursing					
- Patient services	167,000	-	167,000	222,177	55,177
- Drugs and vaccines	10,000	-	10,000	672	(9,328)
- Rent/utility recoveries	116,000	-	116,000	28,806	(87,194)
- Lower post recovery	15,000	-	15,000	15,789	789

Schedule 2

Non-Consolidated Schedule of Revenues by Department (continued)

for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
Health and Social Services					
Emergency Medical Services	75,000	-	75,000	59,833	(15,167)
Continuing care facilities					
- Miscellaneous Recoveries All Facilities	-	-	-	277,720	277,720
- McDonald lodge food services	120,000	-	120,000	159,356	39,356
Prior Year Adjustments	-	-	-	2,654,469	2,654,469
	10,980,000	-	10,980,000	15,223,393	4,243,393
Total revenues	69,945,000	5,958,000	75,903,000	83,644,257	7,741,257

Schedule 2

Non-Consolidated Schedule of Revenues by Department (continued)

for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
Highways and Public Works					
From Canada					
Operation and Maintenance					
Mobile radio system					
- Royal Canadian Mountain Police	2,396,000	1,279,000	3,675,000	3,370,500	304,500
- Other federal agencies	69,000	-	69,000	26,290	42,710
Transportation - recoverable services	49,000	(49,000)	-	-	-
National safety code agreement	153,000	-	153,000	152,812	188
Motor vehicles	15,000	-	15,000	12,000	3,000
Airports	60,000	-	60,000	61,157	(1,157)
Leases/facility management agreements	32,000	-	32,000	32,544	(544)
Recoverable services	125,000	50,000	175,000	133,162	41,838
Capital					
Small Communities fund	4,315,000	-	4,315,000	2,832,974	1,482,026
Yukon Resource Gateway project	6,525,000	(1,510,000)	5,015,000	-	5,015,000
National Trade Corridors fund	78,339,000	(5,718,000)	72,621,000	66,770,141	5,850,859
Investing in Canada infrastructure program - Dempster Fibre Project	-	-	-	1,166,069	(1,166,069)
Prior Year Adjustments	-	-	-	(91,086)	91,086
	92,078,000	(5,948,000)	86,130,000	74,466,563	11,663,437
Taxes and General Revenues					
Queen's Printer subscriptions	-	-	-	2,774	(2,774)
Sale of government surplus equipment	46,000	-	46,000	158,715	(112,715)
Access to Information and Protection of Privacy	10,000	-	10,000	23,029	(13,029)
Highway information signs/permits	11,000	-	11,000	15,225	(4,225)
Aviation operations	1,345,000	454,000	1,799,000	1,906,908	(107,908)
National safety code - fees/materials	26,000	-	26,000	20,894	5,106
Weigh station fees	158,000	-	158,000	364,674	(206,674)
Private vehicle registration/permits	1,705,000	-	1,705,000	1,893,372	(188,372)
Commercial vehicle registration/permits	3,102,000	-	3,102,000	3,881,919	(779,919)

Schedule 2

Non-Consolidated Schedule of Revenues by Department (continued)

for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
Highways and Public Works					
Driver licenses/fees	882,000	-	882,000	1,132,854	(250,854)
Land use fees	12,000	-	12,000	12,600	(600)
Communications infrastructure - Dempster Fibre	-	-	-	750,000	(750,000)
	7,297,000	454,000	7,751,000	10,162,964	(2,411,964)
Third-Party recoveries					
Operation and Maintenance					
Travel agent processing	5,000	-	5,000	6,990	(1,990)
Industry conference and reverse tradeshow	12,000	-	12,000	-	12,000
Information and communications technology service agreements	697,000	-	697,000	733,718	(36,718)
Transportation - recoverable services	342,000	-	342,000	312,572	29,428
Airports	1,905,000	(116,000)	1,789,000	1,741,809	47,191
Leases/facility management agreements	379,000	-	379,000	456,945	(77,945)
Capital					
US Infrastructure and Jobs Act	8,000,000	-	8,000,000	6,417,444	1,582,556
Quarry permit	-	-	-	3,500	(3,500)
Prior year adjustment	-	-	-	(4,529)	4,529
	11,340,000	(116,000)	11,224,000	9,668,449	1,555,551
Total revenues	110,715,000	(5,610,000)	105,105,000	94,297,976	10,807,024

Schedule 2

Non-Consolidated Schedule of Revenues by Department (continued)

for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
Justice					
From Canada					
Operation and Maintenance					
Negotiations of administration of justice agreements	469,000	-	469,000	-	(469,000)
National Action Plan to end gender-based violence	1,858,000	240,000	2,098,000	1,712,589	(385,411)
Legal Aid	1,862,000	-	1,862,000	1,862,066	66
Gladue project	223,000	-	223,000	222,775	(225)
Indigenous courtworker program	458,000	-	458,000	458,000	-
Yukon Public Legal Education Association	163,000	-	163,000	163,000	-
Family Justice Activities	208,000	-	208,000	208,000	-
Exchange of service agreement	30,000	-	30,000	89,060	59,060
Federal Victims Fund	850,000	-	850,000	800,340	(49,660)
Indigenous Family Courtworker Framework	-	20,000	20,000	49	(19,951)
ICW Implementation Framework	-	-	-	10,454	10,454
Drug treatment court funding	510,000	-	510,000	778,217	268,217
Justice Partnerships Inovation Program	150,000	-	150,000	158,470	8,470
Family Information Liaison Unit	-	510,000	510,000	297,739	(212,261)
Community Consultative Groups	-	130,000	130,000	95,154	(34,846)
Gun and Gang Violence Action Fund	800,000	-	800,000	799,276	(724)
Arrest processing unit	1,913,000	-	1,913,000	2,252,709	339,709
Prior Year Adjustments	-	-	-	(411,489)	(411,489)
Capital					
Federal Victims Fund	45,000	-	45,000	8,755	(36,245)
	9,539,000	900,000	10,439,000	9,505,164	(933,836)

Non-Consolidated Schedule of Revenues by Department (continued)

for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
Justice					
Taxes and General Revenues					
Court fees	500,000	-	500,000	660,702	160,702
Sheriff's Office	58,000	-	58,000	112,551	54,551
Public guardian and trustee fees	35,000	-	35,000	100,332	65,332
Land titles fees	600,000	-	600,000	594,006	(5,994)
	1,193,000	-	1,193,000	1,467,591	274,591
Third-Party recoveries					
Operation and Maintenance					
Public Utilities Board hearings	100,000	570,000	670,000	620,353	(49,647)
Worker advocate	470,000	45,000	515,000	498,135	(16,865)
Outreach worker - Province of British Columbia	44,000	-	44,000	54,326	10,326
	614,000	615,000	1,229,000	1,172,814	(56,186)
Total revenues	11,346,000	1,515,000	12,861,000	12,145,569	(715,431)

Schedule 2

Non-Consolidated Schedule of Revenues by Department (continued)

for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
Public Service Commission					
Third-Party recoveries					
Operation and Maintenance					
Human resource business partners	246,000	27,000	273,000	273,270	270
Human resource shared services	77,000	-	77,000	77,070	70
Compensation and classification	12,000	-	12,000	12,025	25
	335,000	27,000	362,000	362,365	365
Total revenues	335,000	27,000	362,000	362,365	365

Schedule 2

Non-Consolidated Schedule of Revenues by Department (continued)

for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
Tourism and Culture					
From Canada					
Operation and Maintenance					
Canada Council for the Arts	150,000	-	150,000	150,000	-
Canadian Northern Economic Development Agency	-	75,000	75,000	225,000	150,000
Capital					
Canadian Northern Economic Development Agency	-	7,500,000	7,500,000	-	(7,500,000)
	150,000	7,575,000	7,725,000	375,000	(7,350,000)
Taxes and General Revenues					
Yukon Beringia Interpretive Centre	70,000	-	70,000	65,290	(4,710)
Archives - reproduction fees	6,000	-	6,000	3,379	(2,621)
	76,000	-	76,000	68,669	(7,331)
Third-Party recoveries					
Operation and Maintenance					
Yukon Lottery Commission	925,000	-	925,000	625,000	(300,000)
	925,000	-	925,000	625,000	(300,000)
Total revenues	1,151,000	7,575,000	8,726,000	1,068,669	(7,657,331)
Women and Gender Equity Directorate					
From Canada					
Operation and Maintenance					
Women and Gender Equality Canada-Gender based violence funding	1,610,000	(35,000)	1,575,000	1,301,610	(273,390)
Crisis Hotline	100,000	-	100,000	90,000	(10,000)
Total revenues	1,710,000	(35,000)	1,675,000	1,391,610	(283,390)

Schedule 2

Non-Consolidated Schedule of Revenues by Department (continued)

for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
Yukon Development Corporation					
From Canada					
Capital					
Investing in Canada Infrastructure Program	-	948,000	948,000	947,432	(568)
Arctic Energy fund	12,733,000	(2,452,000)	10,281,000	10,281,141	141
	12,733,000	(1,504,000)	11,229,000	11,228,573	(427)
Total revenues	12,733,000	(1,504,000)	11,229,000	11,228,573	(427)
Yukon Liquor Corporation					
Taxes and General Revenues					
Corporate net income					
- Yukon Liquor Corporation	6,306,000	-	6,306,000	5,649,557	(656,443)
- Cannabis profit	-	-	-	826,162	826,162
Liquor tax	5,269,000	-	5,269,000	5,032,408	(236,592)
Total revenues	11,575,000	-	11,575,000	11,508,127	(66,873)
Interest					
Taxes and General Revenues					
Interest	81,000	-	81,000	80,975	(25)

Schedule 2

Non-Consolidated Schedule of Revenues by Department (continued)

for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
Restricted Funds					
From Canada					
Operation and Maintenance					
Carbon amounts received	-	-	-	355,130	355,130
Taxes and General Revenues					
Gain on sale of tangible capital assets	-	-	-	457,785	457,785
Other revenue	-	-	-	491,652	491,652
	-	-	-	949,437	949,437
Third-Party recoveries					
Operation and Maintenance					
Restricted funds	-	-	-	42,606	42,606
Total revenues	-	-	-	1,347,173	1,347,173

Schedule 2

Non-Consolidated Schedule of Revenues by Department (continued)

for the year ended March 31, 2026

	Main Estimates $	Supplementary Estimates $	Revised Estimates $	Actual $	Over (Under) Estimates $
Totals					
From Canada	1,844,230,000	7,511,000	1,851,741,000	1,833,132,013	18,608,987
Taxes and general revenues	275,590,000	5,877,000	281,467,000	343,957,879	(62,490,879)
Third-party recoveries	49,583,000	3,368,000	52,951,000	55,452,054	(2,501,054)
Total revenues	2,169,403,000	16,756,000	2,186,159,000	2,232,541,946	(46,382,946)

Schedule 3

Non-Consolidated Comparative Schedule of Expenses
for the year ended March 31, 2026

	2026 $	2025 $	Increase (Decrease) $
Yukon Legislative Assembly			
Operation and Maintenance			
Legislative services	4,802,544	4,244,813	557,731
Legislative assembly office	2,021,925	1,229,079	792,846
Retirement allowances and death benefits	49,906	1,346,579	(1,296,673)
Hansard	625,832	713,832	(88,000)
Conflicts Commission	93,791	36,850	56,941
	7,593,998	7,571,153	22,845
Capital			
Legislative assembly office	128,390	69,693	58,697
	128,390	69,693	58,697
Less: Acquisition of tangible capital assets	(108,073)	-	(108,073)
	20,317	69,693	(49,376)
Amortization	39,407	28,600	10,807
Pension benefits	3,304,000	-	3,304,000
Total Expenses	10,957,722	7,669,446	3,288,276
Elections Office			
Operation and Maintenance			
Chief Electoral Office	2,122,417	828,826	1,293,591
Capital			
Elections	9,347	16,124	(6,777)
Total expenses	2,131,764	844,950	1,286,814
Office of the Ombudsman			
Operation and Maintenance			
Office of the Ombudsman	2,024,438	1,761,597	262,841
Capital			
Office of the Ombudsman	6,394	32,000	(25,606)
Amortization	10,664	10,664	-
Total expenses	2,041,496	1,804,261	237,235

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2026

	2026 $	2025 $	Increase (Decrease) $
Child and Youth Advocate Office			
Operation and Maintenance			
Child and youth advocate office	1,383,694	1,194,440	189,254
Capital			
Child and youth advocate office	3,941	13,999	(10,058)
Total expenses	1,387,635	1,208,439	179,196
Executive Council Office			
Operation and Maintenance			
Strategic corporate services	5,078,992	4,833,067	245,925
Aboriginal relations	9,867,318	9,846,518	20,800
Corporate programs and intergovernmental relations	8,892,713	8,245,016	647,697
Government internal audit services	527,121	518,168	8,953
Office of the Commissioner	206,320	225,338	(19,018)
Cabinet offices	4,804,914	3,584,802	1,220,112
	29,377,378	27,252,909	2,124,469
Capital			
Corporate services	14,630	-	14,630
Amortization	605	1,999	(1,394)
Total expenses	29,392,613	27,254,908	2,137,705

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2026

	2026 $	2025 $	Increase (Decrease) $
Community Services			
Operation and Maintenance			
Corporate services	6,596,891	6,459,743	137,148
Protective services	68,258,955	53,377,181	14,881,774
Community development	67,756,764	59,160,947	8,595,817
Regulatory and consumer services	13,093,420	14,070,716	(977,296)
	155,706,030	133,068,587	22,637,443
Capital			
Protective services	2,367,458	2,492,755	(125,297)
Community development	97,477,788	104,435,197	(6,957,409)
Regulatory and customer affairs	1,113,704	1,148,799	(35,095)
	100,958,950	108,076,751	(7,117,801)
Less: Acquisition of tangible capital assets	(6,065,523)	(17,753,280)	11,687,757
Land development costs transferred to land inventory	(14,779,579)	(43,433,215)	28,653,636
Loan advances transferred to loans receivable	(864,245)	(1,201,414)	337,169
	79,249,603	45,688,842	33,560,761
TCA adjustment	6,257,602	-	6,257,602
Land inventory adjustment	1,877,831	15,902,895	(14,025,064)
Cost of land sold	21,848,046	22,076,666	(228,620)
ARO accretion expense	434,051	422,971	11,080
Amortization	5,100,450	4,799,884	300,566
Bad debt expense	(42,565)	642,353	(684,918)
Total expenses	270,431,048	222,602,198	47,828,850

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2026

	2026 $	2025 $	Increase (Decrease) $
Economic Development			
Operation and Maintenance			
COVID-19 response	60,000	170,000	(110,000)
Corporate services	3,698,343	3,631,717	66,626
Operations	19,573,808	20,369,306	(795,498)
	23,332,151	24,171,023	(838,872)
Capital			
Corporate services	37,805	38,561	(756)
Operations	348,205	688,246	(340,041)
	386,010	726,807	(340,797)
Total expenses	23,718,161	24,897,830	(1,179,669)
Education			
Operation and Maintenance			
Education support services	5,952,473	5,719,457	233,016
Schools and student services	186,243,320	169,924,433	16,318,887
Corporate services and program	62,071,141	58,741,074	3,330,067
Yukon University	33,772,248	31,195,316	2,576,932
First Nations initiatives	11,160,735	11,073,382	87,353
	299,199,917	276,653,662	22,546,255
Capital			
Education support services	8,805	-	8,805
Schools and student services	16,886,671	16,062,859	823,812
Yukon university	324,500	600,000	(275,500)
Corporate services and program	41,721	39,434	2,287
	17,261,697	16,702,293	559,404
Less: Acquisition of tangible capital assets	(12,268,785)	(12,170,083)	(98,702)
	4,992,912	4,532,210	460,702
ARO accretion expense	763,565	730,685	32,880
Amortization	7,336,376	6,796,692	539,684
	8,099,941	7,527,377	572,564
Total expenses	312,292,770	288,713,249	23,579,521

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2026

	2026 $	2025 $	Increase (Decrease) $
Energy, Mines and Resources			
Operation and Maintenance			
Corporate services	14,126,504	13,861,208	265,296
Sustainable resources	13,569,606	13,087,450	482,156
Oil and gas and mineral resources	131,127,590	155,261,233	(24,133,643)
Strategic initiatives	16,973,018	14,631,762	2,341,256
	175,796,718	196,841,653	(21,044,935)
Capital			
Corporate services	163,653	127,037	36,616
Sustainable resources	404,776	515,584	(110,808)
	568,429	642,621	(74,192)
Less: Acquisition of tangible capital assets	(335,640)	(231,685)	(103,955)
Land development costs transferred to land inventory	(131,215)	(41,056)	(90,159)
Loan advances transferred to loans receivable	(80,000,000)	(105,000,000)	25,000,000
	(79,898,426)	(104,630,120)	24,731,694
Inventory adjustment	2,043,894	-	2,043,894
ARO accretion expense	36,435	34,059	2,376
Amortization	781,041	863,068	(82,027)
Valuation allowance adjustment	116,610,763	-	116,610,763
Environmental liabilities (net)	1,725,624	(23,160,023)	24,885,647
Total expenses	217,096,049	69,948,637	147,147,412

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2026

	2026 $	2025 $	Increase (Decrease) $
Environment			
Operation and Maintenance			
Corporate services	20,823,542	21,456,185	(632,643)
Environmental sustainability	33,599,576	33,855,518	(255,942)
Environmental liabilities & remediation	2,968,448	2,888,552	79,896
	57,391,566	58,200,255	(808,689)
Capital			
Corporate Services	694,176	184,313	509,863
Environmental sustainability	2,792,230	4,814,026	(2,021,796)
	3,486,406	4,998,339	(1,511,933)
Less: Acquisition of tangible capital assets	(1,339,576)	(3,595,904)	2,256,328
	2,146,830	1,402,435	744,395
ARO accretion expense	17,048	16,313	735
Amortization	1,211,676	987,364	224,312
Environmental liabilities (net)	3,718,944	12,782,682	(9,063,738)
Total expenses	64,486,064	73,389,049	(8,902,985)

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2026

	2026 $	2025 $	Increase (Decrease) $
Finance			
Operation and Maintenance			
Corporate services	1,804,301	1,643,554	160,747
Financial operations and revenue services	11,041,570	9,650,641	1,390,929
Economics, fiscal policy and statistics	3,030,989	2,904,923	126,066
Management board secretariat	2,394,749	2,434,295	(39,546)
Office of the Comptroller	1,541,282	1,507,079	34,203
Workers' compensation supplementary benefits	152,532	178,760	(26,228)
	19,965,423	18,319,252	1,646,171
Capital			
Corporate services	32,000	25,611	6,389
Less: Acquisition of tangible capital assets	-	(25,611)	25,611
Amortization	169,823	168,047	1,776
Bad debt expense	373,202	76,760	296,442
Transfers through tax system	2,373,241	2,256,483	116,758
Total expenses	22,913,689	20,820,542	2,093,147
French Language Services Directorate			
Operation and Maintenance			
Central Services	4,391,718	4,206,562	185,156
Partnerships and strategic support	3,546,123	3,707,529	(161,406)
Total expenses	7,937,841	7,914,091	23,750

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)

for the year ended March 31, 2026

	2026 $	2025 $	Increase (Decrease) $
Health and Social Services			
Operation and Maintenance			
Innovation, quality and performance	187,162,499	184,687,862	2,474,637
Corporate services	29,127,177	35,119,632	(5,992,455)
Insured health and social services	127,894,633	114,774,999	13,119,634
Community and primary care	101,504,241	94,274,426	7,229,815
Continuing care	106,202,313	101,909,647	4,292,666
Yukon Hospital services	138,655,000	126,514,958	12,140,042
	690,545,863	657,281,524	33,264,339
Capital			
Corporate services	1,993,711	1,182,964	810,747
Innovation, quality and performance	4,619,049	-	4,619,049
Family and children's services	-	5,003	(5,003)
Community and program support	42,500	79,854	(37,354)
Continuing care	671,143	865,203	(194,060)
Yukon Hospital services	9,245,000	12,427,895	(3,182,895)
	16,571,403	14,560,919	2,010,484
Less: Acquisition of tangible capital assets	(6,334,511)	(938,626)	(5,395,885)
	10,236,892	13,622,293	(3,385,401)
ARO accretion expense	83,613	80,013	3,600
Amortization	6,366,732	6,897,261	(530,529)
	6,450,345	6,977,274	(526,929)
Total expenses	707,233,100	677,881,091	29,352,009

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2026

	2026 $	2025 $	Increase (Decrease) $
Highways and Public Works			
Operation and Maintenance			
Corporate services	18,670,220	15,604,089	3,066,131
Information and communications technology	29,511,792	26,204,830	3,306,962
Transportation	85,213,206	75,429,495	9,783,711
Property management	56,568,836	52,986,093	3,582,743
Transformation and capital planning	-	1,093,506	(1,093,506)
	189,964,054	171,318,013	18,646,041
Less: Lease payments for leased tangible capital assets transferred to liabilities	-	(361,727)	361,727
	189,964,054	170,956,286	19,007,768
Capital			
Corporate Services	920,098	-	920,098
Information and communications technology	13,562,816	14,137,863	(575,047)
Transportation	168,069,564	204,030,227	(35,960,663)
Property management	27,298,590	34,353,850	(7,055,260)
Transformation and capital planning	205,874	11,148,747	(10,942,873)
	210,056,942	263,670,687	(53,613,745)
Less: Acquisition of tangible capital assets	(161,850,999)	(204,150,041)	42,299,042
	48,205,943	59,520,646	(11,314,703)
Loss on disposal - Building	122,744	-	122,744
Loss on disposal - ARO	1,680	-	1,680
ARO accretion expense	597,331	576,261	21,070
Amortization	46,137,413	37,382,442	8,754,971
Total expenses	285,029,165	268,435,635	16,593,530

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2026

	2026 $	2025 $	Increase (Decrease) $
Justice			
Operation and Maintenance			
Management services	7,906,547	8,254,746	(348,199)
Court services	9,748,040	9,213,090	534,950
Legal services	12,711,854	12,459,302	252,552
Regulatory services	5,917,828	5,412,412	505,416
Community justice and public safety	75,965,337	70,285,238	5,680,099
Human rights	1,413,563	1,220,853	192,710
	113,663,169	106,845,641	6,817,528
Capital			
Management services	674,752	309,331	365,421
Court services	83,721	56,915	26,806
Community justice and public safety	4,792,445	3,435,807	1,356,638
Regulatory services	19,030	10,636	8,394
	5,569,948	3,812,689	1,757,259
Less: Acquisition of tangible capital assets	(1,782,148)	(260,672)	(1,521,476)
	3,787,800	3,552,017	235,783
Legal settlements	22,000	13,654,000	(13,632,000)
ARO accretion expense	46,643	44,635	2,008
Amortization	2,096,575	1,925,729	170,846
	2,165,218	15,624,364	(13,459,146)
Total expenses	119,616,187	126,022,022	(6,405,835)

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2026

	2026 $	2025 $	Increase (Decrease) $
Public Service Commission			
Operation and Maintenance			
Corporate services	2,499,796	2,633,431	(133,635)
Human resource service centre	9,801,232	9,125,348	675,884
People and culture	7,131,453	6,646,987	484,466
Employee relations	5,163,829	5,489,761	(325,932)
Corporate funds	35,281,015	33,579,275	1,701,740
	59,877,325	57,474,802	2,402,523
Capital			
Corporate services	62,407	11,529	50,878
People and culture	-	48,264	(48,264)
	62,407	59,793	2,614
	62,407	59,793	2,614
Amortization	175,692	185,930	(10,238)
Total expenses	60,115,424	57,720,525	2,394,899

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2026

	2026 $	2025 $	Increase (Decrease) $
Tourism and Culture			
Operation and Maintenance			
Corporate services	2,853,275	2,683,410	169,865
Cultural services	15,927,459	15,738,139	189,320
Tourism	12,482,387	13,395,172	(912,785)
	31,263,121	31,816,721	(553,600)
Capital			
Corporate services	10,725	14,855	(4,130)
Cultural services	821,281	1,151,877	(330,596)
	915,076	628,591	286,485
	1,747,082	1,795,323	(48,241)
Less: Acquisition of tangible capital assets	(486,169)	(370,965)	(115,204)
	1,260,913	1,424,358	(163,445)
ARO accretion expense	29,204	27,946	1,258
Amortization	737,844	757,720	(19,876)
	767,048	785,666	(18,618)
Total expenses	33,291,082	34,026,745	(735,663)

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2026

	2026 $	2025 $	Increase (Decrease) $
Women and Gender Equity Directorate			
Operation and Maintenance			
Policy and program development	4,323,897	5,903,664	(1,579,767)
Total expenses	4,323,897	5,903,664	(1,579,767)
Yukon Development Corporation (Transfer Payment)			
Operation and Maintenance			
Interim electrical rebate	-	3,497,334	(3,497,334)
Winter electrical affordability rebate	3,850,000	-	3,850,000
Mayo B rate payer support	2,331,000	2,625,000	(294,000)
Affordability Rate Relief	1,600,000	-	1,600,000
	7,781,000	6,122,334	1,658,666
Capital			
Innovative renewable energy initiative	1,500,000	2,300,951	(800,951)
Arctic energy fund	10,281,141	5,428,463	4,852,678
Investing in Canada infrastructure program	947,432	3,028,529	(2,081,097)
	12,728,573	10,757,943	1,970,630
Total expenses	20,509,573	16,880,277	3,629,296

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2026

	2026 $	2025 $	Increase (Decrease) $
Yukon Housing Corporation (Transfer Payment)			
Operation and Maintenance			
Gross expenditures	26,067,888	23,985,505	2,082,383
Less: Rental revenues	(11,070,519)	(11,814,565)	744,046
Recoveries	(2,533,083)	(3,151,159)	618,076
	12,464,286	9,019,781	3,444,505
Capital			
Gross expenditures	43,189,426	52,223,447	(9,034,021)
Less: Recoveries	(15,651,584)	(17,480,823)	1,829,239
Loan expenditures	(2,933,953)	(3,034,239)	100,286
	24,603,889	31,708,385	(7,104,496)
Total expenses	37,068,175	40,728,166	(3,659,991)
Restricted Funds			
Net expenditures	(2,555,176)	56,550,162	(59,105,338)
Amortization	6,653,737	6,423,862	229,875
Total expenses	4,098,561	62,974,024	(58,875,463)

Schedule 3

Non-Consolidated Comparative Schedule of Expenses (continued)
for the year ended March 31, 2026

	2026 $	2025 $	Increase (Decrease) $
Totals			
Operation and Maintenance	1,891,714,286	1,799,198,201	92,516,085
Capital	394,196,438	457,669,977	(63,473,539)
	2,285,910,724	2,256,868,178	29,042,546
Less: Acquisition of tangible capital assets	(190,571,424)	(239,496,867)	48,925,443
Land development costs transferred to land inventory	(10,989,069)	(27,571,376)	16,582,307
Loan advances transferred to loans receivable	(80,864,245)	(106,201,414)	25,337,169
	2,003,485,986	1,883,598,521	119,887,465
Cost of land sold	21,848,046	22,076,666	(228,620)
ARO Accretion Expense	2,007,890	1,932,883	75,007
Amortization Expense	76,818,035	67,229,262	9,588,773
Other expenses not appropriated	131,912,059	62,802,417	69,109,642
	2,236,072,016	2,037,639,749	198,432,267

Schedule 4

Non-Consolidated Schedule of Expenses by Department

for the year ended March 31, 2026

	Appropriation					
	Main Estimates $	Supplementary Estimates $	Transfers $	Revised Estimates $	Actual $	Under (Over) Estimates $
Yukon Legislative Assembly						
Operation and Maintenance						
Legislative services	5,161,000	25,000	-	5,186,000	4,802,544	383,456
Legislative assembly office	1,902,000	20,000	-	1,922,000	2,021,925	(99,925)
Retirement allowances and death benefits	1,612,000	9,000	-	1,621,000	49,906	1,571,094
Hansard	979,000	-	-	979,000	625,832	353,168
Conflicts Commission	71,000	-	-	71,000	93,791	(22,791)
	9,725,000	54,000	-	9,779,000	7,593,998	2,185,002
Capital						
Legislative assembly office	130,000	-	-	130,000	128,390	1,610
Less: Acquisition of tangible capital assets	(110,000)	-	-	(110,000)	(108,073)	(1,927)
Amortization	40,000	-	-	40,000	39,407	593
Pension benefits	-	-	-	-	3,304,000	(3,304,000)
Total expenses	9,785,000	54,000	-	9,839,000	10,957,722	(1,118,722)

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2026

	Appropriation					
	Main Estimates $	Supplementary Estimates $	Transfers $	Revised Estimates $	Actual $	Under (Over) Estimates $
Elections Office						
Operation and Maintenance						
Chief Electoral Office	1,233,000	18,000	-	1,251,000	1,039,069	211,931
Elections administration	994,000	-	-	994,000	1,017,205	(23,205)
Elections Education Act	145,000	-	-	145,000	33,424	111,576
Electoral District Boundaries Commission	-	-	-	-	316	(316)
Plebiscite Administration	218,000	2,000	-	220,000	32,403	187,597
	2,590,000	20,000	-	2,610,000	2,122,417	487,583
Capital						
Office furniture and equipment	16,000	-	-	16,000	9,347	6,653
Total expenses	2,606,000	20,000	-	2,626,000	2,131,764	494,236

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2026

	Appropriation					
	Main Estimates $	Supplementary Estimates $	Transfers $	Revised Estimates $	Actual $	Under (Over) Estimates $
Office of the Ombudsman						
Operation and Maintenance						
Office of the Ombudsman	1,848,000	50,000	-	1,898,000	1,749,680	148,320
Information & Privacy Commissioner	153,000	5,000	-	158,000	163,046	(5,046)
Public Interest Disclosure Commissioner	90,000	4,000	-	94,000	111,712	(17,712)
	2,091,000	59,000	-	2,150,000	2,024,438	125,562
Capital						
Office of the Ombudsman	10,000	-	-	10,000	6,394	3,606
Amortization	12,000	-	-	12,000	10,664	1,336
Total expenses	2,113,000	59,000	-	2,172,000	2,041,496	130,504
Child and Youth Advocate Office						
Operation and Maintenance						
Child and youth advocate office	1,410,000	46,000	-	1,456,000	1,383,694	72,306
Capital						
Child and youth advocate office	5,000	-	-	5,000	3,941	1,059
Total expenses	1,415,000	46,000	-	1,461,000	1,387,635	73,365

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2026

	Appropriation					
	Main Estimates $	Supplementary Estimates $	Transfers $	Revised Estimates $	Actual $	Under (Over) Estimates $
Executive Council Office						
Operation and Maintenance						
Strategic corporate services	4,856,000	245,000	-	5,101,000	5,078,992	22,008
Aboriginal relations	9,830,000	676,000	-	10,506,000	9,867,318	638,682
Corporate programs and intergovernmental relations	7,521,000	1,029,000	-	8,550,000	8,892,713	(342,713)
Government internal audit services	631,000	13,000	-	644,000	527,121	116,879
Office of the Commissioner	290,000	3,000	-	293,000	206,320	86,680
Cabinet offices	3,642,000	1,620,000	-	5,262,000	4,804,914	457,086
	26,770,000	3,586,000	-	30,356,000	29,377,378	978,622
Capital						
Strategic corporate services	15,000	-	-	15,000	14,630	370
Amortization	33,000	-	-	33,000	605	32,395
Total expenses	26,818,000	3,586,000	-	30,404,000	29,392,613	1,011,387

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2026

	Appropriation					
	Main Estimates $	Supplementary Estimates $	Transfers $	Revised Estimates $	Actual $	Under (Over) Estimates $
Community Services						
Operation and Maintenance						
Corporate services	6,554,000	597,000	-	7,151,000	6,596,891	554,109
Protective services	36,507,000	34,612,000	-	71,119,000	68,258,955	2,860,045
Community development	65,845,000	1,424,000	-	67,269,000	67,756,764	(487,764)
Regulatory and consumer services	12,536,000	596,000	-	13,132,000	13,093,420	38,580
	121,442,000	37,229,000	-	158,671,000	155,706,030	2,964,970
Capital						
Protective services	2,295,000	730,000	-	3,025,000	2,367,458	657,542
Community development	93,934,000	8,048,000	-	101,982,000	97,477,788	4,504,212
Regulatory and consumer services	4,261,000	-	-	4,261,000	1,113,704	3,147,296
	100,490,000	8,778,000	-	109,268,000	100,958,950	8,309,050
Less: Acquisition of tangible capital assets	(7,708,000)	-	-	(7,708,000)	(6,065,523)	(1,642,477)
Land development costs transferred to land inventory	(24,445,000)	-	-	(24,445,000)	(14,779,579)	(9,665,421)
Loan advances transferred to loans receivable	(4,200,000)	-	-	(4,200,000)	(864,245)	(3,335,755)
	64,137,000	8,778,000	-	72,915,000	79,249,603	(6,334,603)

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2026

	Appropriation					
	Main Estimates $	Supplementary Estimates $	Transfers $	Revised Estimates $	Actual $	Under (Over) Estimates $
Community Services						
TCA adjustment	-	-	-	-	6,257,602	(6,257,602)
Land inventory adjustment	-	-	-	-	1,877,831	(1,877,831)
Cost of land sold	31,550,000	1,500,000	-	33,050,000	21,848,046	11,201,954
Amortization	6,333,000	-	-	6,333,000	5,100,450	1,232,550
Bad debt expense	200,000	-	-	200,000	(42,565)	242,565
ARO accretion expense	433,000	158,000	-	591,000	434,051	156,949
Total expenses	224,095,000	47,665,000	-	271,760,000	270,431,048	1,328,952

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2026

	Appropriation					
	Main Estimates $	Supplementary Estimates $	Transfers $	Revised Estimates $	Actual $	Under (Over) Estimates $
Economic Development						
Operation and Maintenance						
COVID-19 response	-	-	-	-	60,000	(60,000)
Corporate services	3,925,000	152,000	-	4,077,000	3,698,343	378,657
Operations	22,418,000	263,000	-	22,681,000	19,573,808	3,107,192
	26,343,000	415,000	-	26,758,000	23,332,151	3,425,849
Capital						
Corporate services	40,000	-	-	40,000	37,805	2,195
Operations	973,000	-	-	973,000	348,205	624,795
	1,013,000	-	-	1,013,000	386,010	626,990
Total expenses	27,356,000	415,000	-	27,771,000	23,718,161	4,052,839

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2026

	Appropriation					
	Main Estimates $	Supplementary Estimates $	Transfers $	Revised Estimates $	Actual $	Under (Over) Estimates $
Education						
Operation and Maintenance						
Education support services	6,450,000	(150,000)	-	6,300,000	5,952,473	347,527
School authorities	150,931,000	12,027,000	-	162,958,000	164,000,879	(1,042,879)
Administration and support	12,167,000	453,000	-	12,620,000	12,975,010	(355,010)
Student well-being and inclusion	11,048,000	1,203,000	-	12,251,000	9,267,431	2,983,569
Corporate services and program	65,239,000	3,216,000	-	68,455,000	62,071,141	6,383,859
Yukon University	31,195,000	-	-	31,195,000	33,772,248	(2,577,248)
First Nations initiatives	12,719,000	574,000	-	13,293,000	11,160,735	2,132,265
	289,749,000	17,323,000	-	307,072,000	299,199,917	7,872,083
Capital						
Education support services	-	-	-	-	8,805	(8,805)
Schools authorities	24,825,000	(4,800,000)	-	20,025,000	16,886,671	3,138,329
Corporate services and program	515,000	-	-	515,000	41,721	473,279
Yukon university	300,000	-	-	300,000	324,500	(24,500)
	25,640,000	(4,800,000)	-	20,840,000	17,261,697	3,578,303
Less: Acquisition of tangible capital assets	(19,505,000)	5,055,000	-	(14,450,000)	(12,268,785)	(2,181,215)
	6,135,000	255,000	-	6,390,000	4,992,912	1,397,088
ARO accretion expense	767,000	(173,000)	-	594,000	763,565	(169,565)
Amortization	6,303,000	-	-	6,303,000	7,336,376	(1,033,376)
Total expenses	302,954,000	17,405,000	-	320,359,000	312,292,770	8,066,230

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2026

	Appropriation					
	Main Estimates $	Supplementary Estimates $	Transfers $	Revised Estimates $	Actual $	Under (Over) Estimates $
Energy, Mines and Resources						
Operation and Maintenance						
Corporate services	14,314,000	935,000	-	15,249,000	14,126,504	1,122,496
Sustainable resources	13,275,000	204,000	-	13,479,000	13,569,606	(90,606)
Mineral resources and geoscience services	174,391,000	(6,495,000)	-	167,896,000	131,127,590	36,768,410
Strategic initiatives and partnerships	21,107,000	(2,537,000)	-	18,570,000	16,973,018	1,596,982
	223,087,000	(7,893,000)	-	215,194,000	175,796,718	39,397,282
Capital						
Corporate services	75,000	-	-	75,000	163,653	(88,653)
Sustainable resources	517,000	-	-	517,000	404,776	112,224
	592,000	-	-	592,000	568,429	23,571
Less: Acquisition of tangible capital assets	(258,000)	-	-	(258,000)	(335,640)	77,640
Land development costs transferred to land inventory	(250,000)	-	-	(250,000)	(131,215)	(118,785)
Loan advances to the Receiver of Victoria Gold Corp. transferred to loans receivable	(118,000,000)	3,000,000	-	(115,000,000)	(80,000,000)	(35,000,000)
	(117,916,000)	3,000,000	-	(114,916,000)	(79,898,426)	(35,017,574)

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2026

	Appropriation					
	Main Estimates $	Supplementary Estimates $	Transfers $	Revised Estimates $	Actual $	Under (Over) Estimates $
Energy, Mines and Resources						
Inventory adjustment	-	-	-	-	2,043,894	(2,043,894)
ARO accretion expense	35,000	(7,000)	-	28,000	36,435	(8,435)
Amortization	896,000	(32,000)	-	864,000	781,041	82,959
Valuation allowance adjustment	-	-	-	-	116,610,763	(116,610,763)
	931,000	(39,000)	-	892,000	119,472,133	(118,580,133)
Environmental liabilities (net)	(21,500,000)	35,000	-	(21,465,000)	1,725,624	(23,190,624)
Total expenses	84,602,000	(4,897,000)	-	79,705,000	217,096,049	(137,391,049)

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2026

	Appropriation					
	Main Estimates $	Supplementary Estimates $	Transfers $	Revised Estimates $	Actual $	Under (Over) Estimates $
Environment						
Operation and Maintenance						
Corporate services	20,464,000	2,301,000	-	22,765,000	20,823,542	1,941,458
Environmental sustainability	31,010,000	3,085,000	-	34,095,000	33,599,576	495,424
Environmental liabilities & remediation	3,614,000	3,000	-	3,617,000	2,968,448	648,552
	55,088,000	5,389,000	-	60,477,000	57,391,566	3,085,434
Capital						
Corporate services	742,000	-	-	742,000	694,176	47,824
Environmental sustainability	3,093,000	-	-	3,093,000	2,792,230	300,770
	3,835,000	-	-	3,835,000	3,486,406	348,594
Less: Acquisition of tangible capital assets	(2,696,000)	-	-	(2,696,000)	(1,339,576)	(1,356,424)
	1,139,000	-	-	1,139,000	2,146,830	(1,007,830)
ARO accretion expense	17,000	(4,000)	-	13,000	17,048	(4,048)
Amortization	1,000,000	-	-	1,000,000	1,211,676	(211,676)
	1,017,000	(4,000)	-	1,013,000	1,228,724	(215,724)
Environmental liabilities (net)	(928,000)	3,296,000	-	2,368,000	3,718,944	(1,350,944)
Total expenses	56,316,000	8,681,000	-	64,997,000	64,486,064	510,936

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2026

	Appropriation					
	Main Estimates $	Supplementary Estimates $	Transfers $	Revised Estimates $	Actual $	Under (Over) Estimates $
Finance						
Operation and Maintenance						
Corporate services	1,538,000	90,000	-	1,628,000	1,804,301	(176,301)
Financial operations and revenue services	15,341,000	156,000	-	15,497,000	11,041,570	4,455,430
Economics, fiscal policy and statistics	2,958,000	60,000	-	3,018,000	3,030,989	(12,989)
Management board secretariat	2,852,000	10,000	-	2,862,000	2,394,749	467,251
Office of the Comptroller	1,362,000	152,000	-	1,514,000	1,541,282	(27,282)
Workers' compensation supplementary benefits	275,000	-	-	275,000	152,532	122,468
	24,326,000	468,000	-	24,794,000	19,965,423	4,828,577
Capital						
Corporate services	32,000	-	-	32,000	32,000	-
	32,000	-	-	32,000	32,000	-
Amortization	168,000	-	-	168,000	169,823	(1,823)
Bad debt expense	325,000	-	-	325,000	373,202	(48,202)
Transfers through tax system	2,181,000	-	-	2,181,000	2,373,241	(192,241)
Total expenses	27,032,000	468,000	-	27,500,000	22,913,689	4,586,311

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2026

	Appropriation					
	Main Estimates $	Supplementary Estimates $	Transfers $	Revised Estimates $	Actual $	Under (Over) Estimates $
French Language Services Directorate						
Operation and Maintenance						
Central Services	4,556,000	264,000	-	4,820,000	4,391,718	428,282
Partnerships and strategic support	3,592,000	193,000	-	3,785,000	3,546,123	238,877
Total expenses	8,148,000	457,000	-	8,605,000	7,937,841	667,159

Non-Consolidated Schedule of Expenses by Department (continued)

for the year ended March 31, 2026

	Appropriation					
	Main Estimates $	Supplementary Estimates $	Transfers $	Revised Estimates $	Actual $	Under (Over) Estimates $
Health and Social Services						
Operation and Maintenance						
Innovation, quality and performance	211,469,000	5,326,000	-	216,795,000	187,162,499	29,632,501
Corporate services	29,004,000	4,177,000	-	33,181,000	29,127,177	4,053,823
Social Services	115,375,000	7,555,000	-	122,930,000	127,894,633	(4,964,633)
Community and primary care	90,119,000	11,228,000	-	101,347,000	101,504,241	(157,241)
Continuing care	101,595,000	7,147,000	-	108,742,000	106,202,313	2,539,687
Yukon Hospital services	135,340,000	3,315,000	-	138,655,000	138,655,000	-
	682,902,000	38,748,000	-	721,650,000	690,545,863	31,104,137
Capital						
Corporate services	2,580,000	-	-	2,580,000	1,993,711	586,289
Innovation, quality and performance	-	4,716,000	-	4,716,000	4,619,049	96,951
Community and primary care	706,000	280,000	-	986,000	42,500	943,500
Continuing care	514,000	-	-	514,000	671,143	(157,143)
Yukon Hospital services	5,350,000	3,895,000	-	9,245,000	9,245,000	-
	9,150,000	8,891,000	-	18,041,000	16,571,403	1,469,597
Less: Acquisition of tangible capital assets	(1,754,000)	(4,996,000)	-	(6,750,000)	(6,334,511)	(415,489)
	7,396,000	3,895,000	-	11,291,000	10,236,892	1,054,108
ARO accretion expense	84,000	(19,000)	-	65,000	83,613	(18,613)
Amortization	8,100,000	(1,989,000)	-	6,111,000	6,366,732	(255,732)
	8,184,000	(2,008,000)	-	6,176,000	6,450,345	(274,345)
Total expenses	698,482,000	40,635,000	-	739,117,000	707,233,100	31,883,900

Non-Consolidated Schedule of Expenses by Department (continued)

for the year ended March 31, 2026

	Appropriation					
	Main Estimates $	Supplementary Estimates $	Transfers $	Revised Estimates $	Actual $	Under (Over) Estimates $
Highways and Public Works						
Operation and Maintenance						
Corporate services	17,125,000	5,230,000	-	22,355,000	18,670,220	3,684,780
Information and communications technology	27,220,000	3,721,000	-	30,941,000	29,511,792	1,429,208
Transportation	71,617,000	19,643,000	-	91,260,000	85,213,206	6,046,794
Property management	50,689,000	6,079,000	-	56,768,000	56,568,836	199,164
	166,651,000	34,673,000	-	201,324,000	189,964,054	11,359,946
Capital						
Corporate Services	1,392,000	-	-	1,392,000	920,098	471,902
Information and communications technology	13,800,000	-	-	13,800,000	13,562,816	237,184
Transportation	210,413,000	(5,900,000)	-	204,513,000	168,069,564	36,443,436
Property management	30,476,000	-	-	30,476,000	27,298,590	3,177,410
Transformation and capital planning	-	-	-	-	205,874	(205,874)
	256,081,000	(5,900,000)	-	250,181,000	210,056,942	40,124,058
Less: Acquisition of tangible capital assets	(186,608,000)	6,410,000	-	(180,198,000)	(161,850,999)	(18,347,001)
	69,473,000	510,000	-	69,983,000	48,205,943	21,777,057

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2026

	Appropriation					
	Main Estimates $	Supplementary Estimates $	Transfers $	Revised Estimates $	Actual $	Under (Over) Estimates $
Highways and Public Works						
Loss on disposal - Building	-	-	-	-	122,744	(122,744)
Loss on disposal - ARO	-	-	-	-	1,680	(1,680)
ARO accretion expense	601,000	(132,000)	-	469,000	597,331	(128,331)
Amortization	30,899,000	7,000	-	30,906,000	46,137,413	(15,231,413)
Rent	8,000	-	-	8,000	-	8,000
Total expenses	267,632,000	35,058,000	-	302,690,000	285,029,165	17,660,835

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2026

	Appropriation					
	Main Estimates $	Supplementary Estimates $	Transfers $	Revised Estimates $	Actual $	Under (Over) Estimates $
Justice						
Operation and Maintenance						
Corporate services	7,905,000	5,346,000	-	13,251,000	7,906,547	5,344,453
Court services	9,133,000	1,122,000	-	10,255,000	9,748,040	506,960
Legal services	11,459,000	1,449,000	-	12,908,000	12,711,854	196,146
Regulatory services	5,074,000	1,297,000	-	6,371,000	5,917,828	453,172
Community justice and public safety	69,627,000	5,546,000	-	75,173,000	75,965,337	(792,337)
Human rights	1,011,000	364,000	-	1,375,000	1,413,563	(38,563)
	104,209,000	15,124,000	-	119,333,000	113,663,169	5,669,831
Capital						
Corporate services	1,165,000	(255,000)	-	910,000	674,752	235,248
Court services	108,000	-	-	108,000	83,721	24,279
Regulatory services	20,000	-	-	20,000	19,030	970
Community justice and public safety	5,235,000	-	-	5,235,000	4,792,445	442,555
	6,528,000	(255,000)	-	6,273,000	5,569,948	703,052
Less: Acquisition of tangible capital assets	(2,914,000)	300,000	-	(2,614,000)	(1,782,148)	(831,852)
	3,614,000	45,000	-	3,659,000	3,787,800	(128,800)
Legal settlements	-	(4,930,000)	-	(4,930,000)	22,000	(4,952,000)
ARO accretion expense	47,000	(11,000)	-	36,000	46,643	(10,643)
Amortization	1,914,000	12,000	-	1,926,000	2,096,575	(170,575)
	1,961,000	(4,929,000)	-	(2,968,000)	2,165,218	(5,133,218)
Total expenses	109,784,000	10,240,000	-	120,024,000	119,616,187	407,813

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2026

	Appropriation					
	Main Estimates $	Supplementary Estimates $	Transfers $	Revised Estimates $	Actual $	Under (Over) Estimates $
Public Service Commission						
Operation and Maintenance						
Corporate services	2,352,000	363,000	-	2,715,000	2,499,796	215,204
Human resource service centre	9,168,000	350,000	-	9,518,000	9,801,232	(283,232)
People and culture	7,503,000	164,000	-	7,667,000	7,131,453	535,547
Employee relations	4,969,000	235,000	-	5,204,000	5,163,829	40,171
Corporate funds	35,443,000	315,000	-	35,758,000	35,281,015	476,985
	59,435,000	1,427,000	-	60,862,000	59,877,325	984,675
Capital						
Corporate services	45,000	-	-	45,000	62,407	(17,407)
People and culture	8,000	-	-	8,000	-	8,000
Employee relations	10,000	-	-	10,000	-	10,000
	63,000	-	-	63,000	62,407	593
Amortization	129,000	-	-	129,000	175,692	(46,692)
Total expenses	59,627,000	1,427,000	-	61,054,000	60,115,424	938,576

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2026

	Appropriation					
	Main Estimates $	Supplementary Estimates $	Transfers $	Revised Estimates $	Actual $	Under (Over) Estimates $
Tourism and Culture						
Operation and Maintenance						
Corporate services	2,974,000	245,000	-	3,219,000	2,853,275	365,725
Cultural services	16,098,000	333,000	-	16,431,000	15,927,459	503,541
Tourism	13,059,000	182,000	-	13,241,000	12,482,387	758,613
	32,131,000	760,000	-	32,891,000	31,263,121	1,627,879
Capital						
Corporate services	22,000	-	-	22,000	10,725	11,275
Cultural services	1,183,000	-	-	1,183,000	821,281	361,719
	650,000	7,500,000	-	8,150,000	915,076	7,234,924
	1,855,000	7,500,000	-	9,355,000	1,747,082	7,607,918
Less: Acquisition of tangible capital assets	(450,000)	-	-	(450,000)	(486,169)	36,169
	1,405,000	7,500,000	-	8,905,000	1,260,913	7,644,087
ARO accretion expense	29,000	(6,000)	-	23,000	29,204	(6,204)
Amortization	774,000	-	-	774,000	737,844	36,156
	803,000	(6,000)	-	797,000	767,048	29,952
Total expenses	34,339,000	8,254,000	-	42,593,000	33,291,082	9,301,918

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2026

	Appropriation					
	Main Estimates $	Supplementary Estimates $	Transfers $	Revised Estimates $	Actual $	Under (Over) Estimates $
Women and Gender Equity Directorate						
Operation and Maintenance						
Policy and program development	5,084,000	29,000	-	5,113,000	4,323,897	789,103
Total expenses	5,084,000	29,000	-	5,113,000	4,323,897	789,103
Yukon Development Corporation						
Operation and Maintenance						
Winter electrical affordability rebate	3,850,000	-	-	3,850,000	3,850,000	-
Mayo B rate payer support	2,625,000	-	-	2,625,000	2,331,000	294,000
Affordability Rate Relief	-	1,600,000	-	1,600,000	1,600,000	-
	6,475,000	1,600,000	-	8,075,000	7,781,000	294,000
Capital						
Innovative renewable energy initiative	1,500,000	-	-	1,500,000	1,500,000	-
Arctic energy fund	12,733,000	(2,452,000)	-	10,281,000	10,281,141	(141)
Investing in Canada infrastructure program	-	948,000	-	948,000	947,432	568
	14,233,000	(1,504,000)	-	12,729,000	12,728,573	427
Total expenses	20,708,000	96,000	-	20,804,000	20,509,573	294,427

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2026

	Appropriation					
	Main Estimates $	Supplementary Estimates $	Transfers $	Revised Estimates $	Actual $	Under (Over) Estimates $
Yukon Housing Corporation						
Operation and Maintenance						
Gross expenditures	25,361,000	841,000	-	26,202,000	26,067,888	134,112
Less: Rental revenues	(10,208,000)	-	-	(10,208,000)	(11,070,519)	862,519
Recoveries	(2,330,000)	-	-	(2,330,000)	(2,533,083)	203,083
	12,823,000	841,000	-	13,664,000	12,464,286	1,199,714
Capital						
Gross expenditures	57,627,000	(10,750,000)	-	46,877,000	43,189,426	3,687,574
Less: Recoveries	(19,149,000)	2,760,000	-	(16,389,000)	(15,651,584)	(737,416)
Loan expenditures	(2,330,000)	-	-	(2,330,000)	(2,933,953)	603,953
	36,148,000	(7,990,000)	-	28,158,000	24,603,889	3,554,111
	36,148,000	(7,990,000)	-	28,158,000	24,603,889	3,554,111
Total expenses	48,971,000	(7,149,000)	-	41,822,000	37,068,175	4,753,825
Loan Capital and Loan Amortization						
Loans to third parties	5,000,000	-	-	5,000,000	-	5,000,000
Less loan advances transferred to loans receivable	(5,000,000)	-	-	(5,000,000)	-	(5,000,000)
Total expenses	-	-	-	-	-	-

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2026

	Appropriation					
	Main Estimates $	Supplementary Estimates $	Transfers $	Revised Estimates $	Actual $	Under (Over) Estimates $
Restricted Funds						
Net expenditures	(5,428,000)	(1,309,000)	-	(6,737,000)	(2,555,176)	(4,181,824)
Amortization expense	7,496,000	-	-	7,496,000	6,653,737	842,263
	2,068,000	(1,309,000)	-	759,000	4,098,561	(3,339,561)
Total expenses	2,068,000	(1,309,000)	-	759,000	4,098,561	(3,339,561)

Schedule 4

Non-Consolidated Schedule of Expenses by Department (continued)
for the year ended March 31, 2026

	Appropriation					
	Main Estimates $	Supplementary Estimates $	Transfers $	Revised Estimates $	Actual $	Under (Over) Estimates $
Totals						
Operation and maintenance	1,865,479,000	150,355,000	-	2,015,834,000	1,891,714,286	124,119,714
Capital	455,836,000	4,720,000	-	460,556,000	394,196,438	66,359,562
Less: Acquisition of tangible capital assets	(222,003,000)	6,769,000	-	(215,234,000)	(190,571,424)	(24,662,576)
Land development costs transferred to land held for sale	(24,695,000)	-	-	(24,695,000)	(10,989,069)	(13,705,931)
Loan advances transferred to loans receivable	(127,200,000)	3,000,000	-	(124,200,000)	(80,864,245)	(43,335,755)
Cost of land sold	31,550,000	1,500,000	-	33,050,000	21,848,046	11,201,954
Amortization expenses	64,097,000	(2,002,000)	-	62,095,000	76,818,035	(14,723,035)
ARO accretion expense	2,013,000	(194,000)	-	1,819,000	2,007,890	(188,890)
Other expenses not appropriated	(25,142,000)	(2,908,000)	-	(28,050,000)	131,912,059	(159,962,059)
Adjustment	67,504,000	(75,000,000)	-	(7,496,000)	-	(7,496,000)
	2,087,439,000	86,240,000	-	2,173,679,000	2,236,072,016	(62,393,016)

Schedule 5

Non-Consolidated Schedule of Recoveries of Prior Years' Expenses
for the year ended March 31, 2026

	Over Accruals $	Other Recoveries $	Total $
Health and Social Services	3,084,211	164,726	3,248,937
Energy, Mines and Resources	429,667	20,296	449,963
Education	160,900	200,929	361,829
Tourism and Culture	-	120,216	120,216
Economic Development	-	100,708	100,708
Highway & Public Works	27,664	845,982	873,646
Justice	2,133,682	773,764	2,907,446
Public Service Commission	-	233	233
Women's Directorate	42,879	-	42,879
Executive Council Office	35,985	41,631	77,616
Community Services	16,849	47,948	64,797
Finance	145,532	-	145,532
Environment	-	2,606	2,606
Legislative assembly	-	2,445	2,445
French Language Services	-	2,371	2,371
	6,077,369	2,323,855	8,401,224

Schedule 6

Non-Consolidated Schedule of Restricted Funds
for the year ended March 31, 2026

	Recycling Fund $	Youth Investment Fund $	Health Investment Fund $	External Professional Development Fund $	Conservation Fund $	Road and Airport Equipment Reserve Fund $	Queen's Printer Revolving Fund $	Vehicle Fleet Revolving Fund $	Wildland Fire Suppression Revolving Fund $
							CLOSED		CLOSED
Revenues									
Appropriation	175,000	102,000	50,000	25,000	-	-	-	-	-
Operating	7,451,465	-	-	-	-	23,492,227	-	6,340,077	-
	7,626,465	102,000	50,000	25,000	-	23,492,227	-	6,340,077	-
Expenses									
Operating	7,422,193	94,519	-	-	-	13,864,715	-	3,909,294	-
Amortization	-	-	-	-	-	4,574,423	-	2,079,313	-
	7,422,193	94,519	-	-	-	18,439,138	-	5,988,607	-
Net profit (loss) for the year	204,272	7,481	50,000	25,000	-	5,053,089	-	351,470	-
Adjustments for the *Financial Administration Act* requirements									
Acquisition of capital assets	-	-	-	-	-	(4,806,076)	-	(2,619,466)	-
Amortization of capital assets	-	-	-	-	-	4,574,423	-	2,079,313	-
(Gain) Loss on sale of capital assets	-	-	-	-	-	(420,018)	-	(37,766)	-
Proceeds on sale of capital assets	-	-	-	-	-	470,547	-	130,187	-
Adjustments as per fund limits	-	-	-	-	-	-	-	-	-
Balance at beginning of year	1,068,146	8,981	401,373	184,325	185,453	940,742	-	3,961,961	-
Balance at end of year	1,272,418	16,462	451,373	209,325	185,453	5,812,707	-	3,865,699	-

Schedule 6

Non-Consolidated Schedule of Restricted Funds (continued)
for the year ended March 31, 2026

	Recycling Fund $	Youth Investment Fund $	Health Investment Fund $	External Professional Development Fund $	Conservation Fund $	Road and Airport Equipment Reserve Fund $	Queen's Printer Revolving Fund $	Vehicle Fleet Revolving Fund $	Wildland Fire Suppression Revolving Fund $
							CLOSED		CLOSED
Assets and liabilities that are specific to each Fund and included in the Government's assets and liabilities are as follows									
Assets									
Accounts receivable	158,895	-	-	-	-	22,105	-	23,872	-
Tangible capital assets	-	-	-	-	-	37,271,379	-	10,999,816	-
	158,895	-	-	-	-	37,293,484	-	11,023,688	-
Liabilities									
Accounts payable and accrued liabilities	74,708	-	-	-	-	83,459	-	605,815	-
Accumulated surplus (deficit) of the Funds that are included in the Government's accumulated surplus are as follows									
Accumulated surplus (deficit)	1,272,418	16,462	451,373	209,325	185,453	43,073,257	-	12,349,679	-

Schedule 6

Non-Consolidated Schedule of Restricted Funds (continued)
for the year ended March 31, 2026

	Risk Management Revolving Fund $	Assurance Fund $	Yukon Historic Resources Fund $	Corrections Revolving Fund $	Elijah Smith Forest Renewal Fund $	Carbon Rebate Revolving Fund $	Region Relief and Recovery Revolving Fund $	2026 Total $	2025 Total $
Revenues									
Appropriation	42,606	-	16,000	-	-	-	-	410,606	432,654
Operating	4,542,000	356,292	-	133,775	1,586	355,130	-	42,672,552	88,327,493
	4,584,606	356,292	16,000	133,775	1,586	355,130	-	43,083,158	88,760,147
Expenses									
Operating	2,358,995	-	27,178	137,057	-	11,366,857	-	39,180,808	88,333,450
Amortization	-	-	-	-	-	-	-	6,653,736	6,423,862
	2,358,995	-	27,178	137,057	-	11,366,857	-	45,834,544	94,757,312
Net profit (loss) for the year	2,225,611	356,292	(11,178)	(3,282)	1,586	(11,011,727)	-	(2,751,386)	(5,997,165)
Adjustments for the *Financial Administration Act* requirements									
Acquisition of capital assets	-	-	-	-	-	-	-	(7,425,542)	(7,120,256)
Amortization of capital assets	-	-	-	-	-	-	-	6,653,736	6,423,862
(Gain) Loss on sale of capital assets	-	-	-	-	-	-	-	(457,784)	(136,144)
Proceeds on sale of capital assets	-	-	-	-	-	-	-	600,734	378,820
Adjustments as per fund limits	-	-	-	-	-	-	-	-	-
Balance at beginning of year	1,552,095	7,151,999	1,258,164	49,072	308,526	-	-	17,070,837	23,521,720
Balance at end of year	3,777,706	7,508,291	1,246,986	45,790	310,112	(11,011,727)	-	13,690,595	17,070,836

Schedule 6

Non-Consolidated Schedule of Restricted Funds (continued)
for the year ended March 31, 2026

	Risk Management Revolving Fund $	Assurance Fund $	Yukon Historic Resources Fund $	Corrections Revolving Fund $	Elijah Smith Forest Renewal Fund $	Carbon Rebate Revolving Fund $	Region Relief and Recovery Revolving Fund $	2026 Total $	2025 Total $
Assets and liabilities that are specific to each Fund and included in the Government's assets and liabilities are as follows									
Assets									
Accounts receivable	-	-	-	-	-	-	270,535	475,407	18,300,822
Tangible capital assets	-	-	-	-	-	-	-	48,271,195	47,646,160
	-	-	-	-	-	-	270,535	48,746,602	65,946,982
Liabilities									
Accounts payable and accrued liabilities	808,800	-	-	-	-	7,726,216	3,081,034	12,380,032	34,026,764
Accumulated surplus (deficit) of the Funds that are included in the Government's accumulated surplus are as follows									
Accumulated surplus (deficit)	3,777,706	7,508,291	1,246,986	45,790	310,112	(11,011,727)	-	59,435,125	62,186,513

Schedule 7

Non-Consolidated Schedule of Inventories of Supplies
for the year ended March 31, 2026

	Garage Parts and Fuel Inventory Fund $	Central Stores Fund $	Highway Materials Fund $	Fire Management Fuel & Retardant Inventory $	2026 Total $	2025 Total $
Opening inventory	3,264,978	-	5,261,817	2,365,025	10,891,820	11,141,389
Add: Purchases	3,320,625	-	4,701,701	2,984,610	11,006,936	12,752,597
	6,585,603	-	9,963,518	5,349,635	21,898,756	23,893,986
Less: Consumption	3,739,412	-	6,097,845	2,639,042	12,476,299	13,002,167
Inventory adjustments	94,905	-	(110,438)	-	(15,533)	-
Closing inventory	2,751,286	-	3,976,111	2,710,593	9,437,990	10,891,820

Schedule 8

Non-Consolidated Schedule of Legislated Grants
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $	Actual $	Under (Over) Estimates $
Community Services				
Comprehensive municipal grants	29,516,000	29,516,000	29,516,081	(81)
Community recreation assistance grants	818,000	818,000	817,861	139
In-lieu of property taxes	11,838,000	11,361,000	11,361,435	(435)
Home owner grants	4,535,000	4,535,000	4,450,345	84,655
	46,707,000	46,230,000	46,145,722	84,278
Education				
Post secondary student grants	6,256,000	6,656,000	6,567,582	88,418
Child care subsidies	801,000	801,000	693,008	107,992
Student transportation	116,000	116,000	79,394	36,606
Student accommodation (boarding subsidy)	30,000	30,000	6,536	23,464
	7,203,000	7,603,000	7,346,520	256,480
Finance				
Worker's compensation supplementary benefits	275,000	275,000	152,532	122,468
	275,000	275,000	152,532	122,468
Health and Social Services				
Social assistance - Whitehorse	22,381,000	22,381,000	22,308,246	72,754
Social assistance - region	3,853,000	4,203,000	4,199,808	3,192
Medical travel subsidies	6,122,000	6,122,000	4,608,007	1,513,993
Yukon seniors' income supplement	3,513,000	3,513,000	2,313,406	1,199,594
Pioneer utility grant	2,750,000	2,750,000	2,631,348	118,652
Adoption subsidies	180,000	180,000	5,664	174,336
	38,799,000	39,149,000	36,066,479	3,082,521
Total appropriated	92,984,000	93,257,000	89,711,253	3,545,747
Finance				
Yukon child benefit	1,452,000	1,452,000	1,446,644	5,356
Research and development tax credit	665,000	665,000	829,359	(164,359)
Children's fitness tax credit	64,000	64,000	97,238	(33,238)
Total transfers through the tax system	2,181,000	2,181,000	2,373,241	(192,241)
	95,165,000	95,438,000	92,084,494	3,353,506

Schedule 9

Non-Consolidated Schedule of Other Government Transfers
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Executive Council Office				
Other transfer payments				
Canadian Filipino Association of Yukon				75,000
Implementation inititatives - board and councils	4,455,000	4,109,000		3,920,336
- Yukon Land Use Planning Commission			819,152	
- Yukon Fish and Wildlife Management Board			723,220	
- Dawson Planning Commission			461,374	
- Yukon Heritage Resources Board			276,965	
- Teslin Renewable Resources Council			202,283	
- Dawson District Renewable Resources Council			197,625	
- Mayo District Renewable Resources Council			197,625	
- Carcross/Tagish Renewable Resources Council			188,975	
- Carmacks Renewable Resources Council			188,975	
- Dän Keyi Renewable Resources Council			188,975	
- Laberge Renewable Resources Council			188,975	
- Selkirk Renewable Resources Council			188,975	
- Yukon Geographical Place Names Board			97,217	
Council for Yukon First Nations	825,000	825,000		858,500
Various First Nations	125,000	215,000		117,507
Youth Program Funding	2,057,000	2,057,000		2,077,821
- Bringing Youth Towards Equality Society			384,000	
- Boys and Girls Club of Yukon			479,140	
- Youth of Today Society			415,376	
- Heart of Riverdal Community Centre			378,000	
- Youth Investment Fund			102,000	
- Association Franco-Yukonnaise			32,860	
- Various youth groups			415,376	
Arctic Inspiration Prize	100,000	100,000		100,000
Whitehorse Chamber of Commerce				20,000
Commissioner's Entertainment Allowance	5,000	5,000		5,000
Total other government transfers	7,567,000	7,311,000		7,174,164
Community Services				
Funding programs				
Sport	4,912,000	5,162,000		5,390,000
Community recreation/active living	2,068,000	2,068,000		2,118,000

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Community Services				
Fire management - FireSmart	850,000	850,000		643,831
Total funding programs	7,830,000	8,080,000		8,151,831
Other transfer payments				
Small Communities Fund	14,366,000	14,366,000		11,702,441
Investing in Canada Infrastructure Program	35,997,000	41,045,000		50,287,658
Clean Water Wastewater Fund	700,000	700,000		12,954
Disaster Mitigation Adaptation Fund				212,955
City of Whitehorse		2,750,000		4,758,772
Community Library Boards	501,000	501,000		471,920
- Watson Lake Library Board			76,687	
- Dawson City Library Board			72,563	
- Carcross Library Board			43,464	
- Haines Junction Library Board			63,094	
- Carmacks Library Board			27,927	
- Teslin Library Board			44,175	
- Mayo Library Board			30,321	
- Faro Library Board			23,884	
- Beaver Creek Library Board			16,752	
- Tagish Library Board			19,808	
- Burwash Landing Library Board			10,005	
- Old Crow Library Board			12,705	
- Ross River Library Board			12,789	
- Pelly Crossing Library Board			17,747	
Municipal ground water monitoring	290,000	290,000		118,189
- Town of Watson Lake			19,000	
- City of Dawson			35,000	
- Village of Carmacks			16,000	
- Town of Faro			15,200	
- Village of Mayo			16,000	
- Village of Haines Junction			2,248	
- Village of Teslin			14,741	
Solid waste - landfill agreements	550,000	550,000		519,500
- Vuntut Gwitchin First Nation			30,000	
- City of Dawson			75,000	
- Village of Mayo			100,800	
- Village of Carmacks			64,600	
- Village of Teslin			73,800	
- Haines Junction			111,800	
- Town of Watson Lake			63,500	

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Community Services				
Association of Yukon Communities	100,000	100,000		108,038
Community Training Fund	88,000	88,000		33,000
Sport Yukon	214,000	214,000		190,000
Community/Local Advisory Council - operation and maintenance	72,000	72,000		90,715
- Hamlet of Mount Lorne			18,143	
- Marsh Lake Local Advisory Council			18,143	
- South Klondike Local Advisory Council			18,143	
- Tagish Area Advisory Committee			18,143	
- Hamlet of Ibex Valley			18,143	
Volunteer Benevoles Yukon Society	67,000	67,000		67,000
Yukon Search and Rescue				29,878
Recreation/Community Centres - Various	125,000	125,000		169,437
- Selkirk First Nation			20,309	
- Tagish Community Centre			60,160	
- Sports Yukon			40,000	
- Biathlon Yukon			25,000	
- Climb Yukon Association			8,172	
- Lorne Mountain Community			2,076	
- Marsh Lake Community Society			4,299	
- Ross River Recreation Society			1,115	
- Recreation & Parks Association			8,306	
Fire Management				
- Beat the Heat Training Camp	50,000	50,000		50,000
- Various First Nations	70,000	70,000		67,983
- Disaster Mitigation & Adaptation Fund	300,000	300,000		25,000
- Training and Capacity	125,000	125,000		
- Emergency Management Assistance Program (EMAP)	293,000	293,000		293,000
- Resilient Communities through FireSmart	644,000	644,000		1,036,753
Fire Marshall				60,217
- Association of Yukon Firefighters and Chiefs			16,000	
- Golden Horn Volunteer Fire Department			7,200	
- Hootalinqua Fire Protection Society			12,084	
- Klondike Valley Fire Department			5,698	
- Marsh Lake Emergency Services Society			4,235	
- Village of Teslin			15,000	
Canada Community Building Fund				650,000

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Community Services				
- Curbside Recycling	827,000	827,000		621,114
- Free Transit Initiative	200,000			
Various transfer payments less than $10,000				2,000
Total other transfer payments	55,579,000	63,177,000		71,578,524
Total other government transfers	63,409,000	71,257,000		79,730,355
Economic Development				
Funding programs				
Community Development Fund	2,950,000	2,950,000		1,991,510
Economic Development Fund	1,960,000	1,960,000		1,464,842
Film & Sound Incentive Programs	1,460,000	1,460,000		2,103,308
Workforce development agreement	1,616,000	1,616,000		1,558,296
Foundational skills	876,000	876,000		876,000
Community training fund	602,000	602,000		358,852
Labour market development agreement	1,004,000	1,154,000		1,082,638
Employment Incentives	300,000	300,000		58,043
Total funding programs	10,768,000	10,918,000		9,493,489
Other transfer payments				
Foreign Credential Recognition	861,000	861,000		233,890
- Various recipients			233,890	
Media Development				55,228
- SPYA - Delegation to Prime Time conference 2026			31,778	
- National Screen Institute			15,000	
- Whistler Film Festival Society			6,000	
- Documentary Organization of Canada			2,450	
Music Yukon	115,000	115,000		135,000
- Operational support			115,000	
- Export Program 2025			20,000	
Screen Production Yukon Association	115,000	115,000		115,000
- Operational support			115,000	
Regional Economic Development	50,000	50,000		105,000
- Northern Native Broadcasting Yukon - CHON-FM Communication Capacity Support			50,000	

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Economic Development				
- Canadian Filipino Association of Yukon - Filipino Community Hub			25,000	
- Council of Yukon First Nations - Bringing Stories Into Daylight - Pre-Feasibility Report			20,000	
- Porter Creek Secondary School - Njel Construction			10,000	
Business & Industry Support	120,000	120,000		20,000
- Government of Northwest Territories Industry Tourism & Investment Pan-Territorial Resource Investment Marketing Initiative			20,000	
Paid Sick Leave Rebate - Employee & Self Employed Phase 4	825,000	825,000		649,883
Yukon Gold Mining Alliance	397,000	397,000		397,500
- Yukon Exploration & Mining Investment Attraction			397,500	
Yukon Chamber of Mines Operational Support	65,000	65,000		65,000
- Operational Support			65,000	
Yukon First Nations Chamber of Commerce	125,000	125,000		153,750
- Operational Support			125,000	
- Canadian Indigenous Investment Summit - London, U.K. April 2026, and First Nations Major Projects Coalition, Toronto			25,000	
- Canadian Indigenous Investment Summit - London, U.K. April 2025			3,750	
Whitehorse Chamber of Commerce	140,000	140,000		170,751
- Operational Support			139,953	
- Territorial Policy Convention & Policy Foundations			30,798	
Yukon Chamber of Commerce	100,000	100,000		50,000
- Operational support			50,000	
Dana Naye Ventures	25,000	25,000		25,000
- Micro Loan Program Delivery			25,000	
Strategic Industry Development	225,000	225,000		120,000
- ECO Canada - Yukon Sustainability Awards 2025			5,000	
- Mitacs Inc - Research/Innovation Internships			20,000	

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Economic Development				
- Yukon Venture Angels Society - Operational Funding			95,000	
Yukon University				
- Innovation and Entrepreneurship	850,000	850,000		786,581
Yukon Information Technology Industry Society	300,000	300,000		279,994
- Operational Support			279,994	
Yukonstruct Society	250,000	250,000		250,000
- Operational Support			250,000	
Municipality of Skagway				83,540
- Marine Service Platform Environmental Permit Renewal			83,540	
Yukon Trade Resilience Program	1,000,000	1,000,000		428,833
- Various recipients			428,833	
Innovation, Industry & Business Development - Administration	100,000	100,000		68,000
- Whitehorse Oldtimers Hockey Society - Western Hockey League Showcase			68,000	
Total other transfer payments	5,663,000	5,663,000		4,192,950
Total other government transfers	16,431,000	16,581,000		13,686,439
Education				
Funding programs				
Labour market development agreement	2,300,000	2,300,000		2,254,377
Workforce development agreement	550,000	550,000		466,182
Universal Child Care	29,450,000	29,641,000		30,242,436
Community training fund	669,000	669,000		178,529
Student training and employment program	366,000	366,000		351,077
Yukon summer program	114,000	114,000		89,273
Total funding programs	33,449,000	33,640,000		33,581,874
Other transfer payments				
Yukon University				
- Yukon University operational funding	27,343,000	27,343,000		29,923,678
- Yukon Research Centre	1,386,000	1,386,000		1,384,845
- Centre for Northern Innovation in Mining	1,200,000	1,200,000		1,199,000
- Licensed Practical Nurse Program	741,000	741,000		740,163
- Youth Exploring Trades	75,000	75,000		74,938

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Education				
- Northern Institute of Social Justice	450,000	450,000		449,625
- Furniture and Equipment Upgrade	100,000	100,000		99,917
- Campus and Housing Upgrades				24,750
- Information Technology Equipment and System	200,000	200,000		199,833
- Early Childhood Development Certificates	400,000	400,000		381,929
Yukon First Nation School Board				
- Operations and Maintenance	9,549,000	10,699,000		10,281,908
- Capital	29,000	29,000		29,061
Commission scolaire francophone du Yukon				
- Operations and Maintenance	2,324,000	2,439,000		1,687,808
- Capital repairs	28,000	28,000		28,394
- School Based Equipment Purchase	14,000	14,000		13,690
- School Initiated Renovations	6,000	6,000		6,000
Council of Yukon First Nations				
- Native Language Program	1,195,000	1,195,000		1,194,659
Yukon First Nations Education Directorate				
- Education Initiative	735,000	735,000		735,000
First Nation Education Agreements	1,510,000	1,774,000		1,798,386
Student Outcomes	321,000	321,000		613,031
- Taking It Global Youth			200,000	
- Yukon Wildlife Preserve			19,850	
- Yukon Literacy Coalition			200,000	
- Champagne Aishihik First Nation			28,134	
- Yukon Art Society			22,000	
- F.H. Collins Secondary School Trust			24,870	
- Big Brothers & Big Sisters of Yukon			21,963	
- Friends of Mount Sima Society			20,000	
- Elijah Smith Elementary School Trust			20,000	
- Yukon Historical & Museums			16,000	
- Various recipients			40,214	
Remuneration school councils/committees	257,000	257,000		228,459
- Porter Creek Secondary School Council			11,200	
- FH Collins SR Secondary School Council			12,900	
- Association of Yukon School Councils Boards & Committees			68,188	
- Catholic Education Association of Yukon			28,731	
- Various recipients			107,440	
Tutor Program	150,000	150,000		100,750

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Education				
- Learning Disabilities Association of Yukon			86,901	
- Skookum Jim Friendship Centre			13,849	
Post-secondary student scholarships	119,000	119,000		118,000
- Lester B. Pearson College			68,000	
- University of Saskatchewan			50,000	
Education related organizations	53,000	53,000		50,038
- Council of Ministers of Education, Canada			50,038	
National School Food Program	4,582,000	4,714,000		2,213,739
- Commission Scolaire			207,000	
- Yukon Food For Learning			1,197,000	
- Yukon First Nations Education			809,739	
Attendance initiative	100,000	100,000		100,000
- Every Student, Every Day Society Yukon			100,000	
French second language support	220,000	293,000		373,526
- FH Collins Senior Secondary School Trust			30,000	
- Yukon Wildlife Preserve			20,000	
- Canadian Parents for French			10,000	
- Porter Creek Secondary School			19,600	
- Association Franco-Yukonnaise			240,455	
- Various recipients			53,471	
First Nation Education AgreementsFirst Nation Elder Program	44,000	44,000		
School Cultural Activities	97,000	97,000		43,334
- Northern Cultural Expressions Society			43,334	
Apprenticeship initiatives	58,000	58,000		20,869
- Minister of Finance			20,869	
Early Learning & Child Care	10,843,000	10,843,000		8,543,603
Early Learning & Child Care Infrastructure Funding	2,968,000	5,306,000		2,466,481
Mental Well-Being	520,000	520,000		213,702
- Carcross Tagish First Nation			56,006	
- Champagne Aishihik First Nation			53,572	
- Tr'ondek Hwech'in First Nation			104,124	
Association franco-yukonnaise	420,000	420,000		390,000
- French first language support			390,000	
Total other transfer payments	68,037,000	72,109,000		65,729,116
Total other government transfers	101,486,000	105,749,000		99,310,990

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Energy, Mines and Resources				
Funding programs				
Low Carbon Economy Leadership Fund	6,606,000	5,514,000		6,057,796
Oil to Heat Pump Affordability Program		3,047,000		1,115,418
Energy Rebate Programs	6,955,000	1,627,000		2,669,173
Yukon Mineral Exploration Program	1,400,000	1,400,000		1,356,075
Sustainable Canadian Agricultural Partnership	1,249,000	1,249,000		1,294,001
Forest Sector Fund				100,000
Total funding programs	16,210,000	12,837,000		12,592,463
Other transfer payments				
Yukon-Stikine Regional Science Fair Society	6,000	6,000		6,000
Land Planning				
- Various First Nations	200,000	200,000		
Yukon Wood Products Association	40,000	40,000		90,000
Canadian Council of Forest Ministers	6,000	6,000		15,000
Forest management plans assistance				
- Various recipients	9,000	9,000		90,270
Forestry management research projects	9,000	9,000		4,942
- Yukon University			4,942	
Yukon Agricultural Association - operational funding	140,000	140,000		140,000
Miscellaneous Transfer Payments				77,774
Mineral Resources and Geoscience Services Regulatory Projects				
- Various recipients	35,000	35,000		
Type II mine site reclamation	200,000	200,000		168,627
Major Mines - Various First Nations		100,000		
Geological survey research work	215,000	215,000		170,753
- Boise State University			97,672	
- Carleton University			22,500	
- University of Alberta			20,605	
- University of British Columbia			17,250	
- Simon Fraser University			3,726	
- University of Quebec			9,000	
Klondike Placer Miners' Association	165,000	165,000		165,000
Yukon Chamber of Mines	165,000	165,000		165,000
Mining Legislation	750,000	750,000		624,011
- Various First Nations			612,830	
- Various recipients			11,181	

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Energy, Mines and Resources				
Land Legislation				
- Various First Nations	120,000	120,000		
Energy - cost shared projects	50,000	800,000		231,746
- Various recipients			10,000	
- Yukon Electric			151,746	
- Yukon University			70,000	
Geothermal and Petroleum Working Group				
- Various Yukon First Nations	70,000	70,000		52,440
Electrical Backup System Incentive		100,000		
Total other transfer payments	2,180,000	3,130,000		2,001,563
Total other government transfers	18,390,000	15,967,000		14,594,026
Environment				
Other transfer payments				
Environment and Climate Change Canada	1,022,000	1,472,000		1,585,562
Carcross Tagish First Nation		110,000		110,000
Yukon Wildlife Preserve Operating Society	747,000	747,000		776,804
Yukon Conservation Society	50,000	50,000		
Humane Society Yukon - Mae Bachur Animal Shelter	118,000	118,000		175,000
Humane Society Dawson	25,000	25,000		65,000
Yukon Energy Corporation - Whitehorse Fish Hatchery	168,000	168,000		170,000
Yukon Fish and Game Association	60,000	60,000		60,426
Porcupine Caribou Management Board	75,000	75,000		75,000
Wildlife Management Advisory Council	499,000	499,000		575,000
Centre for Human-Wildlife Conflict Solutions	40,000	40,000		
Yukon Trappers' Association	35,000	35,000		40,000
Yukon University - Climate Change Research	100,000	100,000		77,886
Animal Protection Program - Various recipients	35,000	35,000		36,435
Livestock Veterinary Services - Various recipients	6,000	6,000		162
Fish and Wildlife Cooperative Research Projects - Various recipients	18,000	18,000		
Community Water Monitoring Project - Various recipients	44,000	44,000		49,896

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Environment				
Various First Nations	1,220,000	1,920,000		1,280,072
- Carcross Tagish First Nation			149,938	
- Champagne and Aishihik First Nations			10,000	
- Tetlit Gwich'in Council			2,817	
- Council of Yukon First Nations			155,311	
- Gwich'in Tribal Council			45,000	
- Kwanlin Dün First Nation			160,000	
- Liard First Nation			44,184	
- Little Salmon Carmacks First Nation			21,567	
- First Nation of Na-Cho Nyäk Dun			323,391	
- Selkirk First Nation			85,000	
- Vuntut Gwitchin First Nation			207,864	
- White River First Nation			75,000	
Biodiversity Pathways				168,425
Carlton University				95,520
Circular Materials				71,079
Colorado State University				32,926
Government of Northwest Territories				15,000
McGill University				87,000
Memorial University of Newfoundland				28,360
Queens University				10,000
University of Alberta				28,000
University Of Saskatchewan				20,000
University of Victoria				84,961
Vuntut Gwitchin First Nation				29,501
Wildlife Conservation Society Canada				125,000
Wilfred Laurier University				71,810
Yukon Fish and Wildlife Management Board				91,695
Yukon Invasive Species Council				54,000
Yukon University				85,658
Various transfer payments less than $10,000	4,000	4,000		28,939
Total other government transfers	4,266,000	5,526,000		6,205,117

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Finance				
Other transfer payments				
Financial Operations and Revenue Services				
- Rural Community Banking	450,000	545,000		444,064
Total other government transfers	450,000	545,000		444,064
French Language Services Directorate				
Other transfer payments				
Yukon Hospital Corporation	350,000	350,000		350,000
Association franco-yukonnaise	150,000	163,000		153,195
- French Language Training			148,195	
- Yukon Francophonie Day			5,000	
Quebec - Yukon Intergovernmental Cooperation Program	50,000	50,000		
Ministers' Council on the Canadian Francophonie Corporation	10,000	10,000		10,000
French Language Community Support				
- Whitehorse 2026 Arctic Winter Games Host Society				30,000
- Various recipients		8,000		8,183
Total other government transfers	560,000	581,000		551,378
Health and Social Services				
Funding programs				
Child Welfare Programming and Support	9,664,000	9,664,000		9,618,411
Parents of Children with Disabilities	1,750,000	2,592,000		2,566,919
Canada Prenatal Nutrition Program	677,000	677,000		489,657
- Watson Lake Creative Playgroup			132,255	
- Dawson Shelter Society, The			122,440	
- Victoria Faulkner Women's Centre, The			117,100	
- Les Essentielles			37,195	
- Skookum Jim Friendship Centre			80,667	
Employment Supports	212,000	212,000		
Total funding programs	12,303,000	13,145,000		12,674,987

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Health and Social Services				
Other transfer payments				
Yukon Hospital Corporation				
- Operational Funding	129,673,000	132,988,000		132,529,051
- First Nations Health	1,200,000	1,200,000		1,572,000
- Laboratory Services	725,000	725,000		725,000
- Yukon Hospital Foundation	93,000	93,000		132,000
- Orthopedic Program	3,649,000	3,649,000		3,649,000
- MoreOB	113,000	113,000		
- First Nation Patient Navigation				154,217
- Health System Transformation				500,000
Yukon Hospital Insurance Services	69,198,000	69,198,000		52,724,861
- Province of British Columbia			43,268,878	
- Yukon Hospital Corporation - Whitehorse			4,931,843	
- Province of Alberta			2,105,806	
- Reimbursements to Individuals and Insurance Companies			930,362	
- Contributions to Various Health Agencies			30,570	
- Canadian Blood Services			726,757	
- Other Provinces and Territories			730,645	
Yukon Medical Association				
- Physician Recruitment/Retention Initiatives	3,320,000	3,808,000		4,721,327
- Medical Practice Insurance	554,000	601,000		
- Education	318,000	358,000		368,000
- Medical Student Bursaries	125,000	133,000		106,000
Opportunities Yukon Society				6,364,196
- 6-Plex	828,000	828,000	1,219,928	
- Cornerstone Project	727,000	727,000	727,140	
- Group Homes	2,853,000	2,853,000	3,840,981	
- Operating	459,000	459,000	576,147	
Yukon Women's Transition Home Society	1,919,000	1,919,000		1,611,428
Connective Support Society	6,940,000	9,277,000		10,180,458
- Operational funding			8,207,791	
- Housing First			572,409	
- Yukon Review Board Residential Resource Program			1,400,258	
Safe at Home Society	1,500,000	1,500,000		2,248,994
Canadian Mental Health Association, Yukon Division				1,695,948
- Operational Funding	1,465,000	1,465,000	1,449,000	

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Health and Social Services				
- Peer Support Line	150,000	150,000	246,948	
Options for Independence Society				
- Housing Supports	676,000	676,000		
- Aurora Group Home	611,000	611,000		
Teegatha'Oh Zheh				1,468,642
- Operational Funding	1,271,000	1,271,000	1,394,642	
- Specialized Services	74,000	74,000	74,000	
FASD Inter-agency Committee	500,000	500,000		524,530
Blood Ties Four Directions Centre Society				2,399,320
- Operational Funding	414,000	414,000	414,000	
- Supervised Consumption Site	1,067,000	1,067,000	1,547,913	
- Meal Program			217,963	
- Education and prevention initiatives	208,000	208,000	219,444	
Watson Lake Housing with Services	1,313,000	1,313,000		
Inclusion Yukon Society				773,971
- Inclusion Funding	235,000	235,000	534,971	
- Operating	239,000	239,000	239,000	
Skookum Jim Friendship Centre	851,000	851,000		
Help & Hope for Families Society	875,000	875,000		854,000
Fetal Alcohol Syndrome Society of Yukon	728,000	728,000		2,331,994
Kwanlin Dün First Nation				150,000
- Jackson Lake Healing Camp	400,000	400,000		
- Circle and Culture Coordinator			150,000	
Emergency Medical Services				
- Volunteer Awards Fund	110,000	110,000		82,304
Dawson Shelter Society	559,000	609,000		1,021,000
British Columbia Centre for Disease Control	150,000	150,000		305,000
- TB Control Program			250,000	
- Poison Information Management			55,000	
Cultural Connections				1,351,630
- Council of Yukon First Nations			1,331,630	
- Champagne and Aishihik First Nations			10,000	
- First Nation of Na-cho Nyäk Dun			10,000	
Hospice Yukon Society	322,000	322,000		370,985
Boys and Girls Club of Yukon - Youth Shelter				998,976
Yukon Sexual Health Clinic				386,016
The Nelson Project Yukon Society				190,000
City of Whitehorse - Handy Bus	255,000	255,000		335,698
Tr'ondëk Hwëch'in				476,940

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Health and Social Services				
- Emergency Shelter	258,000	258,000	400,000	
- Community Health Patient Navigation			76,940	
Yukon Registered Nurses Association	150,000	150,000		127,208
Individual Respite Agreements	1,125,000	1,125,000		1,128,735
Council of Yukon First Nations				2,602,648
- Family Preservation Wellness Centre	750,000	750,000	750,000	
- Health Transformation Advisory Committee			850,000	
- Community Wellness Plans			306,231	
- First Nation Patient Navigation		243,000		
- First Nations Health Partnership	165,000	165,000	216,417	
- Prenatal and Infant Support	140,000	140,000	140,000	
- Moccasin Mobile			340,000	
Land-based Healing Fund	3,347,000	3,347,000		3,412,641
- Council of Yukon First Nations			3,347,016	
- Shawthan Nazhi: Healing with The Land Society			65,625	
Learning Disabilities Association of Yukon	155,000	155,000		157,500
Yukon Food for Learning Association	132,000			57,000
HealthLink British Columbia				123,767
Autism Yukon	85,000	85,000		221,990
Public Works and Government Services Canada	79,000	79,000		97,123
Canadian Cancer Society				89,682
- Cancer Lodges	65,000	65,000	75,125	
- Smokers' Helpline	14,000	14,000	14,557	
Yukon Anti-Poverty Coalition	84,000	84,000		135,450
Yukon Council on Aging	75,000	75,000		78,750
Nursing Education Bursaries	24,000	24,000		70,000
Canadian Institute for Health Information	43,000	43,000		
Health Investment Fund	50,000	50,000		50,000
Line of Life Association of the Yukon	64,000	64,000		65,544
Alberta Health Services - Emergency Medical Services	34,000	34,000		9,508
Victoria Faulkner Women's Centre, The - accommodation	44,000	44,000		45,891
Canadian Red Cross Society	36,000	36,000		438,145
Government of Manitoba - Healthy Child	30,000	30,000		31,500
St. Elias Seniors and Elders Society	35,000	35,000		38,631

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Health and Social Services				
Healthy Eating	26,000	26,000		37,825
Health Professional Bursary	40,000	40,000		60,000
Rick Hansen Foundation	20,000	20,000		
Queer Yukon Society				110,348
Big Brothers and Big Sisters of Yukon	13,000	13,000		16,800
Network for Health Early Human Development Yukon				175,000
Recreation and Parks Association of the Yukon	8,000	8,000		
Joint Consortium for School Health	2,000	2,000		2,000
Options for Sexual Health	1,000	1,000		
Rural End of Life	204,000	204,000		
Home Care Self Management Funding				399,239
Signpost Seniors Association	57,000	57,000		114,302
Professional Development Fund	25,000	25,000		25,000
Health Education Bursaries	25,000	25,000		22,000
British Columbia Cancer Registry	17,000	17,000		
Foster Parent Association	15,000	15,000		
Education and prevention	10,000	10,000		
Yukon Hospital Corporation- Capital				9,245,000
- Planning for Expansion of Whitehorse General Hospital	1,150,000	1,150,000	1,150,000	
- Capital Maintenance and Repairs	4,200,000	4,200,000	4,200,000	
- Previous Secure Medical Unit Redevelopment		1,100,000	1,100,000	
- Medical Device Reprocessing		2,795,000	2,795,000	
Alzheimer Society of BC				165,000
Golden Age Society				15,694
Yukon University				
- Strategy for Patient-Oriented Research				73,000
- Medical Assistant Program and Social Work Degree Program				337,952
Pathways Patient Referral Association				53,000
Vision Loss Rehabilitation Canada	33,000	33,000		36,826
BC Children's Hospital				61,810
University of New Brunswick LPN to RN Bridging Program				228,863
Youth Program Funding		369,000		368,425
- Planet Youth			68,962	

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Health and Social Services				
- Vuntut Gwitchin First Nation			299,463	
Various transfer payments less than $10,000				60,215
Little Salmon/Carmacks First Nation				
- Driving citizens to medical appointments				210,000
Miscellaneous transfer payments	977,000	977,000		456,587
Total other transfer payments	250,474,000	261,134,000		254,560,085
Total other government transfers	262,777,000	274,279,000		267,235,072
Highways and Public Works				
Other transfer payments				
Teslin Tlingit Council				82,500
Little Salmon Carmacks First Nation				55,000
Tr'ondek Hwech'in First Nation				48,898
Yukon Resource Gateway Project				
- Liard First Nation				499,962
- First Nation of Nacho Nyak Dun				17,826
- Ross River Dena Council				12,967
City of Whitehorse				40,841
Champagne and Aishihik First Nations				28,205
Council of Yukon First Nations		100,000		100,485
Institut National De La				34,290
Yukon First Nation Chamber of Commerce		201,000		200,636
Yukon University				52,000
Yukon Contractors Association	43,000	131,000		104,650
Canadian Standards Association				7,250
Total other government transfers	43,000	432,000		1,285,510
Justice				
Other transfer payments				
Yukon Legal Services Society (Legal Aid)				
- Legal Services (Legal Aid + Conflict Cases)	3,475,000	3,475,000		3,503,788
- Community Justice and Public Safety (JWC)	35,000	35,000		100,000
Yukon Public Legal Education Association	163,000	263,000		263,000
Human Rights Commission	913,000	1,277,000		1,276,948
Community Supervisory Housing				

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Justice				
- Connective Support Society (Men)	808,000	918,000		874,656
Community Consultative Group	50,000	180,000		74,300
Community Safety Planning	200,000	490,000		350,676
- Champagne and Aishihik First Nation			8,481	
- First Nation of Na-cho Nyäk Dun			200,000	
- Liard First Nation			153,045	
- Little Salmon/Carmacks First Nation			18,750	
- Ross River Dena Council			(51,100)	
- Tr'ondëk Hwëch'in			21,500	
Indigenous Courtworker Program	1,021,000	1,021,000		835,933
- CYFN - Gladue project			206,784	
- Carcross Tagish First Nation			12,050	
- Carcross Tagish First Nation (Prior year funding)			2,079	
- Champagne and Aishihik First Nations			12,050	
- Champagne and Aishihik First Nations (Prior year funding)			5,356	
- First Nation of Na-cho Nyäk Dun			48,201	
- First Nation of Na-cho Nyäk Dun (Prior year funding)			5,356	
- Kluane First Nation			36,151	
- Kluane First Nation (Prior year funding)			5,356	
- Kwanlin Dün First Nation			139,208	
- Kwanlin Dün First Nation (Prior year funding)			15,468	
- Liard First Nation			63,864	
- Little Salmon/Carmacks First Nation			48,201	
- Little Salmon/Carmacks First Nation (Prior year funding)			5,356	
- Ross River Dena Council			12,050	
- Ross River Dena Council (Prior year funding)			51,158	
- Selkirk First Nation			48,201	
- Teslin Tlingit Council			11,930	
- Tr'ondëk Hwëch'in			48,201	
- Tr'ondëk Hwëch'in (Prior year funding)			5,356	
- Vuntut Gwitchin First Nation			48,201	
- Vuntut Gwitchin First Nation (Prior year funding)			5,356	

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Justice				
Community Safety Officer	856,000	856,000		1,034,188
- KDFN			234,836	
- SFN			234,836	
- CTFN			329,680	
- TTC			234,836	
Yukon Workers' Safety & Compensation Board	330,000	330,000		329,500
Community Justice Projects	307,000	307,000		254,527
- Carcross/Tagish First Nation			16,275	
- Carcross/Tagish First Nation (Prior year funding)			2,325	
- Champagne and Aishihik First Nations			15,856	
- Champagne and Aishihik First Nations (prior year funding)			9,507	
- Kwanlin Dün First Nation			49,927	
- Kwanlin Dün First Nation (Prior year funding)			17,722	
- Liard First Nation			51,100	
- Liard First Nation (Prior year funding)			14,600	
- Ross River Dena Council			8,150	
- Ross River Dena Council (Prior year funding)			24,420	
- Tr'ondëk Hwëch'in			17,500	
- Tr'ondëk Hwëch'in (Prior year funding)			2,500	
- Vuntut Gwitchin First Nation			17,251	
- Vuntut Gwitchin First Nation (Prior year funding)			7,394	
RCMP				
- Police Board Funding	5,000	5,000		
- Biology Caseworks & Auxiliary Police Program	136,000	136,000		143,972
Community Impact Statements				11,180
SART Agreement				
- Yukon Women's Transition Home Society	170,000	170,000		153,567
Gender Based Violence				
- Transportation	70,000	70,000		67,132
- Media Literacy				278,177
Downtown Whitehorse Safety Response Action Plan	100,000	100,000		58,680

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Justice				
Yukon Community Crime Stopper Association - Program	10,000	10,000		10,000
Guns & Gangs Funding Program				82,605
- Centre for Safer Communities			32,605	
- Boys and Girls Club of Yukon			50,000	
Total other government transfers	8,649,000	9,643,000		9,702,829
Tourism and Culture				
Funding programs				
Community Tourism Destination Development Fund	1,600,000	1,600,000		1,597,082
Arts operating funds	1,183,000	1,183,000		1,167,026
Tourism Cooperative Marketing Fund	700,000	700,000		724,004
Arts fund	500,000	500,000		494,521
Advanced artist award	150,000	150,000		150,000
Creative and cultural career advancement fund	150,000	150,000		150,000
SPARK Tourism Micro Grant	100,000	150,000		141,668
Indigenous Artist and Cultural Carriers	150,000	150,000		156,620
Touring Artist fund	100,000	100,000		110,797
Express Micro Grant	75,000	150,000		163,909
New Canadians event fund	45,000	45,000		47,300
Cultural Industries Training Fund	75,000	75,000		73,882
Total funding programs	4,828,000	4,953,000		4,976,809
Other transfer payments				
Yukon Arts Centre Corporation				
- Operations and Maintenance	892,000	892,000		965,158
- Old Fire Hall Programming	175,000	175,000		175,000
- Honouring Our Future Artist and Exhibition Fees				10,000
- Culture Days Advertising				2,970
Museums - General Operation, Maintenance, and Training Support	1,211,000	1,211,000		1,161,206
- MacBride Museum Society			413,566	
- Dawson City Museum Society			150,103	

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Tourism and Culture				
- Yukon Transportation Museum Society, The			150,103	
- Yukon Church Heritage Society			100,782	
- Keno Community Club			93,067	
- Kluane Museum of History Society			71,256	
- Teslin Historical & Museum Society			82,329	
- Town of Faro - Campbell Region Interpretive Centre			50,000	
- Village of Mayo - Binet House Museum			50,000	
First Nations Cultural Centres	1,098,000	1,098,000		1,031,973
- Carcross/Tagish First Nation			150,103	
- Champagne and Aishihik First Nations			150,103	
- Kwanlin Dün Cultural Society			155,483	
- Teslin Tlingit Council			150,103	
- Tr'ondëk Hwëch'in			150,103	
- Little Salmon/Carmacks First Nation			107,046	
- Selkirk First Nation			25,620	
- Vuntut Gwitchin First Nation			143,412	
Yukon Convention Centre / Gathering Place		7,500,000		
Dawson City Arts Society				
- Operations and Maintenance	425,000	425,000		459,000
On Yukon Time - Arts Themed Events	19,000	19,000		
Yukon Tourism Development Strategy Implementation				
- Yukon First Nation Culture and Tourism Association	300,000	300,000		250,000
- Experience development	175,000	175,000		63,725
- Champagne Aishihik First Nation			15,000	
- Carcross Tagish LP			13,125	
- Various recipients			35,600	
Northern Cultural Expressions Society	345,000	345,000		357,900
Museums - Assistance	200,000	200,000		213,274
- Dawson City Museum Society			35,750	
- The Yukon Transportation Museum Society			20,000	
- Yukon Church Heritage Society			20,000	
- Kwanlin Dün Cultural Society			20,000	
- Tr'ondëk Hwëch'in			20,000	
- Teslin Tlingit Council			16,569	
- Carcross/Tagish First Nation			20,000	

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Tourism and Culture				
- MacBride Museum Society			33,951	
- Teslin Historical & Museum Society			12,925	
- Various recipients			14,079	
Wilderness Tourism Association of the Yukon				
- Operations and maintenance	264,000	264,000		264,000
Tourism Industry Association of the Yukon				
- Operations and Maintenance	240,000	240,000		240,000
- Export Readiness Training Program				55,488
- One Yukon Portal and Emergency Response Project				50,000
- Arctic Tourism Cluster Project				45,000
Yukon First Nations Culture and Tourism Association	160,000	160,000		120,000
Culture Quest	157,000	157,000		135,891
- Various recipients			135,891	
Yukon Quest International Association (Canada)	150,000	150,000		5,000
Selkirk First Nation - Fort Selkirk	147,000	147,000		147,000
Air North Charter & Training Ltd	75,000	75,000		75,000
Yukon Arts Society - Artist in the School	100,000	100,000		100,000
Historic Properties Assistance Program	116,000	116,000		58,469
- Forest K Pearson			20,000	
- Yukon Historic Resource Fund			16,000	
- Various recipients			22,469	
Yukon Sourdough Rendezvous	117,000	117,000		117,000
Tr'ondëk Hwëch'in				111,800
- Forty Mile	95,000	95,000	111,800	
Council of Yukon First Nations	137,000	137,000		140,000
Creative and Cultural Industries Strategy		15,000		16,000
- Yukon Arts Centre Corporation			16,000	
Yukon Council of Archives - YCA Community Archivist Project	79,000	79,000		94,000
Vuntut Gwitchin First Nation - Rampart House	120,000	120,000		120,000
Sport Yukon				
- Sport Tourism	115,000	115,000		180,000
- Community Nordic Ski Pilot Project	15,000	15,000		15,000
- Export Readiness Training Program				3,000
Yukon Convention Bureau Society				
- Operations and Maintenance	200,000	200,000		300,000

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Tourism and Culture				
- Rotary District Conference				15,000
- Jack Hirose & Associates Conference				15,000
Friends of Yukon Permanent Art Collection Society				
- Visual Arts Acquisitions	60,000	60,000		60,000
Association Franco-Yukonnaise	25,000	25,000		25,000
Carcross/Tagish First Nation - Conrad Historic Site	20,000	20,000		20,000
Yukon Conservation Society - Canyon City	18,000	18,000		
Heritage Sites Projects	15,000	15,000		65,192
- Carleton University			54,592	
- Various recipients			10,600	
Yukon Historical & Museums Association				
- Operations and Maintenance	74,000	74,000		80,000
- Culture Days Activation				23,191
Historic Sites, Inventory, Design, and Public Programming	60,000	60,000		
Heritage Trails	20,000	20,000		
The Yukon Science Institute	20,000	20,000		20,000
Canadian Tourism Commission				
- Joint Destination Marketing Initiatives				130,000
- National Research Project	20,000	20,000		40,000
Yukon Arts Centre Foundation - Yukon Prize Promotional Support				12,853
Kwanlin Dün Cultural Society	10,000	10,000		10,000
Dawson City Dog Sports Club - Percy DeWolfe Memorial Race				49,999
Yukon Heritage Resources Board				10,000
Various transfer payments less than $10,000	5,000	5,000		18,705
Total other transfer payments	7,474,000	14,989,000		7,677,794
Total other government transfers	12,302,000	19,942,000		12,654,603
Women and Gender Equity Directorate				
Other transfer payments				
Indigenous women's equality fund	600,000	600,000		600,000
- Yukon Aboriginal Women's Council			200,000	
- Liard Aboriginal Women's Society			200,000	

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Women and Gender Equity Directorate				
- Whitehorse Aboriginal Women's Circle			200,000	
Yukon Aboriginal Women's Council				
- Missing and Murdered Indigenous Women, Girls and Two-Spirit Forums	116,000	116,000		3,840
- Sally and Sisters	168,000	168,000		168,000
Women's equality fund	207,000	207,000		207,000
- Victoria Faulkner Women's Centre, The			57,500	
- Yukon Status of Women's Council			51,500	
- Women in Trades and Technology Association			51,500	
- Les EssentiElles			46,500	
Victoria Faulkner Women's Centre				
- Women's Advocate	100,000	100,000		100,000
- A Safe Place	95,000	95,000		95,000
Skookum Jim Friendship Centre				
- Women's Legal Advocate Services	93,000	93,000		93,000
Yukon Anti-Poverty Coalition				
- Whitehorse Affordable Family Housing Complex	77,000	77,000		76,500
Queer Yukon Society	375,000	375,000		375,000
Crisis Hotline	100,000	100,000		110,971
- Women and Gender Equity Canada			10,971	
- Canadian Mental Health Association			25,000	
- The Dawson Shelter Society			25,000	
- Yukon Women's Transition Home Society			25,000	
- Help & Hope for Families Society			25,000	
Whitehorse Aboriginal Women's Circle				4,000
National action plan to end Gender-Based Violence	1,353,000			
- Prevention Fund		20,000		47,939
- Les EssentiElles			22,939	
- Kluane First Nation			25,000	
- Victim Supprort Fund		12,000		16,026
- Les EssentiElles			16,026	
- Yukon First Nation Fund		388,000		255,000
- Kwanlin Dun First Nation			85,000	
- Na-Cho Nyak Dun			85,000	
- Kluane First Nation			85,000	
- Operational		880,000		737,848

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Women and Gender Equity Directorate				
- Yukon Aboriginal Women's Council			143,601	
- Liard Aboriginal Women's Society			101,485	
- Whitehorse Aboriginal Women's Circle			112,662	
- The Victoria Faulkner Women's Centre			135,644	
- Yukon Status of Women's Council, The			85,093	
- Women in Trades and Technology Association			32,569	
- Les EssentiElles			46,794	
- Women's Coalition			80,000	
Total other government transfers	3,284,000	3,231,000		2,890,124
Yukon Development Corporation				
Other transfer payments				
Affordability Rate Relief Rebate		1,600,000		1,600,000
Mayo B rate payer support	2,625,000	2,625,000		2,331,000
Innovative renewable energy initiative	1,500,000	1,500,000		1,500,000
Arctic energy fund	12,733,000	10,281,000		10,281,141
Investing in Canada infrastructure program		948,000		947,432
Winter Electrical Affordability Rebate	3,850,000	3,850,000		3,850,000
Total other government transfers	20,708,000	20,804,000		20,509,573
Yukon Housing Corporation				
Other transfer payments				
Operations and maintenance	803,000	803,000		12,464,286
Capital	12,012,000	12,762,000		24,603,889
Total other government transfers	12,815,000	13,565,000		37,068,175
Restricted Funds				
Other transfer payments				
Carbon amounts distributed	42,350,000	32,985,000		11,366,857
Total other government transfers	42,350,000	32,985,000		11,366,857

Schedule 9

Non-Consolidated Schedule of Other Government Transfers (continued)
for the year ended March 31, 2026

	Main Estimates $	Revised Estimates $		Actual $
Totals				
Funding programs	85,388,000	83,573,000		81,471,453
Other government transfers	490,099,000	514,825,000		502,937,823
	575,487,000	598,398,000		584,409,276

Schedule 10

Non-Consolidated Schedule of Bad Debt Write-offs
for the year ended March 31, 2026

Department	Number of Accounts	Total $
Finance	10	281,359
Executive Council Office	1	105,191
Health and Social Services	6	22,901
		409,451

Note: No bad debts were reported as write-off by virtue of the section 35 of the *Financial Administration Act* ended March 31, 2026.

Schedule 11

Schedule of Special Warrants
for the year ended March 31, 2026

Warrant Number		Purpose	Amount $
			(thousands of dollars)
No. 1	O&M	Community Services	15,000
		Health and Social Services	4,172
			19,172
	Capital	Health and Social Services	4,996
		Tourism and Culture	7,500
			31,668

The special warrant authorized spending for the purpose of financing government operations for the period August 14, 2025 to March 31, 2026, under OIC 2025/158 of the *Financial Administration Act*.

SECTION III

SUPPLEMENTARY FINANCIAL STATEMENTS

(audited)

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YUKON DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

December 31, 2025

(audited)

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YUKON DEVELOPMENT CORPORATION

June 18, 2026

Management's Responsibility for Financial Reporting

Management is responsible for the preparation of these consolidated financial statements in conformity with International Financial Reporting Standards and all other financial information relating to the Corporation contained in this annual report. These consolidated financial statements have been prepared by management using methods appropriate for the industry in which the Corporation operates and necessarily include some amounts that are based on judgements and best estimates of management. The financial information contained elsewhere in this annual report is consistent with that in the consolidated financial statements. The Auditor General of Canada is the external auditor of the Corporation.

Management has established internal accounting control systems to meet its responsibilities for reliable and accurate reporting. These systems include policies and procedures, the careful selection and training of qualified personnel and an organizational structure that provides for the appropriate delegation of authority and segregation of responsibilities.

The Board of Directors, through its Audit Committee, oversees management's responsibilities for financial reporting. The Audit Committee meets regularly with management and the independent auditor to discuss auditing and financial matters to ensure that management is carrying out its responsibilities and to review the consolidated financial statements. The auditors have full and free access to the Audit Committee and management.

Shane Andre
A/President and CEO

Kaitlyn Bouvier
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Yukon Development Corporation

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Yukon Development Corporation and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of operations and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we

conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the consolidated financial statements, we have audited transactions of the Yukon Development Corporation coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Financial Administration Act* of Yukon and regulations, the *Yukon Development Corporation Act* and regulations, the *Public Utilities Act* and regulations, the *Business Corporations Act* and regulations, and the articles and by-laws of the Yukon Development Corporation.

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

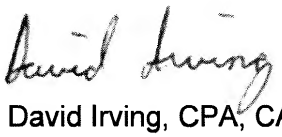
Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Yukon Development Corporation's compliance with the specified authorities named above, and for such internal control as management determines is

necessary to enable the Yukon Development Corporation to comply with the specified authorities.

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

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



David Irving, CPA, CA
Principal
for the Auditor General of Canada

Edmonton, Canada
18 June 2026

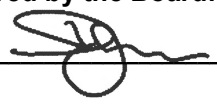
Yukon Development Corporation

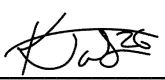
Consolidated Statement of Financial Position
(in thousands of Canadian dollars)

December 31,	2025	2024
Assets		
Current		
Cash (Note 5)	$ 3,878	$ 16,529
Accounts receivable (Note 6)	42,318	34,009
Inventories (Note 7)	6,168	5,221
Prepaid expenses	2,660	1,726
	55,024	57,485
Non-current		
Right-of-use assets (Note 8)	1,642	1,550
Property, plant and equipment (Note 9)	667,559	597,748
Intangible assets (Note 10)	34,190	29,269
Post-employment benefits assets (Note 15)	712	676
Derivative related asset (Note 26)	2,896	655
Total assets	**762,023**	687,383
Regulatory debit balances (Note 11(a))	54,400	54,096
Total assets and regulatory debit balances	**$ 816,423**	$ 741,479
Liabilities		
Current		
Bank indebtedness (Note 5)	$ 159,747	$ 78,004
Accounts payable and accrued liabilities (Note 13)	38,110	27,622
Deferred Government Grants (Note 12)	1,054	-
Current portion of deferred revenue (Note 17)	2,148	2,484
Current portion of lease liability (Note 8)	314	175
Current portion of long-term debt (Note 14)	5,357	5,133
	206,730	113,418
Non-current		
Post-employment benefits (Note 15)	624	635
Contributions in aid of construction (Note 16)	103,349	104,728
Deferred revenue (Note 17)	16,904	17,589
Lease liability (Note 8)	525	520
Long-term debt (Note 14)	238,649	243,825
Total liabilities	**566,781**	480,715
Equity		
Contributed capital	41,501	41,501
Retained earnings	197,513	185,751
Total equity	**239,014**	227,252
Total liabilities and equity	**805,795**	707,967
Regulatory credit balances (Note 11(b))	10,628	33,512
Total liabilities, equity and regulatory credit balances	**$ 816,423**	$ 741,479

Commitments and Contingencies (Notes 23 and 24)
The accompanying notes are an integral part of the consolidated financial statements.

Approved by the Board:


_____, Chair


_____, Director

Yukon Development Corporation

Consolidated Statement of Operations and Other Comprehensive Income
(in thousands of Canadian dollars)

For the year ended December 31,	**2025**	2024
Revenues		
Sales of power (Note 18)	$ 102,191	$ 85,464
Yukon Government contributions (Note 22)	6,503	10,406
Government of Canada contributions (Note 1)	1,652	60
Other (Note 19)	379	2,288
	110,725	98,218
Operating expenses		
Operations and maintenance (Note 20)	81,144	58,951
Administration (Note 21)	21,052	19,375
Depreciation and amortization (Notes 8, 9 and 10)	16,670	15,068
	118,866	93,394
Income (loss) before other income and other expenses	**(8,141)**	4,824
Other income		
Insurance recoveries (Note 11(a)(vii))	10,130	-
Allowance for funds used during construction	4,430	2,434
Unrealized gain on interest rate swaps (Note 26)	2,241	-
Amortization of contributions in aid of construction (Note 16)	1,620	1,842
Interest income	518	812
	18,939	5,088
Other expenses		
Interest expenses	15,962	14,494
BC-Yukon Grid Interconnection (Note 1)	2,170	154
Innovative renewable energy initiative program subsidies (Note 1)	1,967	1,854
Interim electrical rebate program subsidies (Note 1)	1,130	3,246
Winter Electrical Affordability Rebate subsidies (Note 1)	995	-
Unrealized loss on interest rate swaps (Note 26)	-	1,750
Atlin Hydroelectric expansion project subsidies (Note 1)	-	1,250
Inflation relief rebate program subsidies (Note 1)	-	973
	22,224	23,721
Net (loss) income for the year before net movement in regulatory balances	**(11,426)**	(13,809)
Net movement in regulatory balances related to net income (Note 11(d))	23,185	15,643
Net income for the year after net movement in regulatory account balances	**11,759**	1,834
Other comprehensive income (Note 3(o))		
Item that will not be reclassified to net income in subsequent periods		
Remeasurement of defined benefit pension plans (Note 15)	**3**	1,021
Total comprehensive income for the year	**$ 11,762**	$ 2,855

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

Yukon Development Corporation

Consolidated Statement of Changes in Equity
(in thousands of Canadian dollars)

	Contributed Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance at December 31, 2023	**$ 41,501**	**$ 182,896**	**$ -**	**$ 224,397**
Net income for the year after net movement in regulatory account balances	-	1,834	-	1,834
Other comprehensive income	-	-	1,021	1,021
Transfer of remeasurement of defined benefit pension plans to retained earnings	-	1,021	(1,021)	-
Balance at December 31, 2024	**$ 41,501**	**$ 185,751**	**$ -**	**$ 227,252**
Net income for the year after net movement in regulatory account balances	-	11,759	-	11,759
Other comprehensive income	-	-	3	3
Transfer of remeasurement of defined benefit pension plans to retained earnings	-	3	(3)	-
Balance at December 31, 2025	**$ 41,501**	**$ 197,513**	**$ -**	**$ 239,014**

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

Yukon Development Corporation

Consolidated Statement of Cash Flows
(in thousands of Canadian dollars)

For the year ended December 31,	**2025**	2024 (Restated - Note 3(p))
Operating activities		
Cash receipts from customers	$ 98,301	$ 78,798
Cash receipts from Yukon Government contributions	8,610	12,512
Cash receipts from Government of Canada contributions	789	-
Cash receipts from contributions in aid of construction	3,088	1,833
Cash paid to suppliers and for subsidies	(88,196)	(60,364)
Cash paid to employees	(20,650)	(18,216)
Cash receipts from insurance claim settlement	-	113
Cash refund paid to customers	(69)	(643)
Interest received	609	813
Cash provided by operating activities	**2,482**	14,846
Financing activities		
Net advances from line of credit	78,272	33,800
Proceeds from long-term debt	-	27,254
Repayment of long-term debt	(5,134)	(4,439)
Interest paid	(16,471)	(14,192)
Lease payments	(278)	(205)
Cash provided by financing activities	**56,389**	42,218
Investing activities		
Additions to property, plant and equipment	(71,180)	(47,463)
Additions to intangible assets	(5,765)	(3,707)
Cash receipts from insurance claim settlement	1,952	-
Cash used in investing activities	**(74,993)**	(51,170)
Net (decrease) increase in cash	(16,122)	5,894
Cash, beginning of year	20,000	14,106
Cash, end of year (Note 5)	**$ 3,878**	$ 20,000

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

1. Nature of operations

a) General

Yukon Development Corporation was originally established under the *Yukon Development Corporation Act* to participate with the private sector in the economic development of the Yukon, to make strategic investments to the benefit of the territory and to acquire and operate the assets of Northern Canada Power Commission in the Yukon. In 1993, the Yukon Development Corporation's mandate was changed to restrict its new initiatives to energy-related activities designed to promote the economic development of the Yukon. The Yukon Development Corporation's principal place of business is located at 301 Lambert Street, Whitehorse, YT, Y1A 1Z5.

Yukon Development Corporation's wholly-owned subsidiary, Yukon Energy Corporation (the "Utility") is incorporated under the Yukon *Business Corporations Act*. The Utility generates, purchases, transmits, distributes and sells electrical energy in the Yukon. The Utility's principal place of business is located at #2 Miles Canyon Road, Whitehorse, YT, Y1A 6S7.

The Utility is subject to overall regulation by the Yukon Utilities Board ("YUB") and specific regulation by the Yukon Water Board. Both boards are consolidated by the Yukon Government and as such are considered to be related parties for accounting purposes to the Yukon Development Corporation and the Utility. Management has assessed that these boards operate independently from the Yukon Development Corporation and the Utility from a rate setting and operating perspective.

Yukon Development Corporation and the Utility are not subject to income taxes.

Yukon Development Corporation consolidates the financial statements of its subsidiary, the Utility. All intercompany transactions, balances, income and expenses are eliminated on consolidation. References in these consolidated financial statements to "Corporation" refer to the consolidated entity.

b) Rate regulation

The operations of the Corporation are regulated by the YUB pursuant to the *Public Utilities Act.* The Corporation is subject to a cost of service regulatory mechanism under which the YUB establishes the revenues required (i) to recover the forecast operating costs, including depreciation and amortization, of providing the regulated service, and (ii) to provide a fair and reasonable return on Corporation investment in rate base. There is no minimum requirement for the Corporation to appear before the YUB to review rates. However, the Corporation is not permitted to charge any rate for the supply of power that is not approved by an Order of the YUB. As actual operating conditions may vary from forecast, actual returns achieved will differ from approved returns.

The regulatory hearing process used to establish or change rates typically begins when the Corporation files a General Rate Application ("GRA") for its proposed electricity rate changes over the next one or two forecast years. The YUB must ensure that its decision, which fixes electricity rates, complies with appropriate principles of rate making, all relevant legislation including the *Public Utilities Act* and directives issued by Yukon Government through Orders-In-Council ("OIC") that specify how the interests of the customer and Corporation are to be balanced.

The YUB typically follows a two-stage decision process. In the first stage, the total costs that the Corporation expects it will incur to provide electricity to its customers over the forecast years are reviewed and approved. The approval of these costs determines the total revenues the Corporation is allowed to collect from its customers.

1. Nature of operations - continued

b) Rate regulation - continued

It is the responsibility of the YUB to examine the legitimacy of three classes of costs:

- the costs to the Corporation to run its operations and maintain its property, plant and equipment (personnel and materials);
- the cost associated with the depreciation and amortization of all property, plant and equipment, right-of-use assets and intangible assets; and
- the return on rate base (the costs related to borrowing that portion of rate base which is financed with debt, plus the costs to provide a reasonable rate of return on that portion of rate base which is financed with equity).

The YUB assesses the prudency of costs added to rate base, which includes an allowance for funds used during construction ("AFUDC") charged to capital projects. The YUB also reviews the appropriateness of property, plant and equipment depreciation rates, which are periodically updated by the Corporation through depreciation studies.

In the second stage, the YUB approves how the revenue will be raised. This stage essentially determines the electricity rates for the various customer classes in the Yukon: wholesale, general service, industrial, residential, sentinel and street lights and secondary sales. This process is guided mainly by requirements of OIC 1995/90 and can include a cost-of-service study which allocates the Corporation's overall cost of service to the various customer classes on the basis of appropriate costing principles.

In May 2025, the Corporation filed a GRA for the years 2025, 2026 and 2027 requesting approval of revenue requirement and related rate increases of 15.57% for 2025, 8.95% for 2026 and 6.21% for 2027. The YUB issued an order in January 2026 requiring the Corporation to make changes and complete a compliance filing. The Corporation submitted the compliance filing in February 2026. In March 2026, the YUB approved the compliance filing as submitted resulting in a rate increase of 15.54% for 2025, 9.45% for 2026 and 6.07% for 2027.

Refer to Note 4 regulatory account balances.

c) Water regulation

The Yukon Water Board ("YWB"), pursuant to the *Yukon Waters Act*, decides if and for how long the Corporation will have water licences for the purposes of operating hydro generation stations in the Yukon. The licences will also indicate terms and conditions for the operation of these facilities. The current water licenses have the following terms:

Aishihik Generating Station	December 31, 2027
Mayo Generating Station	December 31, 2030
Whitehorse Generating Station	July 30, 2045

d) Capital structure

The Utility's policy which has been reviewed and approved by the YUB is to maintain a capital structure of approximately 60% debt and 40% equity for regulatory purposes.

1. Nature of operations - continued

e) Yukon Government

The Corporation and the Yukon Government signed a Memorandum of Understanding for the accounting period starting April 1, 2011 to March 31, 2042 regarding the Mayo B and Carmacks-Stewart Transmission line projects. The Yukon Government will assist in funding the repayment of a portion of the bond interest costs of up to $2.625 million annually, subject to the Corporation meeting specified terms set out in the agreement.

The Corporation signed an agreement with the Yukon Government for the period from January 1, 2018 to March 31, 2021 for total funding of up to $1.5 million annually to conduct Innovative Renewable Energy Initiative programs throughout the Yukon. The program is intended to encourage the development of small-scale, community-based renewable energy generation capacity. This agreement was extended for the period from April 1, 2021 to March 31, 2025, with funding of up to $2.5 million annually and from April 1, 2025 to March 31, 2026, with funding of up to $1.5 million.

In March 2024, the Yukon Government authorized the continuation of the Interim Electrical Rebate program (the "rebate") for 12 months to March 31, 2025. The rebate provides subsidies to non-government residential and municipal customers. It was implemented in 1998 after the Faro mine closed to protect customers from significant bill increases that would have resulted from that shutdown. The Yukon Government is providing funding for the monthly rebate based on $0.02262/kWh applied to residential customers to a maximum of $3.5 million annually.

In March 2025, the Corporation signed an agreement with the Yukon Government for the period from April 1, 2025 to March 31, 2026 for the Winter Electrical Affordability Rebate program. The rebate provides subsidies to non-government residential customers. The Yukon Government is providing funding for the monthly rebate based on $0.03377/kWh appied to residential customers to a maximum of $3.85 million for the period October 1, 2025 to March 31, 2026.

The Corporation signed an agreement with the Yukon Government for the period from November 1, 2023 to January 31, 2024 for the continuation of the Inflation Relief Rebate program. The rebate provides subsidies to non-government residential and commercial customers. The Yukon Government is providing funding for the monthly rebate based on $50.00 per customer per month for six months total to a maximum of $3.246 million for the period November 1, 2023 to January 31, 2024.

The Corporation signed an agreement with the Yukon Government for the period from April 1, 2023 to March 31, 2024 for total funding of up to $2.0 million to support the Atlin Hydroelectric expansion project. Funding subsidizes costs related to geotechnical analysis required to finalize project design and refine total project cost estimate.

f) Government of Canada

In February 2025, the Corporation signed an agreement with the Government of Canada for the period from September 17, 2024 to March 31, 2030 for total funding of up to $39.9 million to support the Yukon-British Columbia Grid Connect project. Funding subsidizes up to 75% of costs related to pre-feasibility activities to advance a direct current transmission line network that would connect the Yukon electrical grid to the North American grid in British Columbia.

2. Basis of presentation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS").

These consolidated financial statements were authorized for issue by the Board of Directors on June 18, 2026.

b) Basis of measurement

The financial information included in the consolidated financial statements has been prepared on a historical cost basis, except where otherwise indicated.

3. Material accounting policy information

a) Revenue recognition

The Corporation recognizes revenue from contracts where the right to consideration from a customer corresponds directly with the value to the customer of the Corporation's performance completed to date.

The majority of the Corporation's revenues from contracts with customers are derived from the generation, purchase, transmission, distribution, and sales of electricity under the *Public Utilities Act.* The Corporation evaluates whether the contracts it enters into meet the definition of a contract with a customer at the inception of the contract and on an ongoing basis if there is an indication of a significant change in facts and circumstances.

Revenue is measured based on the transaction price specified in a contract with a customer. Revenue is recognized when control over a promised good or service is transferred to the customer and the Corporation is entitled to consideration as a result of completion of the performance obligation.

Deferred revenue is recognized when the Corporation receives consideration before the performance obligations have been satisfied. A contract asset is recorded when the Corporation has rights to consideration for the completion of a performance obligation when that right is conditional on something other than the passage of time. The Corporation recognizes unconditional rights to consideration separately as a trade receivable. Contract assets are evaluated at each reporting period to determine whether there is any objective evidence that they are impaired.

The Corporation receives amounts from customers for connection to the grid. The customer contributions related to the provision of on-going access to electricity are recognized into revenue as the performance obligation is satisfied. The amounts received from Independent Power Producers ("IPPs") in accordance with an Electricity Purchase Agreement ("EPA") are recognized into revenue as the Corporation provides the construction activities of the related connection or if applicable over the useful life of the asset to which the contribution relates.

Electricity sales contracts are deemed to have a single performance obligation as the promise to transfer individual goods or services is not separately identifiable from other obligations in the contracts and therefore not distinct. These performance obligations are considered to be satisfied over time as electricity is delivered because of the continuous transfer of control to the customer. The method of revenue recognition for the electricity is an output method, which is based on the volume delivered to the customer.

3. Material accounting policy information - continued

a) Revenue recognition - continued

The Corporation's electricity sales are calculated based on the customer's usage of electricity during the period at the applicable published rates for each customer class. Electricity rates in the Yukon are set by the YUB. Electricity sales include an estimate of electricity deliveries not yet billed at period-end. The estimated unbilled revenue is based on estimated consumption and applicable rates for the period between the last billing date and the end of the period.

Payment for Sales of Power are due within the month following service.

The Corporation receives amounts from Yukon Government for the reimbursement of costs from electricity rebates, bond interest, the Innovative Renewable Energy Initiative program, and the Atlin Hydroelectric expansion project. The Yukon Government contributions related to these costs are recognized into revenue as the Corporation incurs the related costs.

The Corporation receives amounts from Government of Canada for the reimbursement of costs from the Yukon-British Columbia Grid Connect project. The contributions related to these costs are recognized into revenue as the Corporation incurs the related costs eligible for reimbursement.

Government contributions received in advance of satisfying the related eligibility or expenditure requirements are recorded as deferred government grants. Unspent amounts at year end remain in deferred government grants and are recognized as revenue as the associated eligible costs are incurred.

b) Translation of foreign currencies

The functional currency of the Corporation is the Canadian Dollar. Revenue and expense items denominated in foreign currencies are translated at exchange rates prevailing during the period. Monetary assets and liabilities denominated in foreign currencies are translated at period-end exchange rates. Non-monetary assets and liabilities are translated at exchange rates in effect when the assets are acquired or the obligations are incurred. Foreign exchange gains and losses are reflected in net income for the period.

c) Allowance for funds used during construction

The cost of the Corporation's property, plant and equipment and intangible assets includes an allowance for funds used during construction ("AFUDC"). The AFUDC rate is based on the Corporation's weighted average cost of debt.

d) Cash

Cash is comprised of bank account balances (net of outstanding cheques).

e) Inventories

Inventories consist of materials and supplies, diesel fuel and liquefied natural gas. Inventories are carried at the lesser of weighted average cost and net realizable value. Cost includes all expenditures incurred in acquiring the items and bringing them to their existing condition and location. Critical spare parts are recognized in the Corporation's property, plant and equipment.

The recoverable value of inventory considers its net realizable value, including required processing costs, and is impacted by estimates and assumptions on price, quality, recovery and exchange rates. Obsolete materials and supplies are recorded at salvage value in the period when obsolescence is determined.

3. Material accounting policy information - continued

f) Financial instruments

Financial assets and financial liabilities are recognized on the Corporation's Consolidated Statement of Financial Position when the Corporation becomes party to the contractual provisions of the instrument.

i) Financial assets

Cash and accounts receivable, plus any transaction costs that are directly attributable to the acquisition of the financial asset, are initially measured at fair value. Subsequent to initial recognition, cash is measured at amortized cost and accounts receivable are measured at amortized cost using the effective interest rate method less any impairment. The Corporation's business model is to hold these assets to collect contractual cash flows.

A provision for impairment of accounts receivable is established applying the expected credit loss model based on all possible default events over the expected life of the financial asset. For trade accounts receivable, the Corporation applies the simplified approach which requires expected lifetime losses to be recognized from initial recognition of the receivables. For the other receivables, at the reporting date, if credit risk has increased significantly since initial recognition, the Corporation measures the loss allowance at an amount equal to the lifetime expected credit losses, otherwise, if the credit risk has not increased significantly since initial recognition, the Corporation measures the loss allowance at an amount equal to 12-month expected credit losses.

Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or require financial reorganization, and default or delinquency in payments are considered indicators that the related accounts receivable are impaired.

The accounts receivable carrying amount is reduced through the use of an allowance account and the loss is recognized in net income. A financial asset is derecognized when the rights to receive cash flows from the asset have expired, or the Corporation has transferred its rights to receive cash flows from the asset and has transferred substantially all of the risk and rewards of the asset.

Derivative financial instruments are financial contracts that derive their value from changes in an underlying variable. The Corporation has entered into interest rate swaps to manage interest rate risk. The Corporation's interest rate swaps are classified as fair value through profit and loss and are thus recognized at fair value on the date the contract has been entered into with any subsequent realized and unrealized gains and losses recognized in net income during the period in which the fair value movement occurred.

The fair value of the derivative related asset is calculated using market implied forward rates and discount factors, such as those for a Canadian dollar index, and which are specific to the credit risk and term to maturity of the asset. As the derivative related asset is fair valued using observable market data other than quoted prices for the asset, these inputs and the asset are categorized as level 2 in the fair value hierarchy.

3. Material accounting policy information - continued

f) Financial instruments - continued

ii) Financial liabilities

Bank indebtedness, accounts payable and accrued liabilities, long-term debt and lease liabilities are initially measured at fair value less any transaction costs that are directly attributable to the issuance of the financial liability. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. A financial liability is derecognized when the obligation is discharged or cancelled, or expires.

Transaction costs are presented as a reduction from the carrying value of the related debt and are amortized using the effective interest method over the terms of the debts to which they relate. Transaction costs include fees paid to agents, brokers and advisors but exclude debt discounts and lender financing costs.

The fair value of the long-term debt is calculated using the net present value of principal and interest cash flows. The discount rates used in the present value calculation are obtained from the issuing banking institutions, and are specific to the credit risk and term to maturity associated with the long-term debt. As these discount rates are based on unobservable data, they are categorized as level 3 inputs in the fair value hierarchy.

g) Property, plant and equipment

Property, plant and equipment are carried at cost, less accumulated depreciation and any asset impairment charges. Cost includes the direct costs of acquisition and materials, direct labour, and, if applicable, an allocation of directly attributable overhead costs, AFUDC and any asset retirement costs associated with the property, plant and equipment.

AFUDC is applied to actual costs in work-in-progress less any contributions in aid of construction. For items of property, plant and equipment acquired prior to January 1, 2011, the AFUDC rate also included a regulatory cost of equity component as allowed by the YUB. Capitalization of AFUDC ceases when the asset being constructed is substantially ready for its intended purpose.

Assets under construction are recognized as construction work-in-progress until they are operational and available for use, at which time they are transferred to the applicable component of property, plant and equipment.

Depreciation is recognized in net income based on the straight-line method over the estimated useful life of each major component of property, plant and equipment.

Depreciation commences when an asset is available for use. The estimated useful lives of the assets are based upon depreciation studies conducted periodically by the Corporation and any changes in the estimated useful life are accounted for prospectively.

3. Material accounting policy information - continued

g) Property, plant and equipment - continued

The range of estimated useful lives of the major classes and subclasses of property, plant and equipment is as follows:

Generation:	
Hydroelectric plants	20 to 103 years
Thermal plants	12 to 72 years
Transmission	12 to 65 years
Distribution	16 to 55 years
Land	No Depreciation
Buildings	20 to 55 years
Transportation	8 to 25 years
Other equipment	5 to 20 years

Major overhaul costs are capitalized and depreciated on a straight-line basis over the period of the expected useful life (until the next major overhaul) which varies from 2 to 10 years. Repairs and maintenance costs of property, plant and equipment are expensed as incurred unless they meet the criteria of a betterment.

h) Intangible assets

Intangible assets are carried at cost less accumulated amortization and any asset impairment charges. Cost includes the direct costs of acquisition and materials, direct labour, and, if applicable, an allocation of directly attributable overhead costs and AFUDC.

Amortization commences when an asset is available for use. Licenses are available for use when the license period commences. Amortization is recognized in net income on a straight-line basis over the estimated useful lives as follows:

Software	5 years
Financial software	10 years
Water licensing:	
Aishihik	2 to 5 years
Mayo	5 years
Whitehorse	20 years
Thermal permit	3 to 10 years
Other intangibles	5 years

i) Leases

At inception of a contract, the Corporation assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset. The Corporation assesses whether:

(i) The contract involves the use of an identified asset;
(ii) The Corporation has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
(iii) The Corporation has the right to direct the use of the asset.

At inception, the Corporation allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices.

The Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date.

3. Material accounting policy information - continued

i) Leases - continued

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability and any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The Corporation elected to exclude short-term leases with a term of twelve months or less as well as leases of low-value assets, and accounts for the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. Right-of-use assets are tested for impairment in accordance with IAS 36, *Impairment of Assets*, and impairments are recorded in net income.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Corporation's incremental borrowing rate. Generally, the Corporation uses its incremental borrowing rate as the discount rate. Subsequent to recognition, the lease liability is measured at amortized cost using the effective interest rate method. A lease liability is remeasured when there is a change in future lease payments arising mainly from a change in an index or rate, or if the Corporation changes its assessment of whether it will exercise a renewal or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in net income if the carrying amount of the right-of-use assets has been reduced to zero.

j) Impairment of non-financial assets

Property, plant and equipment, and intangible assets with finite lives are reviewed for impairment on an annual basis if there is an indication that the carrying amount may not be recoverable. Impairment is assessed at the level of cash-generating units, which are identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

When an impairment review is undertaken, the recoverable amount is assessed by reference to the higher of value in use and fair value less costs to sell ("FVLCS").

Value in use is the net present value of expected future cash flows of the relevant cash-generating unit in its current condition. The best evidence of FVLCS is the value obtained from an active market or binding sale agreement. Where neither exists, FVLCS is based on the best information available to reflect the amount the Corporation could receive for the cash-generating unit in an arm’s length transaction.

This is often estimated using discounted cash flow techniques and where unobservable inputs are material to the measurement of the recoverable amount, the measurement is classified as level 3 in the fair value hierarchy. The cash flow forecasts for FVLCS purposes are based on management’s best estimates of expected future revenues and costs, including the future cash costs of production, capital expenditure, closure, restoration and environmental cleanup. For regulatory debit balances the impairment review focuses on whether the amount is considered collectible based on the expected cash flows from the rates approved by the YUB.

These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period. Changes in these assumptions may alter the results of impairment testing, impairment charges recognized in net income and the resulting carrying amounts of the assets.

3. Material accounting policy information - continued

k) Rate regulated accounting policies

Regulatory deferral accounts
Regulatory deferral accounts in these consolidated financial statements are accounted for differently than they would be in the absence of rate regulation; these are referred to throughout the statements as Regulatory Accounts. The Corporation defers certain costs or revenues as regulatory debit balances or regulatory credit balances on the Consolidated Statement of Financial Position and recognizes changes in the regulatory account balances in the net movement in regulatory account balances in the Consolidated Statement of Operations and Other Comprehensive Income. The amounts recognized as regulatory account balances are expected to be recovered or refunded in future rates, based on approvals by the YUB. The recovery or settlement of regulatory balances through future rates is impacted by demand risk and regulatory risks (e.g. potential future decisions of the YUB which could result in material adjustments to these regulatory debit balances and regulatory credit balances as described in Note 1(b)).

i) Regulatory debit balances
Regulatory debit balances represent costs which are expected to be recovered from customers in future periods through the rate-setting process. In the absence of rate regulation and the Corporation's adoption of IFRS 14, *Regulatory Deferral Accounts*, such costs would be expensed as incurred.

ii) Regulatory credit balances
Regulatory credit balances represent future reductions or limitations of increases in revenues associated with amounts that are expected to be refunded to customers as a result of the rate-setting process. In the absence of rate regulation and the Corporation's adoption of IFRS 14, such amounts would be recorded in income as performance obligations are met.

Note 11 describes the individual regulatory debits and credits, the Corporation's related regulatory deferral and amortization policies and describes the related account activity in the relevant periods.

l) Provision for asset retirement obligations
The Corporation has legal obligations related to the closure and restoration of property, plant and equipment, which includes the costs of dismantling, demolition of infrastructure and the removal of residual materials and remediation of the disturbed areas.

Where a reliable estimate of the present value of these obligations can be determined, the total retirement costs are recognized as a provision in the accounting period when the obligation arises. There is also a corresponding increase to property, plant and equipment upon recognition of the obligation.

Management estimates its costs based on feasibility and engineering studies and assessments using current restoration standards and techniques.

3. Material accounting policy information - continued

m) Provision for environmental liabilities

Environmental liabilities consist of the estimated costs related to the remediation of environmentally contaminated sites. The Corporation will accrue a provision when it has a present obligation as a result of a past event to remediate the contaminated site, it is expected that future economic benefits will be given up to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

If the likelihood of the Corporation's obligation to incur these costs is either not determinable or the amount of the obligation cannot be reliably estimated, the contingency is disclosed in the notes to the consolidated financial statements.

The Corporation reviews its provision for environmental liabilities on an ongoing basis and any changes are recognized in net income for the current period.

n) Contributions in aid of construction

Certain property, plant and equipment additions are made with financial assistance from the Yukon Government or the Government of Canada. These contributions are deferred upon receipt and amortized to income on the basis of the life of the asset to which they relate.

o) Post-employment benefits and other comprehensive income

The Corporation sponsors an employee defined benefit pension plan for employees joining the Corporation before January 1, 2002. The Corporation also sponsors an executive defined benefit pension plan and supplemental executive retirement plan for a former executive. Benefits provided are calculated based on length of pensionable service, pensionable salary at retirement age and negotiated rates. The Corporation contributes amounts to the pension plans as recommended by an independent actuary.

For the defined benefit pension plans, the cost of pension benefits is actuarially determined using the projected benefits method, prorated on service, and reflects management's best estimates of investment returns, wage and salary increases, and age at retirement. Remeasurements of the net defined benefit liability, including actuarial gains and losses and return on plan assets, are recognized in other comprehensive income ("OCI") and are not reclassified to net income in a subsequent period.

The Corporation's policy is to immediately transfer actuarial gains and losses recognized in OCI to retained earnings. The expected return on plan assets is based on the fair value of these assets.

Employees joining the Corporation after January 1, 2002 are eligible for a defined contribution retirement plan and are not eligible to participate in the defined benefit pension plan. The Corporation has no legal or constructive obligation to pay further contributions with respect to this plan. Contributions are recognized as an expense in the year when employees have rendered service and represents the obligation of the Corporation.

3. Material accounting policy information - continued

p) Change in accounting policy

The Corporation re-assessed its accounting policy for the presentation of interest paid in the consolidated statement of cash flows. The Corporation previously classified interest paid as an operating activity. Effective in 2025, the Corporation has revised its policy and now classifies interest paid as a financing activity. This change provides information about the Corporation's cash flows from operating and financing activities that better reflects the nature of those activities. The Corporation has applied this new policy retrospectively. The effect of the changes are described below:

Consolidated Statement of Cash Flows

Operating activities	Previously reported 2024	Adjustment	As restated 2024
Interest paid	($14,192)	$14,192	$0
Cash provided by operating activities	$654	$14,192	$14,846

Financing activities	Previously reported 2024	Adjustment	As restated 2024
Interest paid	$0	($14,192)	($14,192)
Cash provided by financing activities	$56,410	($14,192)	42,218

q) Future application of changes in accounting standards

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in Financial Statements (IFRS 18), which replaces the guidance in IAS 1, Presentation of Financial Statements and sets out requirements for presentation and disclosure of information, focusing on providing relevant information to users of the financial statements. IFRS 18 introduces changes to the structure of the statement of profit or loss, aggregation and disaggregation of financial information, and management-defined performance measures to be disclosed in the notes to the financial statements. It will be effective for the Corporation's annual period beginning January 1, 2027. Early application is permitted. The standard will be applied retrospectively with restatement of comparatives. The Corporation is currently assessing the impact of adopting this standard.

4. Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires the use of judgment in applying accounting policies and in making critical accounting estimates that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of any contingent assets and liabilities. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ from the amounts included in the consolidated financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future periods affected. Information about such judgments and estimates is contained in the accounting policies and/or the notes to the consolidated financial statements, and the key areas are summarized below.

Areas of significant judgments and estimates made by management in preparing these consolidated financial statements include:

Impairment of financial assets – Note 3(f)(i)
An evaluation of whether or not an asset is impaired involves consideration of whether indicators of impairment exist. Management continually monitors the Corporation's operations and makes judgments and assessments about conditions and events in order to conclude whether possible impairment exists.

Impairment of non-financial assets - Note 3(j)
An evaluation of whether or not an asset is impaired involves consideration of whether indicators of impairment exist. Management continually monitors the Corporation's operations and makes judgments and assessments about conditions and events in order to conclude whether possible impairment exists.

Asset retirement obligations - Notes 3(l) and 24
In determining the present value of the obligation, the Corporation must estimate the amount and timing of the future cash payments and then apply an appropriate risk-free interest rate. Any change to the anticipated amounts or timing of future payments or risk-free interest rate can result in a change to the obligation.

Depreciation - Notes 3(g), 8 and 9
Significant components of property, plant and equipment are depreciated straight line over their estimated useful lives. Useful lives are determined based on current facts and past experience and the results of depreciation studies.

While these useful life estimates are reviewed on a regular basis and depreciation calculations are revised accordingly, actual lives may differ from the estimates. As such, assets may continue in use after being fully depreciated, or may be retired or disposed of before being fully depreciated. The latter could result in additional depreciation expense in the period of disposition.

Intangible assets - Notes 3(h) and 10
In determining whether to recognize costs as intangible assets, management makes judgments about when the criteria for recognition are met. Management also makes judgments about which costs in work-in-progress pertain to a particular new license because licensing activities occur on a continuing basis. Changes to management's judgments would affect the carrying amount of the Corporation's intangible assets and amortization recognition.

4. Significant accounting judgments, estimates and assumptions - continued

Post-employment benefits - Notes 3(o) and 15
The Corporation accrues for its obligations under defined benefit pension plans using actuarial valuation methods and other assumptions to estimate the projected benefit obligation and the associated expense related to the current period. The key assumptions utilized include the long-term rate of inflation, rates of future compensation, liability discount rates and the expected return on plan assets. The Corporation consults with qualified actuaries when setting the assumptions used to estimate benefit obligations. Actual rates could vary significantly from the assumptions and estimates used.

Revenue - Note 3(a), 11(a)(iii), 11(a)(iv), 17 and 18
In years where the Corporation has submitted a General Rate Application and the decision from the Yukon Utilities Board is outstanding, the Corporation estimates the recovery amount of the GRA revenue requested.

The Corporation estimates usage not yet billed at year end, which is included in revenues from sales of power. This accrual is based on an assessment of unbilled electricity supplied to customers between the date of the last meter reading and the year end. Management applies judgment to the measurement of the estimated consumption. Significant judgments have also been made in determining the nature of the Corporation's performance obligations, the appropriate measurement and the contract terms to be used in recognizing the related revenue.

In determining the period over which deferred revenue from customer contributions is recognized, for contracts where an otherwise indefinite service period would apply, management judges the recognition to occur over the shorter of the estimated useful life of the Corporation's primary service delivery asset or the estimated operational life of the customer's operations as defined in the agreement. These judgments and the estimation of asset useful lives and customer operational lives involve inherent uncertainty. Changes in these estimates or judgments could materially impact the timing of revenue recognition.

Provisions and contingencies - Notes 3(m), 24 and 25
Management is required to make judgments to assess if the criteria for recognition of provisions and contingencies are met, in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets.*

Key judgments are whether a present obligation exists and the probability of an outflow being required to settle that obligation. Key assumptions in measuring recognized provisions include the timing and amount of future payments and the discount rate applied.

Where the Corporation is defending certain lawsuits management must make judgments, estimates and assumptions about the final outcome, timing of trial activities and future costs as at the period end date. Management will obtain the advice of its external counsel in determining the likely outcome and estimating the expected obligations associated with these lawsuits; however, the ultimate outcome or settlement costs may differ from management's estimates.

Financial instruments - Notes 3(f) and 26
The Corporation enters into financial instrument arrangements which may require management to make judgments to determine if such arrangements are derivative instruments in their entirety or contain embedded derivatives, in accordance with IFRS 9, *Financial Instruments*. Key judgments are whether certain non-financial items are readily convertible to cash, whether similar contracts are routinely settled net in cash or delivery of the underlying commodity taken and then resold within a short period, and whether the value of a contract changes in response to a change in an underlying rate, price, index or other variable.

4. Significant accounting judgments, estimates and assumptions - continued

Regulatory account balances - Notes 1(b), 3(k) and 11
The Corporation accounts for its regulatory accounts in accordance with IFRS 14 and the decisions of the YUB. As discussed in Note 1(b) the recovery of these balances will be determined by the YUB as part of the regulatory proceeding to approve the GRA. Management is required to make judgments about the extent that the Corporation will be permitted to incorporate deferred amounts in future rates.

5. Cash and Bank Indebtedness

The Corporation has cash balances of $3.878 million (2024 - $20 million).

The Corporation has access to a line of credit. Effective December 15, 2025, the line of credit limit was increased temporarily by $50.0 million to $200.0 million. The account accrues interest on withdrawals at prime rate minus 0.75% (2024 - prime rate minus 0.75%) per annum. The interest rate risk is minimal.

By agreement, one of the Corporation's financial institutions has a legally enforceable right to set off the outstanding balance under the line of credit by cash balances in other accounts with the same bank. The amount outstanding on the line of credit balance at year end was $159.7 million (2024 - $81.5 million).

In the current year, a cash account has been disaggregated from bank indebtedness and is now shown separately on the Statement of Financial Position as the Corporation's evolving use of its line of credit means it is no longer expected or intended to be settled on a net basis with bank balances, even though the Corporation has a legal right to do so.

For the purposes of the statement of cash flows, the line of credit is classified as financing activities as it is used to fund construction work in progress. In the statement of cash flows, cash is comprised of bank balances.

6. Accounts receivable

	2025	2024
Trade accounts receivable:		
Retail energy sales	$ 12,263	$ 11,219
Wholesale energy sales	13,843	11,545
Due from related parties (Note 22)	5,399	9,300
Other	10,813	1,945
	$ 42,318	$ 34,009

Included in Accounts receivable - Other is an amount of $976,000 (2024 - $926,000) related to GST ITC receivable.

At December 31, 2025, the aging of accounts receivable is as follows:

	Current	31 - 90 Days	Over 90 Days	**Total**
Accounts receivable	$ 33,508	$ 4,321	$ 4,898	$ 42,727
Allowance for doubtful accounts	-	-	(409)	(409)
	$ 33,508	**$ 4,321**	**$ 4,489**	**$ 42,318**

At December 31, 2024, the aging of accounts receivable is as follows:

	Current	31 - 90 Days	Over 90 Days	**Total**
Accounts receivable	$ 24,935	$ 3,607	$ 5,477	$ 34,019
Allowance for doubtful accounts	-	-	(10)	(10)
	$ 24,935	**$ 3,607**	**$ 5,467**	**$ 34,009**

A reconciliation of the beginning and ending amount of allowance for doubtful accounts is as follows:

	2025	2024
Allowance for doubtful accounts at beginning of year	$ (10)	$ (1,510)
Allowance reversed during the year (Notes 21 and 26)	-	1,500
Amounts provided for during the year (Note 26)	(399)	-
Allowance for doubtful accounts at end of year	**$ (409)**	$ (10)

7. Inventories

		2025		2024
Materials and supplies	$	4,715	$	4,094
Diesel fuel		1,308		885
Liquefied natural gas		145		242
	$	**6,168**	$	5,221

8. Leases

The Corporation leases industrial land and building facilities. The Corporation has two existing land leases and one existing building lease. In 2025, the Corporation entered into a second building lease for a term of three years.

Right-of-use assets consist of land of $912,000 (2024 - $988,000) and buildings of $730,000 (2024 - $562,000).

		2025		2024
Right-of-use assets				
As at January 1	$	1,550	$	1,776
Additions		380		-
Depreciation expense		(288)		(226)
At December 31	**$**	**1,642**	$	1,550
Lease liabilities				
Lease liabilities	$	839	$	695
Less: current portion		314		175
Non-current portion	**$**	**525**	$	520
Amounts recognized in net income				
Depreciation expense on right-of-use assets	**$**	**(288)**	$	(226)
Interest expense on lease liabilities	**$**	**(42)**	$	(45)
Short-term leases payments	**$**	**(6,529)**	$	(5,279)
Stand-by charges for short-term leases	**$**	**(1,085)**	$	(1,522)

$48,000 (2024 - $0) of depreciation expense on right-of-use assets is recognized on the Consolidated Statement of Operations and Other Comprehensive Income as a BC-Yukon Grid Interconnection expense.

9. Property, plant and equipment

A reconciliation of the changes in the carrying amount of property, plant and equipment is as follows:

	Generation	Transmission & Distribution	Land	Buildings & Other Equipment	Transportation	Construction Work in Progress	Total
Costs:							
At December 31, 2023	$ 337,252	$ 246,604	$ 1,615	$ 21,385	$ 6,825	$ 63,706	$ 677,387
Additions	-	-	-	-	-	45,953	45,953
Transfers	6,977	3,193	-	7,102	1,884	(19,156)	
Disposals	(1,208)	-	-	(438)	(543)	-	(2,189)
At December 31, 2024	$ 343,021	$ 249,797	$ 1,615	$ 28,049	$ 8,166	$ 90,503	$ 721,151
Additions	-	-	-	64	-	84,091	84,155
Transfers	52,605	9,323	-	1,396	875	(64,199)	-
Disposals	(48)	-	-	(297)	(227)	-	(572)
At December 31, 2025	$ 395,578	$ 259,120	$ 1,615	$ 29,212	$ 8,814	$ 110,395	$ 804,734
Accumulated depreciation:							
At December 31, 2023	$ 55,461	$ 46,120	$ -	$ 6,603	$ 3,341	$ -	$ 111,525
Depreciation	7,154	4,753	-	829	529	-	13,265
Disposals	(616)	-	-	(235)	(536)	-	(1,387)
At December 31, 2024	$ 61,999	$ 50,873	$ -	$ 7,197	$ 3,334	$ -	$ 123,403
Depreciation	7,867	4,686	-	1,047	638	-	14,238
Disposals	-	-	-	(239)	(227)	-	(466)
At December 31, 2025	$ 69,866	$ 55,559	$ -	$ 8,005	$ 3,745	$ -	$ 137,175
Net Book Value:							
At December 31, 2024	$ 281,022	$ 198,924	$ 1,615	$ 20,852	$ 4,832	$ 90,503	$ 597,748
At December 31, 2025	$ 325,712	$ 203,561	$ 1,615	$ 21,207	$ 5,069	$ 110,395	$ 667,559

The total AFUDC charged to property, plant and equipment during 2025 was $3,515,000 (2024 - $2,048,000). The AFUDC rate for 2025 was 3.47% (2024 - 2.88%).

10. Intangible assets

A reconciliation of the changes in the carrying amount of intangible assets is as follows:

	Software	Deferred Service Costs	Financial Software	Water Licensing	Thermal Permit	Other Intangibles	Work in Progress	Total
Costs:								
At December 31, 2023	$ 1,184	$ 443	$ 6,955	$ 4,239	$ -	$ -	$ 20,162	$ 32,983
Additions	-	-	-	-	-	-	5,917	5,917
Transfers	244	-	-	755	216	260	(1,475)	
Disposals	-	-	-	(118)	-	-	(2,404)	(2,522)
At December 31, 2024	$ 1,428	$ 443	$ 6,955	$ 4,876	$ 216	$ 260	$ 22,200	$ 36,378
Additions	-	-	-	-	-	79	7,034	7,113
Transfers	657	-	-	11,904	24	415	(13,000)	-
Disposals	(98)	-	-	(201)	-	-	-	(299)
At December 31, 2025	$ 1,987	$ 443	$ 6,955	$ 16,579	$ 240	$ 754	$ 16,234	$ 43,192
Accumulated amortization:								
At December 31, 2023	$ 501	$ 443	$ 3,660	$ 1,037	$ -	$ -	$ -	$ 5,641
Amortization	280	-	456	812	-	38	-	1,586
Disposals	-	-	-	(118)	-	-	-	(118)
At December 31, 2024	$ 781	$ 443	$ 4,116	$ 1,731	$ -	$ 38	$ -	$ 7,109
Amortization	267	-	454	1,300	24	147	-	2,192
Disposals	(98)	-	-	(201)	-	-	-	(299)
At December 31, 2025	$ 950	$ 443	$ 4,570	$ 2,830	$ 24	$ 185	$ -	$ 9,002
Net Book Value:								
At December 31, 2024	$ 647	$ -	$ 2,839	$ 3,145	$ 216	$ 222	$ 22,200	$ 29,269
At December 31, 2025	**$ 1,037**	**$ -**	**$ 2,385**	**$ 13,749**	**$ 216**	**$ 569**	**$ 16,234**	**$ 34,190**

Additions to Financial Software, Water Licensing, Thermal permit and Other Intangibles were almost exclusively internally generated. Additions to Software was almost exclusively externally purchased.

Work in Progress consists of Software $253,000 (2024 – $434,000), Water Licensing $14,898,000 (2024 – $21,221,000), Thermal Permit $0 (2024 – $23,000) and Other Intangibles $1,083,000 (2024 - $520,000).

The total AFUDC charged to intangible assets during 2025 was $802,000 (2024 - $304,000). The AFUDC rate for 2025 was 3.47% (2024 - 2.88%).

11. Regulatory accounts

a) Regulatory debit balances

	Feasibility Studies (i)	Regulatory Costs (ii)	2025-27 GRA (iii)	2023/24 and 2021 GRA's (iv)	Hearing Reserve (v)	Fuel Price Adjustment (vi)	**Subtotal see next page**
Cost:							
At December 31, 2023	$ 18,967	$ 10,458	$ -	$ 6,349	$ 1,047	$ 3,246	**$ 40,067**
Costs incurred	4,146	2,153	-	-	-	-	**6,299**
Regulatory provision	-	(170)	-	20,358	(81)	(1,664)	**18,443**
Disposals	(426)	-	-	(13,136)	-	(46)	**(13,608)**
Contributions received	(232)	(458)	-	-	-	-	**(690)**
At December 31, 2024	$ 22,455	$ 11,983	$ -	$ 13,571	$ 966	$ 1,536	**$ 50,511**
Costs incurred	1,427	1,884	-	-	-	-	**3,311**
Regulatory provision	-	(1,004)	19,567	-	1,004	2,006	**21,573**
Disposals	(1,529)	(1,003)	(6,480)	(6,856)	(590)	-	**(16,458)**
Contributions received	(96)	(83)	-	-	-	(1,148)	**(1,327)**
At December 31, 2025	**$ 22,257**	**$ 11,777**	**$ 13,087**	**$ 6,715**	**$ 1,380**	**$ 2,394**	**$ 57,610**
Accumulated amortization:							
At December 31, 2023	$ 4,763	$ 1,139	$ -	$ -	$ -	$ -	**$ 5,902**
Amortization	3,484	904	-	13,136	-	-	**17,524**
Disposals	(266)	-	-	(13,136)	-	-	**(13,402)**
At December 31, 2024	$ 7,981	$ 2,043	$ -	$ -	$ -	$ -	**$ 10,024**
Amortization	2,697	970	6,480	6,856	590	-	**17,593**
Disposals	(1,530)	(635)	(6,480)	(6,856)	(590)	-	**(16,091)**
At December 31, 2025	**$ 9,148**	**$ 2,378**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 11,526**
Net book value:							
At December 31, 2024	$ 14,474	$ 9,940	$ -	$ 13,571	$ 966	$ 1,536	$ 40,487
At December 31, 2025	**$ 13,109**	**$ 9,399**	**$ 13,087**	**$ 6,715**	**$ 1,380**	**$ 2,394**	**$ 46,084**
Work in progress included in cost and net book value, not yet being amortized.							
At December 31, 2024	$ 1,680	$ 3,140	$ -	$ -	$ -	$ -	$ 4,820
At December 31, 2025	**$ 708**	**$ 3,202**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 3,910**
Net increase (decrease) in regulatory debit balances (which are recognized in the net movement in regulatory balances related to net income on the Consolidated Statement of Operations and Other Comprehensive Income):							
December 31, 2024	$ 270	$ 621	$ -	$ 7,222	$ (81)	$ (1,710)	$ 6,322
December 31, 2025	**$ (1,365)**	**$ (541)**	**$ 13,087**	**$ (6,856)**	**$ 414**	**$ 858**	**$ 5,597**
Remaining recovery years							
At December 31, 2024	1 to 5 years	1 to 29 years	N/A	1 year	Indeterminate	1 year	
At December 31, 2025	**1 to 8 years**	**1 to 28 years**	**2 years**	**1 year**	**Indeterminate**	**Indeterminate**	
Absent rate regulation, net income for the year and net movement in regulatory balances on the Consolidated Statement of Operations and Other Comprehensive Income would decrease (increase) by:							
December 31, 2024	$ (270)	$ (621)	$ -	$ (7,222)	$ 81	$ 1,710	$ (6,322)
December 31, 2025	**$ 1,365**	**$ 541**	**$ (13,087)**	**$ 6,856**	**$ (414)**	**$ (858)**	**$ (5,597)**

11. Regulatory accounts - continued

a) Regulatory debit balances - continued

	Subtotal see previous page	Uninsured Losses (vii)	Vegetation Management (viii)	Dam Safety (ix)	IPP Purchase Costs (x)	Deferred Overhauls (xi)	Total
Cost:							
At December 31, 2023	**$ 40,067**	$ 4,745	$ 2,216	$ 255	$ 26	$ 1,301	**$ 48,610**
Costs incurred	**6,299**	9,581	-	20	41	-	**15,941**
Regulatory provision	**18,443**	(411)	-	-	-	98	**18,130**
Disposals	**(13,608)**	-	-	-	-	-	**(13,608)**
Contributions received	**(690)**	-	-	-	-	-	**(690)**
At December 31, 2024	**$ 50,511**	$ 13,915	$ 2,216	$ 275	$ 67	$ 1,399	**$ 68,383**
Cost incurred	**3,311**	6,820	-	297	24	-	**10,452**
Regulatory provision	**21,573**	(555)	(580)	-	-	-	**20,438**
Disposals	**(16,458)**	-	-	(256)	-	-	**(16,714)**
Contributions received	**(1,327)**	(10,128)	-	-	-	-	**(11,455)**
At December 31, 2025	**$ 57,610**	**$ 10,052**	**$ 1,636**	**$ 316**	**$ 91**	**$ 1,399**	**$ 71,104**
Accumulated amortization:							
At December 31, 2023	**$ 5,902**	$ 1,462	$ 1,552	$ 127	$ -	$ 248	**$ 9,291**
Amortization	**17,524**	205	221	51	-	397	**18,398**
Disposals	**(13,402)**	-	-	-	-	-	**(13,402)**
At December 31, 2024	**$ 10,024**	$ 1,667	$ 1,773	$ 178	$ -	$ 645	**$ 14,287**
Amortization	**17,593**	509	220	51	-	364	**18,737**
Disposals	**(16,091)**	-	-	(229)	-	-	**(16,320)**
At December 31, 2025	**$ 11,526**	**$ 2,176**	**$ 1,993**	**$ -**	**$ -**	**$ 1,009**	**$ 16,704**
Net book value:							
At December 31, 2024	$ 40,487	$ 12,248	$ 443	$ 97	$ 67	$ 754	**$ 54,096**
At December 31, 2025	**$ 46,084**	**$ 7,876**	**$ (357)**	**$ 316**	**$ 91**	**$ 390**	**$ 54,400**
Work in progress included in cost and net book value, not yet being amortized.							
At December 31, 2024	$ 4,820	$ 9,161	$ -	$ -	$ -	$ -	$ 13,981
At December 31, 2025	**$ 3,910**	**$ 13,217**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 17,127**
Net increase (decrease) in regulatory debit balances (which are recognized in the net movement in regulatory account balances on the Consolidated Statement of Operations and Other Comprehensive Income):							
December 31, 2024	$ 6,322	$ 8,965	$ (221)	$ (31)	$ 41	$ (299)	**$ 14,777**
December 31, 2025	**$ 5,597**	**$ (4,372)**	**$ (800)**	**$ 219**	**$ 24**	**$ (364)**	**$ 304**
Remaining recovery years							
At December 31, 2024		Indeterminate	2 years	2 years	Indeterminate	2 years	
At December 31, 2025		**Indeterminate**	**Indeterminate**	**5 years**	**Indeterminate**	**1 year**	
Absent rate regulation, net Income for the year and net movement in regulatory account balances on the Consolidated Statement of Operations and Other Comprehensive Income would decrease (increase) by:							
December 31, 2024	**$ (6,322)**	$ (8,965)	$ 221	$ 31	$ (41)	$ 299	**$ (14,777)**
December 31, 2025	**$ (5,597)**	**$ 4,372**	**$ 800**	**$ (219)**	**$ (24)**	**$ 364**	**$ (304)**

11. Regulatory accounts - continued

a) Regulatory debit balances - continued

(i) Feasibility studies and infrastructure planning

The Corporation undertakes certain studies to determine the feasibility of a range of projects and infrastructure proposals. While in progress, the costs of these studies are deferred within this account, except for feasibility studies for capital projects starting in 2025. The Corporation is directed to defer and amortize the costs over terms (between five and ten years) at the discretion of the YUB. In the absence of rate regulation, IFRS requires these costs to be expensed as incurred. In Board Order 2026-01, the YUB approved transitioning the recording of feasibility studies for capital projects as an expense in the year incurred. Beginning in 2025, where the cost of capital project feasibility studies do not meet criteria for capitalization under IFRS, they are expensed in Note 20 as capital project studies in accordance with IFRS and the YUB Order. Items deferred prior to 2025 will continue to be deferred and will be amortized until fully amortized for regulatory purposes.

(ii) Regulatory costs

These costs are associated with the YUB regulatory proceedings. The costs consist primarily of various rate and project review proceedings but also include resource plans and demand side management costs. The Corporation is directed to defer and amortize the costs over terms at the discretion of the YUB. During the year, $1,004,000 (2024 - $170,000) was transferred to the regulatory debit balance class hearing reserve (Note 11(a)(v)) and disallowed costs of $369,000 (2024 - $0) were derecognized. In the absence of rate regulation, IFRS requires these costs to be expensed as incurred.

(iii) 2025-27 GRA

The Corporation recognizes a regulatory debit balance when the Corporation has the right, as a result of the actual or expected actions of the rate regulator, to increase rates in future periods in order to recover its allowable costs plus return on rate base, as described in Note 1(b). The amount recognized represents management's best estimates of revenues for rates to be approved by the YUB less amounts received from customers. As part of the 2025-27 GRA, $19,567,000 was recognized for increase in revenue requirement in 2025. The ending balance at December 31 comprises the Corporation's remaining revenue shortfall to be collected from customers in future years.

11. Regulatory accounts - continued

a) Regulatory debit balances - continued

(iv) 2023/24 & 2021 GRA's

The Corporation recognizes a regulatory debit balance when the Corporation has the right, as a result of the actual or expected actions of the rate regulator, to increase rates in future periods in order to recover its allowable costs plus return on rate base, as described in Note 1(b). The amount recognized represents revenues for rates approved by the YUB less amounts received from customers.

The 2023/24 GRA and the 2021 GRA debit balance categories have been combined into one category in the Regulatory debit balance table. The cost balance at December 31, 2023 and the 2024 disposals have both been combined, resulting in an adjusted cost balance at December 31, 2024.

The change in classification was done as each debit balance has the same characteristics and there was no current year activity in the 2021 GRA as the net book value was reduced to $0 at December 31, 2024.

As part of the 2023/24 GRA, $5,667,000 was recognized for increase in revenue requirement in 2023. The final decision by the YUB approved $7,717,000 for 2023. The increase of $2,050,000 was included in the regulatory provision line in 2024. The 2024 provision also includes the 2024 YUB approved amount of $15,805,000 and $2,658,000 transferred from the regulatory debit balance class fuel price adjustment ((Note 11(a)(vi)). The ending balance at December 31 comprises the Corporation's remaining revenue shortfall to be collected from customers in future years. The December 31, 2023 balance of $0.682 million relating to the 2021 GRA was fully collected during 2024.

(v) Hearing reserve

The Corporation has established a deferral account for regulatory hearing costs to be recovered from or paid to ratepayers in the future. The regulatory provision for the year reflects an annual provision of $590,000 (2024 - $250,000) less $1,004,000 (2024 - $170,000) of approved costs transferred from Regulatory Costs (See Note 11(a)(ii)). In the absence of rate regulation, IFRS requires these costs to be expensed as incurred and revenues be recognized as earned.

(vi) Fuel price adjustment

OIC 1995/90 directs the YUB to permit the Corporation to adjust electricity rates to reflect fluctuations in the price of diesel fuel. The amount by which actual fuel prices vary from the long-term average prices is deferred and recovered from or refunded to customers in a future period through Rider F. As part of the 2023/24 GRA, the balance as at September 30, 2024 of $2,658,000 was transferred to the regulatory debit balance class 2023/24 GRA (Note 11(a)(iv)). For the period January 1, 2024 to October 31, 2024, the Rider F charge was 0.000 cents per kWh. Effective November 1, 2024, Rider F was decreased to a refund of 0.289 cents per kWh. The Rider F refund was effective until March 31, 2025 at which time it changed back to 0.000 cents per kWh. The Rider F charge remained at 0.000 cents per kWh for the remainder of 2025. In the absence of rate regulation, IFRS requires these costs to be expensed as incurred and revenues be recognized as earned.

11. Regulatory accounts - continued

a) Regulatory debit balances - continued

(vii) Uninsured losses

Uninsured losses is an account maintained to address uninsured and uninsurable losses as well as the deductible portion of insured losses. The account is maintained through an annual provision and collected through customer rates. There is an annual regulatory provision of $555,000 (2024 - $411,000) and amortization of the forecast 2024 accumulated balance of $5,086,000 over ten years ($509,000 per year) (2024 - forecast 2020 balance of $2,048,000 over ten years ($205,000 per year)). During 2025, the Corporation recorded insurance proceeds of $10,128,000 (net of the $2,000,000 policy deductible) (2024 - $0). In the absence of rate regulation, IFRS requires these costs to be expensed as incurred.

(viii) Vegetation management

Prior to 2017, the Corporation was deferring annual brushing costs in excess of a prescribed maximum annual amount based on a review of prior year brushing costs. In 2017, the Corporation established a vegetation management policy and as a result of expected annual costs, deferral is no longer required. The Corporation completes a full cycle of all its brushing requirements every 10 years and is amortizing previously deferred costs over a 10 year period. Effective January 1, 2025, as per Board Order 2026-08, the YUB has directed the Corporation to defer any variances between actual 2025 costs and the 2025 approved cost of $937,000. In the absence of rate regulation, IFRS requires these costs to be expensed as incurred.

(ix) Dam safety review

The Corporation has a program of conducting safety reviews of its dams in accordance with standards set by the Canadian Dam Association. External consultants are hired every five years with intermittent costs incurred in the interim periods. These costs are being amortized over five years. In the absence of rate regulation, IFRS requires these costs to be expensed as incurred.

(x) IPP purchase costs

OIC 2019/25 directs that in setting rates that the Corporation is permitted to charge, it is able to recover the costs of purchasing electricity under an electricity purchase agreement with Independent Power Producers ("IPP's"). As such, starting in 2022 the Corporation deferred costs to be charged to ratepayers in future years. In the absense of rate regulation, IFRS requires these costs to be expensed as incurred.

(iv) Deferred overhauls

YUB Order 2013-01 restricted inclusion of property, plant and equipment overhaul depreciation expense in rates charged to customers until the Corporation comes before the YUB for a prudence review. As such, starting in 2013 the Corporation deferred depreciation expense related to overhauls. In 2017, the Corporation came before the YUB for a prudence review and began to recognize these deferred depreciation amounts. In the absence of rate regulation, IFRS requires these costs to be expensed as incurred.

11. Regulatory accounts - continued

b) Regulatory credit balances

	Deferred Insurance Proceeds (i)	Low Water Reserve Fund (ii)	Future Removal and Site Restoration (iii)	Contracts with Customers (iv)	McQuesten Substation (v)	Defined Benefit Pension (vi)	Total
Cost:							
At December 31, 2023	$ 15,622	$ 15,687	$ 2,037	$ 4,964	$ 3,874	$ 86	**$ 42,270**
Costs incurred	-	-	-	-	-	-	**-**
Regulatory provision	-	(3,067)	-	(96)	1,002	(22)	**(2,183)**
Interest	-	1,641	-	-	-	-	**1,641**
Contributions received	-	(79)	-	-	-	-	**(79)**
At December 31, 2024	$ 15,622	$ 14,182	$ 2,037	$ 4,868	$ 4,876	$ 64	**$ 41,649**
Costs incurred	-	-	-	-	-	-	**-**
Regulatory provision	-	(22,428)	-	(97)	1,005	17	**(21,503)**
Interest	-	593	-	-	-	-	**593**
Contributions received	-	(225)	-	-	-	-	**(225)**
At December 31, 2025	**$ 15,622**	**$ (7,878)**	**$ 2,037**	**$ 4,771**	**$ 5,881**	**$ 81**	**$ 20,514**
Accumulated amortization:							
At December 31, 2023	$ 7,889	$ -	$ -	$ -	$ -	$ -	**$ 7,889**
Amortization	248	-	-	-	-	-	**248**
At December 31, 2024	$ 8,137	$ -	$ -	$ -	$ -	$ -	**$ 8,137**
Amortization	1,749	-	-	-	-	-	**1,749**
At December 31, 2025	**$ 9,886**	**$ -**	**$ -**	**$ -**	$ -	$ -	**$ 9,886**
Net book value:							
At December 31, 2024	$ 7,485	$ 14,182	$ 2,037	$ 4,868	$ 4,876	$ 64	$ 33,512
At December 31, 2025	**$ 5,736**	**$ (7,878)**	**$ 2,037**	**$ 4,771**	**$ 5,881**	**$ 81**	**$ 10,628**
Net decrease (increase) in regulatory credit balances (which are recognized in the net movement of regulatory balances related to net income on the Consolidated Statement of Operations and Other Comprehensive Income):							
December 31, 2024	$ 248	$ 1,505	$ -	$ 96	$ (1,002)	$ 22	$ 869
December 31, 2025	**$ 1,749**	**$ 22,060**	**$ -**	**$ 97**	**$ (1,005)**	**$ (17)**	**$ 22,884**
Remaining recovery years							
At December 31, 2024	12 years	Indeterminate	Indeterminate	43 years	49 years	Indeterminate	
At December 31, 2025	11 years	Indeterminate	Indeterminate	42 years	48 years	Indeterminate	
Absent rate regulation, net income for the year and net movement in regulatory balances on the Consolidated Statement of Operations and Other Comprehensive Income would decrease (increase) by:							
December 31, 2024	$ (248)	$ (1,505)	$ -	$ (96)	$ 1,002	$ (22)	**$ (869)**
December 31, 2025	$ (1,749)	$ (22,060)	$ -	$ (97)	$ 1,005	$ 17	**$ (22,884)**

11. Regulatory accounts - continued

b) Regulatory credit balances - continued

(i) Deferred insurance proceeds

The deferred insurance proceeds represents a gain on fire insurance proceeds related to a fire at the Whitehorse Rapids Generating Station in 1997 which is being amortized to income at the same rate as depreciation of the related replacement assets, and a gain on insurance proceeds related to damage to the Lewes River Boat lock in 2021 which is being amortized to income equally over three years starting in 2025. In the absence of rate regulation, IFRS requires the gain to have been fully recognized as income in the year received.

(ii) Low Water Reserve Fund

The Low Water Reserve Fund ("LWRF") was established by YUB Order 2018-10. The LWRF is used to protect the Corporation and ratepayers for costs associated with variability in thermal generation required when there is a thermal cost variance due solely to water-related hydro generation variances from YUB approved GRA forecasts. The Corporation is required to file annual reports with the YUB on the LWRF's activity.

In accordance with YUB Order 2015-01, the Corporation defers recognition of the additional amounts collected from rate payers when the cost of thermal consumed in the period is less than the long-term average thermal requirements estimated for the actual annual generation load. These deferred amounts are recognized as revenue in the period when the cost of thermal incurred for the period is greater than the long-term average thermal requirements and the reason for the shortfall is a shortage of water in the hydro system. There is a cap of +/- $16 million for the LWRF. If the balance falls outside of this range, the Corporation is to make an application to the YUB requesting recovery or a refund to customers through Rider E. YUB Order 2019-02 set the refund rider to 0.00 cents/kWh effective April 1, 2019. YUB order 2024-15 set the refund rider to 0.128 cents/kWh effective for the period November 1, 2024 to March 31, 2025, at which time it changed back to 0.000 cents per kWh. Rider E remained at 0.000 cents per kWh for the remainder of 2025. In the absence of rate regulation, IFRS would require any amounts earned or incurred related to the LWRF to be included in the Corporation's net income in the year incurred.

(iii) Future removal and site restoration costs

The Corporation maintains a regulatory provision for future removal and site restoration costs related to property, plant and equipment, which is incremental to that required to be recognized as an asset retirement provision under IAS 37. The reserve has been established through amortization rates based upon depreciation studies conducted periodically by the Corporation.

Costs of dismantling capital assets, including site remediation, will be applied to this regulatory credit balance if they do not otherwise relate to an asset retirement provision. The period over which the provision will be reduced is dependent on the timing of future costs of demolishing, dismantling, tearing down, site restoration or otherwise disposing of the asset net of actual recoveries, and is therefore indeterminate. In the absence of rate regulation, IFRS requires these costs to be expensed or included in the gain or loss on disposal of the related property, plant and equipment, as applicable.

11. Regulatory accounts - continued

b) Regulatory credit balances - continued

(iv) Contracts with customers
Effective January 1, 2018 the Corporation adopted IFRS 15, *Revenue from Contracts with Customers*. As a result of the impacts of IFRS 15, certain revenues are recognized in net income over a shorter period than allowed by the YUB for rate-setting purposes. The timing difference is reflected as a regulatory credit balance.

(v) McQuesten Substation
YUB Order 2022-03 required the Corporation to create a separate asset class for certain assets constructed at the McQuesten Substation relating to the Victoria Gold connection. These assets were required to be amortized over the mine life as opposed to the useful life of the assets. The timing difference is reflected as a regulatory credit balance. The regulatory provision will accumulate over 12 years and then be amortized to offset the depreciation of the substation over its remaining useful life.

(vi) Defined benefit pension
The Corporation has established a deferral account to accumulate differences from approved pension funding versus actual funding requirements. The regulatory provision will be determined through a future regulatory proceeding. In the absense of rate regulation, IFRS requires these costs to be expensed as incurred.

(c) Regulatory account expenses

Regulatory account expenses represent costs incurred related to regulatory account debit balances of $10,452,000 (2024 - $15,491,000) and regulatory account credit balances of $0 (2024 - $0).

(d) Net movement in regulatory balances related to net income

Net movement in regulatory balances related to net income is $23,185,000 (2024 - 15,643,000) and represents the adjustment to net income for the year before net movement in regulatory balances for the effects of rate regulation in accordance with IFRS 14. The net movement figure is comprised of an increase of 304,000 for regulatory account debit balances and a decrease of $22,884,000 for regulatory account credit balances for rate regulation compared to the amounts that are recorded under IFRS. The net movement figure for 2024 is comprised of an increase of $14,777,000 for regulatory account debit balances and a decrease of $869,000 for regulatory account credit balances respectively for rate regulation compared to the amounts that would be recorded under IFRS absent rate regulation.

(e) Rate recovery of mobile diesel rentals

In 2025, an intervenor in the Yukon Energy's 2023/24 General Rate Application ("GRA") appealed the Yukon Utilities Board's decision that had permitted Yukon Energy to recover, through rates, the cost of renting diesel generators whose combined capacity exceeded the Corporation's existing air emission permits. Yukon Energy secured these rentals to ensure there was adequate, reliable backup capacity to protect public health and safety during emergency N-1 conditions.

11. Regulatory accounts - continued

b) Regulatory credit balances - continued

(e) Rate recovery of mobile diesel rentals - continued

On January 19, 2026, the Yukon Court of Appeal allowed the appeal, concluding that the YUB's approval of costs associated with activities not legally permitted under Yukon's environmental legislation was inconsistent with those laws. The Court emphasized that environmental compliance must form part of regulatory decision-making. At the same time, the Court clarified that it was not determining that Yukon Energy should refrain from operating diesel generators in excess of air emission permits during emergency conditions, noting that "the need for the generators is undisputed, situational, and well motivated."

As a result of the Court's findings, the matter has been returned to the Yukon Utilities Board for reconsideration. There is no immediate operational impact, and the Utility continues normal business operations while the decision is reviewed.

There remains uncertainty regarding whether any portion of the diesel rental costs could ultimately be required to be repaid through reductions in future rates. The Utility will continue to monitor the matter and will adjust the 2023/24 and 2021 GRA's balance (Note 11(a)(iv), if it becomes expected that a refund will be required to be repaid. The resolution of this matter could have a material impact on regulatory debit balances.

12. Deferred Government Grants

Deferred Government Grants consists of $231,000 (2024 - $0) received from the Government of Yukon for Innovative renewable energy initiative program subsidies (Note 1) and $823,000 (2024 - $0) received from the Government of Yukon for the Winter Electrical Affordability Rebate subsidies (Note 1).

13. Accounts payable and accrued liabilities

	2025	2024
Trade payables	$ 34,502	$ 24,631
Employee compensation	1,759	1,385
Due to related parties (Note 22)	1,504	1,479
Other	345	127
	$ 38,110	$ 27,622

14. Long-term debt

The Corporation's long-term debt is unsecured and summarized as follows:

	2025	2024
Bond The Corporation issued a bond at a fixed interest rate of 5.00% per annum. Interest is payable semi-annually. Principal payment is due when the bond expires on June 29, 2040 (i).	$ 98,775	$ 98,719
The Toronto Dominion Bank The Corporation entered into an interest rate swap to convert the interest rate on the Bankers' Acceptances amounts from a variable interest rate based on the Bankers' Acceptances rates to a fixed rate of 2.06% per annum. Payable in monthly installments of $47,918 interest and principal with the balance due on September 28, 2035.	6,108	6,552
The Toronto Dominion Bank The Corporation entered into an interest rate swap to convert the interest rate on the Bankers' Acceptances amounts from a variable interest rate based on the Bankers' Acceptances rates to a fixed rate of 3.40% per annum. Payable in monthly installments of $117,095 interest and principal with the balance due on August 23, 2043.	18,645	19,403
The Toronto Dominion Bank The Corporation entered into an interest rate swap to convert the interest rate on the Bankers' Acceptances amounts from a variable interest rate based on the Bankers' Acceptances rates to a fixed rate of 2.64% per annum. Payable in monthly installments of $30,868 interest and principal with the balance due on July 14, 2044.	5,435	5,659
The Toronto Dominion Bank The Corporation entered into an interest rate swap to convert the interest rate on the Bankers' Acceptances amounts from a variable interest rate based on the Bankers' Acceptances rates to a fixed rate of 2.06% per annum. Payable in monthly instalments of $20,478 interest and principal with the balance due on November 4, 2045.	4,014	4,175
The Toronto Dominion Bank The Corporation entered into an interest rate swap to convert the interest rate on the Bankers' Acceptances amounts from a variable interest rate based on the Bankers' Acceptances rates to a fixed rate of 2.88% per annum. Payable in monthly instalments of $35,853 interest and principal with the balance due on April 30, 2046.	6,614	6,850

14. Long-term debt - continued

	2025	2024
The Toronto Dominion Bank The Corporation entered into an interest rate swap to convert the interest rate on the Bankers' Acceptances amounts from a variable interest rate based on the Bankers' Acceptances rates to a fixed rate of 4.07% per annum. Payable in monthly instalments of $86,661 interest and principal with the balance due on September 1, 2052.	16,925	17,269
The Toronto Dominion Bank The Corporation entered into an interest rate swap to convert the interest rate on the Bankers' Acceptances amounts from a variable interest rate based on the Bankers' Acceptances rates to a fixed rate of 4.10% per annum. Payable in quarterly instalments of $103,009 interest and principal with the balance due on December 21, 2048.	6,117	6,274
The Toronto Dominion Bank The Corporation entered into an interest rate swap to convert the interest rate on the Bankers' Acceptances amounts from a variable interest rate based on the Bankers' Acceptances rates to a fixed rate of 4.30% per annum. Payable in quarterly instalments of $446,114 interest and principal with the balance due on October 12, 2049.	26,632	27,254
Yukon Government The Corporation entered into a refinance agreement for construction financing. Annual principal payments of $1,000,000 and interest are due on March 31. The balance is due on March 31, 2028. The interest rate is adjusted annually on April 1. The interest rate of 3.42% (2024 - 5.69%) is the CORRA rate at April 1 plus Yukon Government's borrowing premium.	32,200	33,200
Tr'ondek Hwech'in First Nation loan The loan from the First Nation is related to the construction of the Mayo Dawson Transmission Line and is repayable in equal annual principal repayments of $125,000 and interest with the final payment due in 2049. The interest rate at 6.90% (2024 - 6.74%) is a blended rate based on the cost of debt and the actual rate of return earned by the Utility.	3,125	3,125
Na-Cho Nyak Dun First Nation loan The loan from the First Nation is related to the construction of the Mayo B project and is repayable in equal annual principal repayments of $43,264 and interest with the final payment due in 2094. The interest rate of 7.43% (2024 - 7.02%) is based on the actual rate of return earned by the Utility.	2,985	3,028

14. Long-term debt - continued

	2025	2024
Chu Niikwan Limited Partnership loan The loan from the First Nation is related to the construction of the Liquid Natural Gas generation equipment and is repayable in equal annual principal repayments of $1,019,320 and interest with the final payment due in 2040. The interest rate of 4.86% (2024 - 4.70%) is based on a blended rate based on the cost of debt and the actual rate of return earned by the Utility.	15,290	16,309
Carmacks Stewart First Nation liability Long-term liability payable to several First Nations related to the construction of the Carmacks Stewart Transmission Line. These are non-interest bearing, repayment terms not yet established.	141	141
Champagne and Aishihik First Nations On July 21, 2023, the Corporation entered into $1,000,000 long-term debt associated with the installation of the third hydro turbine at the Aishihik Hydroelectric Generating Station (AGS) and due on July 31, 2048. The interest rate is the Utility's rate of return on equity and interest is payable annually.	1,000	1,000
Total	**244,006**	248,958
Less: current portion	5,357	5,133
	$ 238,649	$ 243,825

(i) Bond

The Corporation issued a bond in 2010 for the face value of $100 million. The interest rate is 5% and the bond matures June 29, 2040. There are no principal payments due until the bond matures and interest is payable semi-annually. The bond was issued at a discount of $0.7 million which is being amortized over the period of the related debt using the effective interest rate. Transaction costs were $1.2 million and include fees paid to agents and advisors and are presented as a reduction from the carrying value of the related debt and are amortized over the period of the related debt using the effective interest rate.

14. Long-term debt - continued

Long-term debt repayment

The change in long-term debt arising from financing activities during the year related to principal repayments of $4,952,000 (2024 - $4,439,000) and the issuance of additional debt in the amount of $0 (2024 - $27,254,000).

Fair value
The fair value of long-term debt at December 31, 2024 is $255 million (December 31, 2024 - $265 million). The fair value for all long-term debt including current portions was estimated using discounted cash flows based on an estimate of the Corporation's current borrowing rate for similar borrowing arrangements.

On May 16, 2022, Refinitiv Benchmark Services (UK) Limited (RBSL) announced the decision to cease the publication of Canadian Dollar Offered Rate (CDOR) after June 28, 2024. The impacted derivatives include all interest rate swap agreements with TD Bank. The impacted non-derivatives include the long-term debt held with TD Bank and others who had yet to transition, as well as the Minto Decommissioning Fund.

For the TD Bank derivatives, and most long-term debt, the banks providing the Corporation with fair value percentages transitioned from the CDOR 1-month to the Canadian Overnight Repo Rate Average (CORRA). The transition resulted in no significant impact on the fair value amount of the interest rate swaps and the long-term debt as the CORRA rates were not significantly different from the CDOR rates which were previously used to calculate fair value.

For the decommissioning fund held at CIBC, interest was based on the CDOR 3-month rate. Subsequent to the transition, interest is now based on the CORRA on the first day of the calendar quarter. The transition had no significant impact on cash and deferred revenue related to the fund as CCORA rates were not significantly different from the CDOR rates which were previously used to calculate cash flows.

The interest rate benchmark reform has not resulted in changes to the Corporation's risk management strategy.

15. Post-employment benefits

Characteristics of benefit plans

The defined benefit pension plan for employees is regulated by the Office of the Superintendent of Financial Institutions ("OSFI") through the *Pension Benefits Standards Act* and regulations. This Act and accompanying regulations impose, among other things, minimum funding requirements. The executive defined benefit pension plan and supplemental executive retirement plan are not registered with OSFI and are not subject to minimum funding requirements of the Act.

These minimum funding requirements require the Corporation to make special payments as prescribed by the OSFI to repay any unfunded liability or solvency deficiency that may exist. For the employee defined benefit pension plan the Corporation is currently not required to make any special payments.

A committee of the Utility's Board of Directors oversees these plans and is responsible for the investment policy with regard to the assets of these funds.

Employees joining the Corporation after January 1, 2002 are not eligible to participate in the employee defined benefit pension plan. The Corporation makes contributions to a Registered Retirement Savings Plan (“RRSP”) on behalf of these employees and employees hired before January 1, 2002 who belonged to the employee defined benefit pension plan and elected to opt out of that plan. The RRSP is a defined contribution retirement plan. The costs recognized for the period are equal to the Corporation’s contribution to the plan. During 2025, these were $1,029,000 (2024 - $836,000).

Risks associated with defined benefit pension plans

The defined benefit pension plans expose the Corporation to risk such as investment risk and actuarial risk. Investment risk is the risk that the assets invested will be insufficient to meet expected benefits. Actuarial risk is the risk that benefits paid will be more than expected. There are no particular unusual, entity-specific or plan specific risks or any significant concentration of risk.

15. Post-employment benefits - continued

Net defined benefit liability (asset):

	2025	2024
Present value of benefit obligations		
Balance, beginning of year	$ 23,781	$ 23,894
Employee contributions	21	21
Current service cost	90	88
Interest cost	1,094	1,077
Benefits paid	(1,218)	(1,143)
Actuarial (gains) losses on experience	(682)	(233)
Actuarial (gains) losses on demographic assumptions	(115)	(5)
Actuarial (gains) losses on financial assumptions	(340)	82
Balance, end of year	**$ 22,631**	$ 23,781
Fair value of plan assets		
Balance, beginning of year	23,913	23,006
Interest income on plan assets	1,099	1,035
Gains on plan assets	59	879
Employee contributions	21	21
Employer contributions	215	191
Benefits paid	(1,218)	(1,143)
Administrative costs	(82)	(76)
Balance, end of year	**24,007**	23,913
Effect of asset ceiling	**(1,288)**	(91)
Net defined benefit (asset) liability	**$ (88)**	$ (41)

The net defined benefit (asset) liability includes a post-employment benefits asset of $712,000 (2024 - $676,000) and a post-employment benefits liability of $624,000 (2024 - $635,000).

15. Post-employment benefits - continued

Components of benefit plan cost:

		2025		2024
Current service cost	$	90	$	88
Interest cost		1,094		1,077
Interest income on plan assets		(1,099)		(1,035)
Administrative costs		82		76
Interest cost on effect of asset ceiling		4		4
Defined benefit expense in Consolidated Statement of Operations		171		210
Defined contribution expense		1,029		836
Total benefit expense in Consolidated Statement of Operations	**$**	**1,200**	$	1,046
Actuarial (gains) losses on obligation		(1,136)		(156)
Gains on plan assets		(59)		(879)
Effect of asset ceiling		1,192		14
Total remeasurement included in Other Comprehensive Income		**(3)**		(1,021)
Total benefit cost recognized in the Consolidated Statement of Operations and Other Comprehensive Income	**$**	**1,197**	$	25

Distribution of plan assets of defined benefit pension plans

In October 2024 an annuity buy-in was purchased for the retired members of the Plan with a liability assumption date of January 1, 2025. Assets of $15.152 million were redeemed to facilitate the purchase.

The fair values of the defined benefit pension plans' equity and fixed income assets are based on market values as reported by the defined benefit pension plans' custodians as at each applicable Consolidated Statement of Financial Position date. The value of the annuity buy-in is valued by present valuing expected future cash inflows at year-end using the discount rate for the accrued benefit obligation.

The distribution of assets by major asset class is as follows:

	December 31, 2025	December 31, 2024
Equities	16.5%	14.9%
Fixed income securities	16.6%	14.1%
Real estate	8.2%	7.0%
Annuity buy-in	58.7%	64.0%

Significant assumptions:

	December 31, 2025	December 31, 2024
Discount rate - accrued benefit obligation	4.9%	4.7%
Assumed rate of compensation increase	3.0%	3.0%
Pension growth	2.0%	2.0%

15. Post-employment benefits - continued

Sensitivity analysis of the defined benefit pension plans:
The sensitivities of each key assumption used in measuring accrued benefit obligations at each Consolidated Statement of Financial Position date have been calculated independently of changes in other key assumptions. Actual experience may result in changes in a number of assumptions simultaneously. The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period. The mortality assumptions are based on the 2014 Canadian Pensioner Mortality Private Table projected with full generational mortality improvements using scale MI-2017.

At December 31, 2025, assumptions and sensitivity to the recognized post-employment benefits liability is as follows:

	+1%	-1%	+1%	-1%
Discount rate	-10%	12%	$(2,298)	$2,771
Salary growth	0.2%	-0.2%	51	(50)
Pension growth	12%	-10%	2,745	(2,317)
Life expectancy (1 year movement)	3%	-3%	595	(606)

At December 31, 2024, assumptions and sensitivity to the recognized post-employment benefits liability is as follows:

	+1%	-1%	+1%	-1%
Discount rate	-11%	13%	$(2,528)	$3,071
Salary growth	0.2%	-0.2%	48	(46)
Pension growth	13%	-11%	3,017	(2,530)
Life expectancy (1 year movement)	3%	-3%	613	(623)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same that is applied in calculating the defined benefit obligation liability recognized in the Consolidated Statement of Financial Position.

The Corporation pays the balance of the cost of the employee benefit plan over the employee contributions, as determined by the actuary. Members are required to contribute 3.5% of earnings up to the Year's Maximum Pensionable Earnings ("YMPE") plus 5% of earnings above the YMPE. Permanent part-time members will have required contributions as above multiplied by their permanent part-time service ratio. Employees can make additional contributions to purchase ancillary benefits. Members choose the ancillary benefit on termination of service or on retirement.

The average duration of the benefit obligation is 11.4 years (2024 - 11.9 years). The Corporation expects to make payments of $136,900 (2024 - $202,800) to the defined benefit pension plans during the next financial year.

16. Contributions in aid of construction

	Government of Canada	Yukon Government since 1998	Pre - 1998 contributions	**Total**
Cost:				
At December 31, 2023	$ 103,584	$ 17,420	$ 1,739	**$ 122,743**
Additions	2,970	-	-	**2,970**
At December 31, 2024	106,554	17,420	1,739	**125,713**
Additions	241	-	-	**241**
At December 31, 2025	**$ 106,795**	**$ 17,420**	**$ 1,739**	**$ 125,954**
Accumulated amortization:				
At December 31, 2023	$ 12,863	$ 4,641	$ 1,639	**$ 19,143**
Amortization	1,467	330	45	**1,842**
At December 31, 2024	14,330	4,971	1,684	**20,985**
Amortization	1,253	324	43	**1,620**
At December 31, 2025	**$ 15,583**	**$ 5,295**	**$ 1,727**	**$ 22,605**
Net book value:				
At December 31, 2024	$ 92,224	$ 12,449	$ 55	**$ 104,728**
At December 31, 2025	$ 91,212	$ 12,125	$ 12	**$ 103,349**

17. Deferred revenue

	Decommissioning Fund	Customer Contibutions	IPP Contracts	Total
At December 31, 2023	$ 3,029	$ 14,704	$ 1,733	$ 19,466
Additions (refunds)	153	1,670	(66)	1,757
Revenue recognized in Sales of Power and Other Revenue	-	(1,210)	60	(1,150)
At December 31, 2024	$ 3,182	$ 15,164	$ 1,727	$ 20,073
Additions (refunds)	91	468	(69)	490
Revenue recognized in Sales of Power and Other Revenue	-	(1,333)	(178)	(1,511)
At December 31, 2025	**$ 3,273**	**$ 14,299**	**$ 1,480**	**$ 19,052**

The decommissioning fund represents monies paid in advance by an industrial customer to decommission the spur line that connects its operation to the Corporation's grid. This money accrues interest at the rate of the Canadian Overnight Repo Rate Average ("CORRA"). This amount will be recognized to revenue when the fund is used to decommission the line.

The following table includes revenue expected to be recognized in the future related to performance obligations that are unsatisfied as at December 31, 2025:

	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Decommissioning fund	$ -	$ -	$ 3,273	$ 3,273
Customer contracts	2,009	6,665	5,625	14,299
IPP contracts	139	303	1,038	1,480
	$ 2,148	**$ 6,968**	**$ 9,936**	**$ 19,052**

At December 31, 2024, the current portion of deferred revenue of $2,484,000 consisted of customer contracts ($2,176,000) and IPP contracts ($308,000).

18. Sales of power

	2025	2024
Wholesale	$ 70,544	$ 54,572
Industrial	13,054	13,305
General service	13,006	12,206
Residential	5,276	4,723
Sentinel and street lights	175	163
Secondary sales	136	495
	$ 102,191	$ 85,464

19. Other revenue

Included in other revenue, the Corporation recognized $117,000 (2024 - $60,000) in other revenue related to IPP contracts and $0 (2024 - $1,500,000) related to the reversal of an allowance provision (Note 6 and 26).

20. Operations and maintenance expenses

	2025	2024
Fuel	$ 45,628	$ 19,754
Regulatory account expenses (Note 11 (c))	10,452	15,941
Wages and benefits	9,666	9,030
Rent	7,600	6,779
Contractors	3,372	3,886
Materials and consumables	2,559	2,219
Capital project studies (Note 11(a)(i))	1,137	-
Travel	625	479
Communication	105	101
Loss on asset disposals	-	762
	$ 81,144	$ 58,951

21. Administration expenses

		2025		2024
Wages and benefits	$	10,648	$	9,575
Insurance and taxes		3,595		3,367
External labour		3,426		3,300
Materials, consumables and general		1,670		1,330
Licences and fees		1,194		1,371
Travel		355		290
Board fees		164		142
	$	**21,052**	$	19,375

Included in materials, consumables and general, the Corporation recognized a provision of $399,000 (2024 - $0) relating to an allowance for doubtful accounts (Note 6).

22. Related party transactions

The Corporation is related in terms of common ownership to all Yukon Government departments, agencies and Territorial Corporations. Transactions are entered into in the normal course of operations with these entities. All sales of power transactions are recorded at the rates approved by the YUB.

The following table summarizes the Corporation's related party transactions with the Yukon Government for the year:

		2025		2024
Revenues				
Sales of power	$	2,824	$	2,833
Contributions for bond interest expense		2,331		2,625
Contributions for Innovative Renewable Energy Initiatives		2,045		2,104
Contributions for Winter Electrical Affordability Rebate program		1,077		-
Contributions for Interim Electrical Rebate program		1,000		3,516
Contributions for YT Integrated System Dynamic Performance Studies		50		-
Contributions for Atlin Hydroelectric expansion project subsidies		-		1,250
Contributions for Inflation Relief Rebate program		-		911
	$	**9,327**	$	13,239
Expenses				
Interest expense	$	1,296	$	1,862
Operating expenses		628		275
	$	**1,924**	$	2,137

During 2025, the Corporation utilized office space provided by the Government of Yukon at no cost to the Corporation.

22. Related party transactions - continued

At the end of the year, the amounts receivable from and due to the Yukon Government are as follows:

	2025	2024
Balances		
Long-term debt	$ 32,200	$ 33,200
Accounts receivable	$ 5,399	$ 9,300
Accounts payable	$ 1,504	$ 1,479

Included in accounts receivable is an amount of $2,838,000 for capital projects funded by Yukon Government and the federal government (2024 - $5,605,000), as well as an amount of $0 related to the Interim Electrical Rebate (2024 - $2,497,000). These balances are non-interest bearing and payable on demand except for long-term debt.

Transactions with Key Management Personnel
The Corporation's key management personnel include ten senior management team positions and twenty Board of Directors positions. Key management personnel compensation is as follows:

Year ended December 31,	2025	2024
Short-term employee benefits	$ 2,693	$ 2,244
Post-employment benefits	177	134
	$ 2,870	$ 2,378

23. Commitments

Contractual obligations
The Corporation has entered into contracts to purchase products or services for which the liability has not been incurred as at December 31, 2025 as the product or service had not been provided. The following table summarizes the nature of the commitments:

	2025	2024
Property, plant and equipment	$ 77,476	$ 30,096
Other products or services	9,100	13,424
Intangible assets	2,328	814
	$ 88,904	$ 44,334

The Corporation expects to fulfill contractual obligations of $87,454,000 in 2026 and $1,450,000 in 2027.

24. Contingencies

Due to the nature of the Corporation's operations, various claims are pending. In the opinion of management, these matters are not expected to have a material effect on the Corporation's financial position or results of operations. To avoid prejudicing these claims, no further information is disclosed.

Asset retirement obligations
The Corporation has not recognized a provision for the closure and restoration obligations for certain generation, transmission and distribution assets which the Corporation anticipates maintaining and operating for an indefinite period, making the date of retirements of these assets indeterminate. A provision will be recognized when the timing of the retirement of these assets can be reasonably estimated.

25. Provision for environmental liabilities

The Corporation's activities are subject to various federal and territorial laws and regulations governing the protection of the environment or to minimize any adverse impact thereon. The Corporation conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations.

The Corporation has conducted environmental site assessments at all its diesel plant sites. No significant environmental contamination was found. As at December 31, 2025 no significant provisions for environmental liabilities, for which a legal obligation exists to remediate, have been identified by the Corporation. The Corporation has its Environmental Management System to monitor and assess previous and potential existing environmental liabilities on an ongoing basis. The Corporation does not have a provision for environmental liabilities as there is no significant present obligation to remediate.

26. Risk management and financial instruments

At December 31, 2025, the Corporation's financial instruments included cash, accounts receivable, bank indebtedness, accounts payable and accrued liabilities, long-term debt, interest rate swaps and lease liabilities. The fair values of cash, accounts receivable, bank indebtedness, and accounts payable and accrued liabilities approximate their carrying values due to the immediate or short-term maturity of these financial instruments.

Interest rate swaps are financial contracts that derive their value from changes in an underlying variable. The fair value of the interest rate swaps is estimated using standard market valuation techniques and is provided to the Corporation by the financial institution that is the counterparty to the transactions.

Interest rate risk
Interest rate risk is the risk that future cash flows or fair value of a financial instrument will fluctuate due to changes in market interest rates. The Corporation's future cash flows are not exposed to significant interest rate risk due to its long-term debt having fixed interest rates, with the exception of the Bankers' Acceptances from the Toronto Dominion Bank. The Bankers' Acceptances have had the variable rate converted to a fixed rate using an interest rate swap to eliminate the interest rate risk.

26. Risk management and financial instruments - continued

Interest rate risk - continued

The fair value of the interest rate swap agreements on December 31, 2025 was an asset of $2,896,000 (2024 - asset of $655,000). The increase in the fair value in 2025 of $2,241,000 (2024 – decrease of $1,750,000) is recognized on the Consolidated Statement of Operations and Other Comprehensive Income as an unrealized gain (2024 - unrealized loss). A 100 basis point increase or decrease in the interest rate assumption would have resulted in an increase/decrease in the interest rate swap agreements fair value of $8,237,000 (2024 - $5,930,000).

The Corporation has access to a line of credit as described in Note 5 and a lease liability as described in Note 8.

Credit risk

Credit risk is the risk of failure of a debtor or counterparty to honour its contractual obligations resulting in financial loss to the Corporation.

The following table illustrates the maximum credit exposure to the Corporation if all counterparties defaulted:

	2025	2024
Cash	$ 3,878	$ 16,529
Accounts receivable	42,318	34,009
	$ 46,196	$ 50,538

Credit risk on cash is considered minimal as the Corporation's cash deposits are held by Canadian Schedule 1 Chartered banks.

Credit risk on accounts receivable is generally considered minimal as the Corporation has experienced insignificant bad debt in prior years. Its primary customer is a rate regulated utility that purchases power from the Corporation for resale and as such these receivables are considered fully collectible. Included in the accounts receivable past due but not impaired at December 31, 2025 is $5,194,000 (2024 - $9,074,000). In addition, there is $4,015,000 (2024 - $0) from one customer that is past due and impaired. This customer is currently in receivership and working on asset liquidation. The recovery of any amount owing will not occur until after the liquidation is completed. The timing and certainty of a full recovery is unknown, and a wide range of outcomes are possible. However, based on other assets held, the nature of the receivables, and management's judgment and assessment, as at December 31, 2025, an allowance provision of $399,000 (2024 - $0) has been recognized. The Corporation continously monitors the credit quality of its customers and has not identified any systemic deterioration in the retail customer portfolio. The provision recorded relates solely to the individual customer event described above. No other significant increases in credit risk were noted as at the reporting date.

26. Risk management and financial instruments - continued

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation manages liquidity risk through regular monitoring of cash and currency requirements by preparing cash flow forecasts to identify financing requirements. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation.

The Corporation's largest current liability is bank indebtedness. The Corporation uses a line of credit for construction financing purposes. When a project is completed, financing is transitioned to long-term debt and equity. In addition, rate regulation assists the Corporation with liquidity management by providing consistent revenues and a consistent debt to equity ratio.

Undiscounted cash flows of financial liabilities

	Less than 1 year or on demand	Between 1 and 5 years	More than 5 years
Bank indebtedness - line of credit	$ 165,658	$ -	$ -
Accounts payable and accrued liabilities	38,110	-	-
Lease liability	352	550	-
Long-term debt	15,939	86,728	277,488
	$ 220,059	**$ 87,278**	**$ 277,488**

Fair values

The following table illustrates the fair value hierarchy of the Corporation's financial instruments as at December 31, 2025:

	Quoted prices in active markets (Level 1)	Other observable inputs (Level 2)	Unobservable inputs (Level 3)	**Total**
Derivative related asset	-	$2,896	-	**$2,896**
Long-term debt	-	-	$255,125	**$255,125**

The following table illustrates the fair value hierarchy of the Corporation's financial instruments as at December 31, 2024:

	Quoted prices in active markets (Level 1)	Other observable inputs (Level 2)	Unobservable inputs (Level 3)	**Total**
Derivative related asset	-	$655	-	**$655**
Long-term debt	-	-	$265,427	**$265,427**

27. Capital management

For financial reporting purposes, the Corporation's capital is its total equity which is comprised of contributed capital and retained earnings. The Corporation manages its equity by managing revenues, expenses, assets and liabilities to ensure the Corporation effectively achieves its objectives while remaining a going concern. There were no changes in the Corporation's approach to capital management during the period.

28. Non-consolidated financial information

The nature and size of operations of the non-consolidated Yukon Development Corporation and its wholly-owned subsidiary, Yukon Energy Corporation differ substantially. Unaudited non-consolidated financial statements of the Yukon Development Corporation and audited financial statements of Yukon Energy Corporation for the year ended December 31, 2025 are also prepared.

YUKON HOSPITAL CORPORATION

FINANCIAL STATEMENTS

March 31, 2026

(audited)

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Yukon Hospital Corporation

Management Responsibility Statement

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

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

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

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

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

Tiffany Boyd
Chief Executive Officer



July 29, 2026

Katherine Davidson
Director of Finance



July 29, 2026

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the Yukon Hospital Corporation

Opinion

We have audited the consolidated financial statements of the Yukon Hospital Corporation and its controlled entity (the Group), which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of operations, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2026, and the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

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

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

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

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

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

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

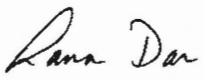
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for

the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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



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

Vancouver, Canada
29 July 2026

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

	2026 $	2025 $
ASSETS		
Current assets		
Cash (note 4)	18,915	7,355
Accounts receivable (note 18)	4,409	12,816
Inventory (note 3)	4,809	4,290
Prepaid expenses	1,165	1,000
Short-term contributions receivable (note 7)	4,936	5,204
	34,234	**30,665**
Non-current assets		
Accrued pension benefit (note 5)	71,904	72,243
Capital assets (note 6)	168,372	171,612
Long-term contributions receivable (note 7)	3,663	8,599
	243,939	**252,454**
	278,173	**283,119**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 18)	12,919	18,031
Accrued payroll and benefits (note 18)	9,682	5,841
Short-term debt (note 8)	8,599	13,803
Deferred revenue (note 9)	249	264
	31,449	**37,939**
Non-current liabilities		
Employee future benefits other than pensions (note 10)	3,367	2,800
Deferred capital contributions (note 11)	169,258	169,335
Asset retirement obligation (note 12)	1,200	1,182
	173,825	**173,317**
	205,274	**211,256**
NET ASSETS		
Investment in capital assets (note 13)	(451)	2,571
Restricted for First Nations Health Program, external (note 14)	250	81
Restricted for capital purchases, internal (note 19)	541	850
Restricted for pension, internal (note 5)	71,904	72,243
Unrestricted	655	(3,882)
	72,899	**71,863**
	278,173	**283,119**
Contractual obligations and contingencies (note 17)		

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

On behalf of the Board of Trustees,

Chair

Director

Yukon Hospital Corporation
Consolidated Statement of Operations

For the year ended March 31
(in thousands of dollars)

	2026 $	2025 $
Revenues		
Government of Yukon contribution (note 16)	137,074	124,475
Amortization of deferred capital contributions (note 11)	9,058	8,693
Patients	6,760	6,739
Other government contracts (note 16)	2,957	3,116
Fundraising	1,670	985
Other	1,060	1,162
Interest	886	984
Cafeteria	427	368
	159,892	**146,522**
Expenses		
Compensation and benefits	88,989	82,167
Supplies	25,096	22,389
Contracted services	13,895	11,267
Other (note 15)	11,571	9,672
Amortization of capital assets (note 6)	10,071	9,706
Equipment and building services	7,332	4,937
Fundraising	974	383
Interest on short-term debt	451	1,075
Pension benefits cost (note 5)	384	(2,305)
Loss on disposal of capital assets	52	–
Asset retirement obligation accretion (note 12)	41	40
	158,856	**139,331**
Surplus of revenues over expenses	**1,036**	**7,191**

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

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

	Investment in Capital Assets (note 13) $	Restricted for First Nations Health Program (note 14) $	Restricted for Capital Purchases Internal (note 19) $	Restricted for Pension (note 5 and 19) $	Unrestricted (note 19) $	2026 Total $	2025 Total $
Balance, beginning of year	2,571	81	850	72,243	(3,882)	71,863	64,672
Surplus (Deficiency) of revenues over expenses	(1,013)	169	(309)	(339)	2,528	1,036	7,191
Net change in investment in capital assets (note 13 c)	(2,009)				2,009	-	-
Balance, end of year	**(451)**	**250**	**541**	**71,904**	**655**	**72,899**	**71,863**

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

Yukon Hospital Corporation
Consolidated Statement of Cash Flows

For the year ended March 31
(in thousands of dollars)

	2026 $	2025 $
Operating Activities		
Surplus of revenues over expenses	1,036	7,191
Items not involving cash		
Amortization of capital assets (note 6)	10,071	9,706
Loss on disposal of capital assets	52	-
Asset retirement obligation accretion (note 12)	41	40
Amortization of deferred capital contributions (note 11)	(9,058)	(8,693)
Bad debt expense (note 15)	1,524	816
Increase in prepaid expenses	(165)	(123)
Increase in accrued pension benefit	339	(2,744)
Decrease (Increase) in non-cash working capital	7,353	227
Forgiveness of short-term debt (note 8)	-	(3,063)
Forgiveness of long-term debt	-	(85)
Cash generated in operating activities	**11,193**	**3,272**
Capital Activities		
Purchases of capital assets	(8,614)	(13,767)
Cash used in capital activities	**(8,614)**	**(13,767)**
Financing Activities		
Repayment of short-term debt	(5,204)	(5,001)
Cash received for capital purchases	14,185	16,769
Cash generated through financing activities	**8,981**	**11,768**
Increase in cash	**11,560**	**1,273**
Cash, beginning of year	7,355	6,082
Cash, end of year	**18,915**	**7,355**
Interest paid	451	1,075
Interest received	886	984

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

1. Purpose

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

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

2. Significant Accounting Policies

a) Basis of Accounting

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

b) Basis of Consolidation

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

c) Cash

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

d) Inventory

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

e) Capital Assets

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

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

2. Significant Accounting Policies (continued)

e) Capital Assets (continued)

Capital Asset	Estimated Useful Life
Computer hardware & systems development	2-10 years
Equipment & vehicles	3-15 years
Buildings	10-40 years
Building improvements	10-20 years
Land improvements	8-20 years

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

f) Revenue Recognition

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

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

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

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

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

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

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

2. Significant Accounting Policies (continued)

g) Inter-entity Transactions

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

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

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

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

h) Donated Services

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

i) Short-Term Debt

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

j) Financial Instruments

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

The following is a list of the Corporation's financial instruments and their related measurement basis as at March 31, 2026.

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

2. Significant Accounting Policies (continued)

j) Financial Instruments (continued)

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

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

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

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

k) Contingent Liabilities

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

l) Pensions

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

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

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

m) Employee Future Benefits Other Than Pensions

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

2. Significant Accounting Policies (continued)

n) Asset Retirement Obligation

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

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

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

o) Use of Estimates and Measurement Uncertainty

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

3. Inventory

	2026 $	2025 $
Operating Room	**1,558**	1,557
Pharmacy	**1,484**	1,405
Material Management	**1,003**	920
Laboratory	**764**	408
Total Inventory	**4,809**	4,290

4. Restricted Funds

Included in cash are the following amounts:

	2026 $	2025 $
Externally restricted – capital	**436**	295
Externally restricted – other	**224**	221
	660	516

a) Externally Restricted for Capital

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

	2026 $	2025 $
Balance, beginning of year	**295**	322
Contributions received during the year	**141**	137
Amounts used for capital purchases during the year	**-**	(164)
Balance, end of year	**436**	295

b) Externally Restricted for Other

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

	2026 $	2025 $
Balance, beginning of year	**221**	263
Contributions received during the year	**88**	26
Amounts disbursed during the year	**(85)**	(68)
Balance, end of year	**224**	221

5. Pension Costs and Obligations

The Corporation sponsors a defined benefit pension plan. The Corporation contributes amounts as prescribed by an independent actuary. Effective January 1, 2015 changes to the pension plan outlined below divides the Corporation's employees into two groups. In calendar 2026, Group 1 members were required to contribute to the plan at a rate of 5.90% (calendar 2025 – 6.00%) of annualized earnings up to the Year's Maximum Pensionable Earnings ("YMPE") plus 7.90% (calendar 2025 – 8.00%) of annualized earnings in excess of YMPE. Group 2 members were required to contribute to the plan at a rate of 4.80% (calendar 2025 – 4.90%) of annualized earnings up to the YMPE plus 6.80% (calendar 2025 – 6.90%) of annualized earnings in excess of YMPE.

A separate pension fund is maintained to hold plan assets. The Corporation has contracted with external organizations to provide trustee and investment management services for the fund. Pension fund assets are invested in balanced pooled funds of the investment manager. The market value of plan assets was $220,218 as at March 31, 2026 (2025 - $210,770).

An actuarial valuation for accounting purposes was performed as at December 31, 2025 using the projected benefits method prorated on services to March 31, 2026. The actuarial valuation included services rendered by members under the Yukon Hospital Corporation Employees' Pension Plan since the inception of the plan in 1993, as well as service credits in respect of pre-1993 service transferred to the Yukon Hospital Corporation Employees' Pension Plan from the Public Service Pension Plan under the Special Reciprocal Transfer Agreement dated June 1995. The next actuarial valuation for accounting purposes will be performed as at March 31, 2027.

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

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

5. Pension Costs and Obligations (continued)

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

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

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

	2026	2025
Weighted Average Assumptions for Net Period Pension Cost for Fiscal Year		
Discount rate	**6.75%**	6.75%
Expected long-term rate of return on plan assets	**6.75%**	6.75%
Rate of compensation increase (exclusive of seniority, merit)	**2.50%**	2.50%
Expected average remaining service lifetime (EARSL)	**9.3**	9.3
Inflation rate	**2.00%**	2.00%

	2026	2025
Weighted Average Assumptions for Benefit Obligation at Fiscal Year		
Discount rate	**6.75%**	6.75%
Rate of compensation increase (exclusive of seniority, merit)	**2.50%**	2.50%
Expected average remaining service lifetime (EARSL)	**9.3**	9.3

As at March 31, 2026, pension fund assets are valued at market value. No adjustment is made for benefits payable or contributions receivable.

	2026 $	2025 $
Change in Accrued Benefit Obligation		
Accrued benefit obligation, beginning of year	**131,177**	122,937
Current period benefit cost (employee and employer), excludes provision for non-investment expenses	**5,522**	5,104
Transfers in/service buybacks	**309**	-
Interest cost	**8,780**	8,277
Benefits paid	**(8,043)**	(5,745)
Actuarial losses	**1,403**	604
Accrued benefit obligation, end of year	**139,148**	131,177

5. Pension Costs and Obligations (continued)

Change in Plan Assets	2026 $	2025 $
Fair value of plan assets, beginning of year	**210,770**	198,197
Actual return on plan assets	**18,054**	16,309
Employer contributions	**45**	439
Employee contributions	**74**	2,125
Transfers in/service buybacks	**309**	-
Benefits paid	**(8,043)**	(5,745)
Actual plan expenses	**(991)**	(555)
Fair value of plan assets, end of year	**220,218**	210,770

Reconciliation of Funded Status		
Accrued benefit obligation	**139,148**	131,177
Fair value of plan assets	**(220,218)**	(210,770)
Funded surplus	**(81,070)**	(79,593)
Unamortized actuarial gains	**9,166**	7,350
Accrued pension benefit asset	**(71,904)**	(72,243)

Pension Benefits Cost	2026	2025
Current period benefit cost, includes provision for non-investment expenses	**6,002**	5,169
Amortization of actuarial (losses)	**(387)**	(374)
Employee contributions	**(74)**	(2,125)
Benefit expense	**5,541**	2,670
Interest on expected average accrued benefit obligation	**8,780**	8,277
Expected return on plan assets	**(13,937)**	(13,252)
Pension benefits cost	**384**	(2,305)

As at December 31, 2025 the pension plan had a solvency surplus of $39,204 (December 31, 2024 – surplus of $22,468) if valued on the basis that the pension plan were terminated/wound up as at December 31, 2025. The solvency ratio of the plan is 120% (111% in 2024). In accordance with the *Pension Benefits Standards Act, 1985*, the Corporation is required to make special payments when applicable to address the pension solvency requirements. The Corporation is permitted to cover up to a specified maximum with a conforming letter of credit. As at March 31, 2026 the Corporation has a conforming letter of credit totaling $15,366 (2025 - $19,450). Starting June 1, 2024, the Corporation has taken a contribution holiday in accordance with the Federal *Income Tax Act.*

Yukon Hospital Corporation
Notes to the Consolidated Financial Statements
March 31, 2026
(in thousands of dollars)

6. Capital Assets

	Land	Land Improvements	Buildings	Building Improvements	Equipment & Vehicles	Computer Hardware & Systems Development	Construction & Work In Progress	2026 Total	2025 Total
	$	$	$	$	$	$	$	$	$
Cost, beginning of year	1,751	1,651	195,091	7,615	31,418	26,288	29,942	293,756	279,745
Acquisitions	-	-	3,652	300	1,751	124	1,056	6,883	14,159
Disposals	-	-	-	-	(956)	(27)	-	(983)	(148)
Transfers	-	-	28,361	94	759		(29,214)	-	-
Cost, end of year	1,751	1,651	227,104	8,009	32,972	26,385	1,784	299,656	293,756
Accumulated amortization, beginning of year	-	1,112	79,536	4,771	23,531	13,194	-	122,144	112,586
Amortization expense	-	122	5,220	532	2,218	1,979	-	10,071	9,706
Disposals	-	-	-	-	(904)	(27)	-	(931)	(148)
Accumulated amortization, end of year	-	1,234	84,756	5,303	24,845	15,146	-	131,284	122,144
Net book value	1,751	417	142,348	2,706	8,127	11,239	1,784	168,372	171,612

7. Contributions Receivable

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

	Commitment	Principal Payment	Total
	$	$	$
March 31, 2026			
Crocus Ridge building	3,908	(1,235)	2,673
Watson Lake Hospital	3,201	(1,794)	1,407
Dawson City Hospital	3,700	(1,200)	2,500
Pension solvency and Letter of Credit interest	2,994	(975)	2,019
	13,803	(5,204)	8,599
Short-term contributions receivable			4,936
Long-term contributions receivable			3,663
			8,599

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

8. Short-Term Debt

	2026 $	2025 $
Demand term installment loan with CIBC with interest calculated at Bankers' Acceptance with stamping fees calculated at 85 bps per annum exchanged for fixed rate by way of interest rate swap fixed at 5.15% per annum for the Watson Lake Hospital construction project. Blended payments of $160 due monthly beginning on December 30, 2011 with the final payment due on December 31, 2026.	**1,407**	3,201
Demand term installment loan with CIBC with interest calculated at Bankers' Acceptance with stamping fees calculated at 85 bps per annum exchanged for fixed rate by way of interest rate swap fixed at 4.525% per annum for the Dawson City Hospital construction project. Principal payments of $100 due monthly beginning on May 1, 2013 with the final payment due on April 1, 2028.	**2,500**	3,700
Demand term installment loan with CIBC with interest calculated at Bankers' Acceptance with stamping fees calculated at 85 bps per annum exchanged for a fixed rate by way of interest rate swap fixed at 5.23% per annum for the Crocus Ridge construction project. Blended payments of $117 due monthly beginning December 15, 2010 with the final payment due on March 15, 2028.	**2,673**	3,908
Demand term installment loan with CIBC with interest calculated at Bankers' Acceptance with stamping fees calculated at 80 bps per annum exchanged for a fixed rate by way of interest rate swap fixed at 5.30% per annum for the Pension solvency and Letter of Credit interest. Blended payments of $93 due monthly beginning March 31, 2023 with the final payment due on February 28, 2028.	**2,019**	2,994
	8,599	13,803

8. Short-Term Debt (continued)

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

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

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

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

	$
2027	4,937
2028	3,562
2029	100
2030 and thereafter	-
	8,599

In addition to its repayment schedule, the demand term instalment loans with CIBC require that the Corporation exchange the variable interest payment with a fixed interest payment. Under these agreements, the Corporation exchanged with CIBC $371 (2025 - $738) of variable interest payments representing an average variable rate of 3.31% (2025 – 4.53%) to a fixed interest payment of $575 (2025 - $834), representing an average fixed rate of 5.14% (2025 – 5.12%). These exchanges were made on a net cash basis.

9. Deferred Revenue

The balance of $249 (2025 - $264) includes $234 in restricted contributions related to the Yukon Hospital Foundation and $15 in other externally restricted funds from the Corporation's liability insurer (HIROC).

10. Employee Future Benefits Other Than Pensions

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

	2026 **$**	**2025** **$**
Severance	**3,033**	2,606
Sick leave	**919**	817
Less: short-term portion (included in accrued payroll and benefits)	**(585)**	(623)
	3,367	2,800

11. Deferred Capital Contributions

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

	2026 **$**	**2025** **$**
Balance, beginning of year	**169,335**	166,260
Restricted Government of Yukon contributions	**8,981**	11,739
Restricted non-government contributions	**-**	29
Amount amortized to revenue	**(9,058)**	(8,693)
Balance, end of year	**169,258**	169,335

12. Asset Retirement Obligation

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

1) Asbestos liability

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

12. Asset Retirement Obligation (continued)

have been discounted to the present value using a discount rate of 3.50% (2025 – 3.50%) per annum, to be incurred over the remaining estimated useful life of the buildings.

2) Fuel tanks liability

The Corporation has recognized asset retirement obligations for its fuel tanks, allocated to buildings, at the Whitehorse General Hospital site. Asset retirement activities for the fuel tanks may include decommissioning or dismantling the tanks, remediation of contamination from their normal use, and post-retirement monitoring. Following the adoption of PS 3280 – *Asset Retirement Obligations*, the Corporation estimates and recognizes an obligation relating to the removal and post-removal care of the fuel tanks. The fuel tanks have an estimated remaining useful life of 9 years. Estimated costs have been discounted to the present value using a discount rate of 3.50% (2025 – 3.50%) per annum, to be incurred over the remaining estimated useful life of the fuel tanks.

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

	Asbestos	***Fuel Tanks***	***2026***
	$	**$**	**$**
Opening balance,	943	239	1,182
Change in estimate	(18)	(5)	(23)
ARO accretion	33	8	41
Closing balance	**958**	**242**	**1,200**

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

The undiscounted asset retirement obligation adjusted for inflation is $1,200 (2025 – $1,182).

13. Investment in Capital Assets

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

	2026 $	2025 $
Capital assets (note 6)	**168,372**	171,612
Amounts financed by deferred capital contributions (net of unexpended externally restricted contributions)	**(168,823)**	(169,041)
	(451)	2,571

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

b) Change in amortization

	2026 $	2025 $
Amortization of deferred capital contributions	**9,058**	8,693
Amortization of capital assets	**(10,071)**	(9,706)
	(1,013)	(1,013)

c) Net change in invested capital assets

	2026 $	2025 $
Purchase of capital assets (net of contributed land)	**6,883**	14,159
Amounts funded by deferred capital contributions	**(8,840)**	(11,796)
Disposal of capital assets (net of accumulated amortization)	**(52)**	-
	(2,009)	2,363

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

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

13. Investment in Capital Assets (continued)

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

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

The Corporation did not receive any contributed equipment in fiscal 2026 (2025 - $0).

14. First Nations Health Program

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

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

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

	2026 $	2025 $
Revenues		
Government of Yukon contribution (note 16)	**1,712**	1,500
Government of Yukon – Other (note 16)	**194**	79
Interest	**19**	19
Other	**12**	203
	1,937	1,801
Expenses		
Payroll	**1,545**	1,465
Sundry	**133**	153
Material and supplies	**33**	26
Travel	**24**	24
Equipment	**11**	14

14. First Nations Health Program (continued)

Honorariums	**11**	8
Amortization	**7**	2
Contracted Services	**4**	0
	1,768	1,692
Surplus (deficit) of revenues over expenses	**169**	109
Opening (deficit) surplus	**81**	(28)
Net surplus (deficit), restricted for FNHP	**250**	81

15. Other Expenses

	2026 $	2025 $
Software maintenance	**2,429**	2,015
Bad debt	**1,524**	816
Property tax	**1,497**	1,461
Communications	**1,216**	817
Delivery/courier/taxi	**1,132**	1,162
Legal and professional fees	**995**	776
Conference fees/travel	**854**	702
Insurance	**619**	572
Recruitment and relocation	**531**	416
Membership fees	**352**	330
Miscellaneous	**245**	411
Honorariums	**117**	114
Advertising	**60**	80
	11,571	9,672

16. Related Party Transactions

	2026 $	2025 $
Government of Yukon contribution		
Basic funding	**132,392**	115,319
First Nations Health Program (note 14)	**1,712**	1,500
Total basic funding	**134,104**	116,819
Other – Forgiveness of short-term debt (note 8)	**-**	3,898
Other	**2,776**	3,679
Other – First Nations Health Program (note 14)	**194**	79
Total Government of Yukon contribution	**137,074**	124,475

The 2026 Government of Yukon contribution includes $132 (2025 - $93) of flow-through funding provided to the Foundation.

16. Related Party Transactions (continued)

	2026 $	2025 $
Other government contracts		
Government Service contracts	**811**	800
Cost recovery arrangement	**2,146**	2,316
Total other government contracts	**2,957**	3,116

In fiscal 2026, the Corporation held various service contracts relating to the provision of food, laundry and housekeeping services with Government of Yukon. The revenue recognized from these agreements is included in Other government contracts in the Consolidated Statement of Operations.

In compliance with the agreement outlined in Appendix H of the 1994 Whitehorse General Hospital Transfer Agreement between the Corporation, the Government of Yukon and the Government of Canada (Appendix H), the Corporation provided goods in the amount of $2,146 (2025 - $2,316) to related parties which includes a 15% administration charge on material management supplies purchased in excess of $80. The Corporation recovered only the cost of goods of $1,847 (2025 - $2,085). As this is a cost recovery arrangement, the revenues and cost of sales have been reported on a gross basis.

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

Appendix H outlines Whitehorse General Hospital's obligation to provide residual services to Yukon communities at no charge. The total cost of providing these services for 2026 was $769 (2025 - $760).

Other Related Party Transactions
In addition to those related party transactions disclosed elsewhere in these consolidated financial statements (notes 4, 7, 8, 9, 11, 13 and 14) the Corporation entered into the following transactions with related entities on similar terms and conditions as entities at arm's length.

As at March 31, 2026 there were $624 (2025 - $323) of accounts payable and accrued liabilities and $2,041 (2025 - $10,224) of accounts receivable related to the Government of Yukon.

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

16. Related Party Transactions (continued)

The transaction was recorded at fair value. The Corporation agreed that it may transfer part of the old building back to the Government of Yukon at the request of, and subject to any conditions imposed by the Government of Yukon. In addition, the Corporation may be required to grant to the Government of Yukon a lease on such terms as the Government of Yukon may require. No transfers were made back to Government of Yukon in fiscal 2026.

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

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

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

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

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

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

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

16. Related Party Transactions (continued)

Details of the leases are outlined as follows:

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

17. Contractual Obligations and Contingencies

Contingencies

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

Contractual Obligations

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

	$
2027	14,205
2028	5,185
2029	1,672
2030	661
2031 and thereafter	778
	22,501

Contractual obligations fall under the following major categories: capital projects, medical and other equipment service agreements, software maintenance agreements, and professional/service level agreements. Contractual commitments over the next 5 years for capital projects and for the other categories of contracts are $1,530 (2025 - $3,053), $20,971 (2025 - $27,939) respectively.

18. Financial Risks

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

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

a) Credit Risk

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

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

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

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

18. Financial Risks(continued)

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

	2026 $	2025 $
Government of Yukon	**2,041**	10,224
Consumers	**830**	1,242
Other governments	**752**	820
Other	**786**	530
	4,409	12,816

The Corporation's accounts receivable has a carrying value of $4,409 as at March 31, 2026 (2025 - $12,816). As at March 31, 2026, approximately 54% (2025 - 23%) of accounts receivable were over 90 days past due, whereas 12% (2025 – 6%) was between 31 – 90 days and 34% (2025 – 71%) were current or less than 30 days past due. The Corporation's allowance for doubtful accounts is $2,634 as at March 31, 2026 (2025 - $1,161).

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

b) Liquidity Risk

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

The liquidity risk arises from the financial liabilities consisting of accounts payable and accrued liabilities, accrued payroll and benefits, short-term debt and long-term debt. The Corporation's accounts payable and accrued liabilities had a carrying value of $12,919 as at March 31, 2026 (2025 - $18,031). As at March 31, 2026, approximately 1% (2025 – 8%) of accounts payable were over 90 days past due, whereas 55% (2025 – 33%) were current or less than 30 days past due. The Corporation's accrued payroll and benefits has a carrying value of $9,682 as at March 31, 2026 (2025 – $5,841) and is payable in the next fiscal year.

The Corporation's short-term debt has remaining undiscounted contractual cash flows of $9,008 as at March 31, 2026 (2025 - $14,787) and may be repayable in the next fiscal year.
The Government of Yukon has committed the funds to repay the short-term debt owed to third parties (note 7).

18. Financial Risks(continued)

c) Market Risk

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

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

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

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

19. Capital Management

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

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

19. Capital Management (continued)

The Corporation defines and computes its capital as follows:

	2026 $	2025 $
Restricted for capital purchases, internal	**541**	850
Restricted for pension	**71,904**	72,243
Unrestricted	**655**	(3,882)
	73,100	69,211

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YUKON HOUSING CORPORATION

FINANCIAL STATEMENTS

March 31, 2026

(audited)

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Yukon

Yukon Housing Corporation
PO Box 2703 (Y-1), Whitehorse, Yukon Y1A 2C6

Management's Responsibility for Financial Reporting

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The integrity and objectivity of the data in these financial statements are management's responsibility.

Management is responsible for developing and maintaining books of account, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the reliability of financial information; that assets are safeguarded and controlled; and that transactions are in accordance with the *Financial Administration Act* as well as the *Housing Corporation Act* and the bylaws of the Yukon Housing Corporation (the Corporation).

The Board of Directors (the Board) is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board exercises its responsibility through the Finance and Audit and Risk Management Committee, which meets on a periodic basis with management and the independent external auditor to review the manner in which these groups are performing their responsibilities and to discuss auditing, internal controls and other relevant financial matters. The Board of Directors reviews the audited financial statements with the external auditor before their approval.

The Corporation's external auditor, the Auditor General of Canada, is responsible for auditing the financial statements and issuing her report thereon which is included with the audited financial statements. The Auditor General of Canada addresses her report to the Minister responsible for the Yukon Housing Corporation.

Samantha Paterson
President

Daniel Jirousek
Director, Finance and Risk Management

September 8, 2026

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

INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Yukon Housing Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Yukon Housing Corporation (the Corporation), which comprise the statement of financial position as at 31 March 2026, and the statement of operations and accumulated surplus, statement of change in net debt and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 March 2026, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Report on Compliance with Specified Authorities

Opinion

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

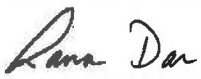
In our opinion, the transactions of the Yukon Housing Corporation that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Housing Corporation Act*, we report that, in our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

Responsibilities of Management for Compliance with Specified Authorities

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

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

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



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

Vancouver, Canada
8 September 2026

Yukon

Yukon Housing Corporation
Statement of Financial Position
as at March 31, 2026

	2026	2025
	(thousands of dollars)	
Financial assets		
Cash (Note 3)	$ 20,978	$ 19,653
Accounts receivable (Notes 4 and 21)	7,427	6,458
Mortgages and loans receivable (Notes 5 and 21)	22,118	25,755
	50,523	51,866
Liabilities		
Accounts payable and accrued liabilities (Note 21)	10,879	5,810
Environmental liability (Note 6)	1,145	1,554
Asset retirement obligation (Note 20)	8,568	8,957
Due to the Government of Yukon (Notes 15(a) and 21)	953	119
Deferred revenue (Note 7)	12,228	15,096
Long-term debt (Notes 8 and 21)	3,170	8,514
Post-employment benefits (Note 9)	2,873	2,605
Advances - Government of Yukon (Note 11)	20,971	20,551
	60,787	63,206
Net debt	**(10,264)**	**(11,340)**
Non-financial assets		
Tangible capital assets (Note 12 and Schedule B)	157,408	137,615
Prepaid expenses and inventories held for use (Note 19)	3,368	3,581
	160,776	141,196
Accumulated surplus	**$ 150,512**	**$ 129,856**

Contractual obligations and contingencies (Note 16)
Contractual rights (Note 17)

Approved by the Board of Directors

Director

Director

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

Yukon

Yukon Housing Corporation
Statement of Operations and Accumulated Surplus
for the year ended March 31, 2026

	2026		2025
	Main Estimates (Note 1(c))	Actual	Actual
	(thousands of dollars)		
Revenues			
Rental and related client services income (Note 13)	$ 8,641	$ 9,397	$ 9,350
Funding from Canada Mortgage and Housing Corporation			
- National Housing Strategy	7,188	8,105	6,758
- Northern Carve Out	9,211	5,593	6,269
- Social Housing Agreement	2,250	2,250	2,754
- Permanent Affordable Housing	2,000	1,000	4,000
- Housing Needs Assessment Guide	-	50	-
- Yukon First Nations - Multi-unit Residential Building Workshop	-	3	111
- National Housing Co-Investment	750	-	-
- Investment in Affordable Housing	-	-	28
Interest income	1,568	1,760	2,779
Other	20	1,133	656
Tenant damage charge back recovery	60	51	50
	31,688	29,342	32,755
Expenses (Schedule A and Note 14)			
Tenancy support	13,655	14,167	12,154
Building operations and maintenance	17,596	17,839	17,387
Lending and grant support	8,644	8,671	20,094
General administration	5,295	5,579	5,753
	45,190	46,256	55,388
Deficit for the year before government funding	**(13,502)**	**(16,914)**	**(22,633)**
Government of Yukon funding			
Capital transfer revenue	36,148	24,604	31,708
Operations and maintenance transfer revenue	12,823	12,464	9,020
Rental assistance - in-kind (Note 15(b))	-	502	502
	48,971	37,570	41,230
Surplus for the year	$ 35,469	20,656	18,597
Accumulated surplus at beginning of year		129,856	111,259
Accumulated surplus at end of year		**$ 150,512**	**$ 129,856**

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

Yukon

Yukon Housing Corporation
Statement of Change in Net Debt
for the year ended March 31, 2026

	Main Estimates (Note 1(c))	2026 Actual	2025 Actual
	(thousands of dollars)		
Surplus for the year	$ 35,469	$ 20,656	$ 18,597
Effect of change in tangible capital assets			
Acquisitions	(40,235)	(24,155)	(23,142)
Change in asset retirement obligation estimate	-	509	396
Amortization of tangible capital assets	5,250	3,626	3,464
Loss on disposals of tangible capital assets	-	227	-
	(34,985)	(19,793)	(19,282)
Effect of change in other non-financial assets			
Consumption of prepaid expenses	-	289	325
Purchase of prepaid expenses	-	(192)	(185)
Consumption of inventories held for use	-	116	-
Purchase of inventories held for use	-	-	(158)
	-	213	(18)
Decrease (increase) in net debt	**$ 484**	**1,076**	**(703)**
Net debt at beginning of year		(11,340)	(10,637)
Net debt at end of year		**$ (10,264)**	**$ (11,340)**

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

Yukon

Yukon Housing Corporation
Statement of Cash Flow
for the year ended March 31, 2026

	2026	2025
	(thousands of dollars)	
Operating transactions		
Surplus for the year	$ 20,656	$ 18,597
Adjustments for non-cash items		
Funding from Canada Mortgage and Housing Corporation	(7,814)	(11,510)
Amortization of tangible capital assets (Note 12 and Schedule B)	3,626	3,464
Change in environmental liability estimate (Note 6)	274	1,854
Change in asset retirement obligation estimate (Note 20)	(97)	(67)
Accretion expense (Note 20)	313	404
Post-employment benefits expense (Note 9)	240	185
Bad debt expense	125	530
Mortgages receivable allowances / discounts (Note 5)	63	(176)
Loss on disposals of tangible capital assets (Schedule B)	227	-
	17,613	13,281
Changes in accruals of operating cash receipts or (payments)	(223)	1,075
Cash provided by operating transactions	17,390	14,356
Capital transactions		
Acquisition of tangible capital assets	(19,285)	(22,576)
Cash used for capital transactions	(19,285)	(22,576)
Investing transactions		
Issuances of mortgages receivable	(2,958)	(3,034)
Repayments of mortgages receivable	6,433	5,182
Repayments of land sales agreements receivable	-	14
Cash provided by investing transactions	3,475	2,162
Financing transactions		
Repayments of long-term debt	(255)	(249)
Repayments of land sales agreements payable	-	(14)
Cash used for financing transactions	(255)	(263)
Increase (decrease) in cash	**1,325**	**(6,321)**
Cash at beginning of year (Note 3)	19,653	25,974
Cash at end of year (Note 3)	**$ 20,978**	**$ 19,653**
Interest received in the year	$ 1,699	$ 2,383
Interest paid in the year	15	28

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

1. Authority and operations

(a) Authority

Yukon Housing Corporation (the Corporation) was established in 1972 by the *Housing Corporation Act* of Yukon to undertake, carry to completion, or assist in the provision, development, maintenance and management of housing. The Corporation is subject to the *Financial Administration Act* of Yukon. Disbursements for operations and loans are authorized by the Yukon Legislative Assembly through the *Appropriation Acts*.

(b) Mission

The mission of the Corporation is to work collaboratively to provide responsive and innovative solutions to diverse housing needs and vulnerabilities.

In carrying out its mission, the Corporation provides rental housing at below market rents to applicants who qualify for social housing. Rental income received from housing tenants is less than the associated costs of supplying these rental units. The Corporation also provides loans for the purpose of housing. The Corporation is dependent on the Government of Yukon for funding its operations.

(c) Main Estimates

The Main Estimates figures are from the Main Estimates approved by the Yukon Legislative Assembly in 2025. These figures do not reflect changes arising from the Supplementary Estimates approved later in the year by the Yukon Legislative Assembly.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards. Significant accounting policies are as follows:

(a) Funding and advances from the Government of Yukon

A funding agreement between the Corporation and the Government of Yukon authorizes the Government of Yukon to provide the Corporation with an annual operations and maintenance transfer payment and a capital transfer payment. The transfer payments are equal to the Corporation's actual net operating deficit and net capital expenditures calculated in accordance with the funding agreement and reported to the Government of Yukon in the Corporation's final Period 12 Variance Report. The transfer payments are recognized in accordance with the Corporation's policy for the recognition of government transfers (Note 2(h)). Advances provided by the Government of Yukon in excess of the transfer payments are recorded as a liability of the Corporation (Note 11).

2. Significant accounting policies (continued)

(a) Funding and advances from the Government of Yukon (continued)

The free rental of a social housing building provided by the Government of Yukon to the Corporation is recorded as rental assistance in-kind revenue and offsetting building services in-kind expenses (Note 15(b)).

(b) Cash

Cash includes cash on hand and bank balances.

(c) Mortgages and loans receivable

Mortgages receivable are recorded at amortized cost less any amount for valuation allowances.
Based on historical loss experience, management establishes a valuation allowance for impaired loans. Mortgages are classified as impaired when the Corporation no longer has reasonable assurance of timely collection of the full amount of principal and interest due. The valuation allowance adjusts a mortgage's carrying value to its net recoverable value.

Loans with concessionary terms are reviewed annually. Concessionary loans are recorded at the discounted value of the loan after the grant portion has been charged to concessionary loan discount expense. For concessionary loans, subsequent to initial valuation, the loans are carried at amortized cost using the effective interest method. The discounted value and the effective interest rate are determined using the Corporation's average borrowing rate at the date of issuance. The grant portion is calculated as the difference between the face value and the discounted value of the loan and is recorded as concessionary loans discount expense at the date of issue. The amortization of the discount would be recorded as an increase in the loan balance and an increase to interest income.

Housing industry loans are provided to private organizations and individuals as a way to finance the construction of more affordable rental units. These loans are also provided to organizations that are seeking financing to build shelters to accommodate social programs.

2. Significant accounting policies (continued)

(d) Tangible capital assets

Tangible capital assets are recorded at cost, net of accumulated amortization. Interest on loans during construction of capital assets is capitalized. Costs include all cost directly attributable to acquisition, construction, development or betterment of the tangible capital asset, including installing the asset at the location and in the condition necessary for its intended use. Cost incurred for maintenance and repairs are accounted for as expenses in the Statement of Operations and Accumulated Surplus. Assets under construction are not amortized until available for use. On an annual basis, the Corporation reassesses the useful life of their assets.

Amortization is calculated using the straight-line method, over the estimated useful lives of assets.

Social and staff housing projects:	
Standard construction	60 years
Mobile home units	40 years
Social and staff housing betterment	15 years
Office building	60 years
Other facilities	15 years
Furnishings and equipment	5 to 15 years
Vehicles	6 years
Computer systems	3 years
Leasehold improvements	remaining lease term

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide services. The write-downs are accounted for as expenses in the Statement of Operations and Accumulated Surplus.

(e) Environmental liability

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. The Corporation recognizes a provision for environmental clean-up when all of the following conditions are prevalent: an environmental standard exists; the level of contamination has been determined to exceed the environmental standard; the Corporation is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made at that time. A liability is recognized and the costs associated with the clean-up are expensed during the year when the Corporation is obligated to incur such costs. The estimate of a liability includes costs directly attributable to remediation activities. Costs would include post-remediation operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

2. Significant accounting policies (continued)

(f) Post-employment benefits

Post-employment benefits are expected to be provided to employees of the Corporation after employment but before retirement. These benefits include severance benefits and accumulated sick and vacation leave benefits that are paid in cash when employment is terminated. The Corporation recognizes the obligation for these benefits as a liability and uses an actuary to estimate the amount of the obligation. Expenses related to post-employment benefits are recognized in the period in which the employee's service is rendered and the benefit is earned. The accrued benefit liability for these benefits is calculated as the accrued benefit obligation adjusted by unamortized actuarial gains or losses. Net actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the active employees commencing with the period following the determination of the net actuarial gains or losses.

(g) Retirement benefits

All eligible employees participate in the Public Service Pension Plan (the Plan) administered by the Government of Canada. The Corporation's contribution to the Plan reflects the full cost as employer. This amount is currently based on a multiple of the employees' required contributions, and may change over time depending on the experience of the Plan. The Corporation's contributions are expensed during the year in which the services are rendered and represent the total pension obligation of the Corporation. The Corporation is not currently required to make contributions with respect to any actuarial deficiencies of the Plan.

(h) Revenue recognition

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

Interest income on mortgages is recognized using the effective interest method. When a mortgage becomes impaired, recognition of interest ceases; thereafter, interest income for impaired loans is recognized on a cash basis.

Revenues from transactions with performance obligations occur when there is an enforceable promise to transfer goods or services directly to a payor in return for promised consideration. These revenues are recognized when control of the benefits associated with the goods or services have transferred and there is no unfulfilled performance obligation. Where consideration is received from a payor prior to the provision of goods or services, these amounts are initially included in unearned revenue provided the definition of a liability is met. They are subsequently recognized as revenue as performance obligations are met. Rental and related client services income represent rent and fees charged to tenants, and consist of single performance obligations that are satisfied over time. These revenues are recognized when the services are provided in accordance with the terms of the rental agreements.

2. Significant accounting policies (continued)

(h) Revenue recognition (continued)

Transactions without performance obligations are either voluntary or involuntary. Revenue from involuntary transactions arise because the right to the economic resource is attributable to legislation based on constitutional authority or delegated constitutional authority. These revenues are recognized when the Corporation's economic resources increase without a direct transfer of goods or services to a payor.

(i) Expenses

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

(j) Asset retirement obligation

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

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

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

2. Significant accounting policies (continued)

(k) Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, contractual obligations and contingencies. By their nature, these estimates are subject to measurement uncertainty. As adjustments to these estimates become necessary, they are recorded in the financial statements in the year they become known. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant; although, at the time of preparation of these statements, the Corporation believes the estimates and assumptions to be reasonable.

Significant management estimates include: valuation of mortgages and loans receivable, valuation of accounts receivable, determination of amortization of tangible capital assets, valuation of post-employment benefits, estimation of contractual obligations and contingencies, environmental liability and asset retirement obligation.

Contingencies result from uncertain situations whose outcome depends on one or more future events. Contingent liabilities are possible liabilities which could become actual liabilities if one or more future events occur. If it is likely that an event could occur, and a reasonable estimate of the liability can be made, a provision is recognized, and the expense is recorded. If the likelihood of the event cannot be determined or if the amount involved cannot be reasonably estimated, a contingency is disclosed in the notes to the financial statements.

The estimation of the environmental liability is subject to a high degree of measurement uncertainty because the existence and extent of contamination, the responsibility for clean-up and the timing and cost of remediation cannot be reliably estimated in all circumstances. The degree of measurement uncertainty resulting from the estimation of the environmental liability cannot be reasonably determined. At the time of preparation of these financial statements, management believes the estimates and assumptions to be reasonable under the circumstances. However, the effect on the financial statements of changes to such estimates and assumptions in future periods could be significant.

The estimation of asset retirement obligation is subject to a high degree of uncertainty because the existence and extent of contamination, and the associated cost of remediation cannot be reliably estimated in all circumstances. The best estimate of an asset retirement obligation incorporates a present value technique when the cash flow required to settle or otherwise extinguish an asset retirement obligation is expected to occur over extended periods. The discount rate used reflects the Corporation's cost of borrowing associated with the estimated number of years to complete the retirement or remediation. At the time of preparation of these financial statements, management believes the estimates and assumptions to be reasonable under the circumstances. However, the effect on the financial statements of changes to such estimates and assumptions in future periods could be significant.

2. Significant accounting policies (continued)

(l) Related party transactions

The Corporation is related to all Government of Yukon departments, territorial corporations and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation. Significant transactions with related parties and balances at year-end are disclosed separately in the financial statements and notes thereto.

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions are recorded on a gross basis and are measured at the carrying amount, except for the following: when inter-entity transactions are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length, or where costs provided are recovered, they are measured at the exchange amount.

Related party transactions other than inter-entity transactions are recorded at the exchange amount.

The Corporation receives certain services provided by the Government of Yukon without charge (Note 15(b)).

(m) Financial instruments

The Corporation's financial instruments include cash, accounts receivable, due from/to the Government of Yukon, mortgages and loans receivable, accounts payable and accrued liabilities, long-term debt and advances from the Government of Yukon. The carrying value of cash, accounts receivable, accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these financial assets and liabilities.

The following is a list of the Corporation's financial instruments and their related measurement basis as at March 31, 2026.

Financial Assets	**Measurement Basis**
Cash	Cost
Accounts receivable	Cost
Mortgages and loans receivable	Amortized cost
Financial Liabilities	
Accounts payable and accrued liabilities	Cost
Due to the Government of Yukon	Cost
Advances - Government of Yukon	Cost
Long-term debt	Amortized cost

As all financial instruments are measured at cost or amortized cost, there have been no remeasurement gains or losses. Therefore, the Statement of Remeasurement Gains and Losses has been excluded from these financial statements. Financial instruments measured at amortized cost use the effective interest method.

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

3. Cash

	2026	2025
	(thousands of dollars)	
Cash		
Bank balances	$ 20,975	$ 19,650
Cash on hand	3	3
	$ 20,978	$ 19,653

4. Accounts receivable

	2026	2025
	(thousands of dollars)	
Due from Canada Mortgage and Housing Corporation		
- National Housing Strategy Agreement	$ 6,810	$ 5,837
- Social Housing Agreement	120	185
Receivable from tenants	1,087	985
Other receivables	444	445
Less: Valuation allowance for receivable from tenants	(934)	(881)
Less: Valuation allowance for other receivables	(100)	(113)
	$ 7,427	$ 6,458

Valuation allowances for tenants and other receivables are calculated based on amounts greater than 90 days.

On April 1, 2018 the Corporation entered into an agreement with CMHC to access funding under the National Housing Strategy Agreement (NHS). Under this 10 year agreement and its subsequent amendments (2019/2020 to 2027/2028), CMHC agreed to contribute up to $54,983,000 (various amounts each year) for project commitments made by the Corporation to increase access to housing, reduce housing need and achieve better housing solutions across the spectrum. Significant amendments include the addition of the Canada Housing Benefit and Canada Housing Benefit (Gender-Based Violence) Initiatives for a contribution up to $14,372,000 (2025 - $15,423,000) under the 10 year agreement. Funding amounts that lapse in a given year are subject to CMHC approval for reprofiling. Amounts not approved for reprofiling result in a reduction to the total funding available under the agreement. As at March 31, 2026 the amount receivable under the NHS is $6,810,000 (2025 - $5,837,000).

On August 14, 1998 the Corporation entered into an agreement with CMHC to access funding under the Social Housing Agreement (SHA). Under this 31 year agreement (1999/2000 to 2029/2030) CMHC agreed to contribute up to $114,379,000 for the Corporation to assume full responsibility for the management of various public housing programs specified in the SHA. As at March 31, 2026 the amount receivable under the SHA is $120,000 (2025 - $185,000).

5. Mortgages and loans receivable

	Stated interest rates	2026	2025
	%	(thousands of dollars)	
Mortgages receivable			
Home Ownership	0.00 - 6.08	$ 12,108	$ 16,417
Loans with terms up to five years, secured by registered charges against real property, repayable in blended weekly, bi-weekly or monthly payments at fixed rates of interest and with maturities up to 2031.			
Owner Build	4.05 - 5.98	2,921	3,421
Loans are advanced during the construction phase of a home for a maximum period of two years with interest of 1% below posted average five year rate of major banks. Repayment terms are up to five years, commencing upon completion of construction, secured by registered charges against real property with maturities up to 2030.			
Developer Build	0.00 - 5.60	7,131	5,583
Loans are advanced during the land and infrastructure development or construction phase of a home. Repayment terms are up to four years, commencing on the loan agreement date, secured by registered charges against real property with maturity up to 2027.			
Repair and Upgrade	0.00 - 8.20	584	749
Loans with terms up to 12 years, secured by registered charges against real property or chattel mortgages, repayable in blended weekly, bi-weekly or monthly payments at fixed rates of interest with maturities up to 2030.			
Flood Relief Initiative	0.00	110	165
Unsecured loans on residential properties to cover the costs of restoring, repairing and replacing items damaged by flooding. Maturities up to 2036.			
Yukoner First Home Program (Down Payment Support)	2.50	11	-
Loans with terms up to thirty years, secured by registered charges against real property, to provide down payment support. Repayment is due upon maturity at a fixed rate of interest. Maturities up to 2055.			

5. Mortgages and loans receivable (continued)

	Stated interest rates	2026	2025
	%	(thousands of dollars)	
Housing Industry Loans Loans with terms up to 25 years, secured by registered charges against real property or general security agreements, repayable in blended bi-weekly or monthly payments at fixed rates of interest with maturities up to 2029.	3.70 - 8.20	86	189
Subtotal mortgages and loans receivable		22,951	26,524
Less: Discount for loans receivable with concessionary terms*		(582)	(655)
Less: Allowance for impaired loans		(251)	(114)
Total mortgages and loans receivable		$ 22,118	$ 25,755

*The total remaining principal $4,354,000 (2025 - $5,761,000) is for 14 loans (2025 - 11 loans).

Mortgages and loans receivable earn interest at a weighted average rate of 4.16% (2025 - 3.71%).

6. Environmental liability

Changes in the environmental liability are as follows:

	2026	2025
	(thousands of dollars)	
Balance at beginning of year	$ 1,554	$ 754
Expenditures in current year relating to remediation	(683)	(1,054)
Revision of estimated remediation cost of existing sites	132	1,854
New sites assessed during fiscal year	142	-
Balance at end of year	$ 1,145	$ 1,554

As at March 31, 2026, the Corporation was aware of 6 sites (2025 – 5 sites) where the Corporation is obligated or is likely obligated to incur costs. During the year, remediation work was undertaken at 3 sites (2025 – one site). Estimated remediation costs for one existing site in Dawson City has been revised based on a report prepared by an independent consultant.

Notable sites within the environmental liability include:

- In 2010, it was confirmed that approximately 20,000 liters of fuel oil spilled under two of the Corporation's properties in Dawson City. Remediation work for the spill was completed and estimated future costs of $96,000 (2025 - $96,000) are for ongoing water and soil monitoring. During 2024, the Corporation identified new soil contamination on the same site during a construction project and estimated that the total cost to complete the new remediation work is $1,780,000 (2025 - $1,648,000). During the year, the Corporation has incurred remediation costs of $660,000 (2025 - $1,014,000). The estimated future costs are $172,000 (2025 - $634,000).

- During the year, the Corporation removed an underground fuel tank during the demolition of a residential property in Whitehorse. A heating fuel release was identified and accessible contaminated soil was recovered and disposed. Residual soil contamination is likely present. The Corporation incurred remediation costs of $23,000 (2025 - $nil). The estimated future costs associated with additional field investigations, reporting and regulatory closure are $119,000 (2025 - $nil). The extent of contamination, if any, is unknown, therefore no additional amount has been recorded for future expenditures associated with the remediation of potentially contaminated soil.

- In 2024, the Corporation removed some underground fuel tanks at its head office in Whitehorse. During the year, the Corporation incurred remediation expenses of $66,000 (2025 - $nil). The estimated future costs associated with additional field investigations, reporting and regulatory closure are $185,000 (2025 - $251,000).

- In 2015, a split fuel line occurred under a house owned by the Corporation in Dawson City. Approximately 800 liters of fuel leaked from the oil storage tank. The estimated future costs associated with this spill are $129,000 (2025 - $129,000).

- In 2010, a heating fuel release was identified under a residential property owned by the Corporation in Watson Lake. Accessible contaminated soil and water was recovered and disposed and residual soil contamination and groundwater is likely present. The estimated future costs associated with additional field investigations, reporting and regulatory closure are $129,000 (2025 - $129,000).

- In 2009, a diesel fuel release was identified under a residential property owned by the Corporation in Old Crow. Accessible contaminated soil was excavated and residual soil contamination is likely present. The estimated future costs associated with additional field investigations, reporting and regulatory closure are $308,000 (2025 - $308,000).

7. Deferred revenue

	2026	2025
	(thousands of dollars)	
Canada Mortgage and Housing Corporation (CMHC) funding		
- Northern Carve Out	$ 10,937	$ 11,529
- National Housing Co-Investment Fund	750	750
- National Housing Strategy	187	1,483
- Rapid Housing Initiative #3	-	1,000
- Yukon First Nations - Multi-unit Residential Building Workshop	-	3
Unearned rent	354	331
	$ 12,228	$ 15,096

Northern Carve Out pertains to funds received from CMHC for the construction of at least 85 net new housing units. During the year, the Corporation received an additional $5,000,000 in funding to be used for the construction projects on a prospective basis. The Corporation also recognized $5,593,000 (2025 - $6,269,000) of the deferred balance into revenue as the Corporation satisfied the stipulations associated with the construction projects approved by CMHC. The Corporation expects that the remaining stipulations of the agreement will be met on or before the project substantial completion dates, in fiscal year 2028.

National Housing Co-Investment Fund pertains to funds received for repairing a minimum of 50 residential units. The Corporation expects that the stipulations of the agreement will be met on or before the project completion date, in fiscal year 2027.

National Housing Strategy pertains to funds received under the multi-year National Housing Strategy Agreement (Note 4).

Rapid Housing Initiative #3 pertains to funds received from CMHC for the development of affordable multi-residential housing units. During the year, the Corporation recognized the remaining balance of $1,000,000 of the deferred balance into revenue as the Corporation satisfied the related stipulations.

Unearned rent relates to prepayments made by tenants for future months.

8. Long-term debt

	Stated interest rates	2026	2025
	%	(thousands of dollars)	
Mortgages payable to CMHC (guaranteed by the Government of Yukon)	5.00	$ 144	$ 199
Loan repayable in blended monthly payment at a fixed rate of interest and with maturity in fiscal year 2029, secured by fixed charge against a housing project with net book value of $467,000 (2025 - $497,000).			
Loans payable to CMHC (guaranteed by the Government of Yukon)	9.50	26	165
Unsecured loan repayable in blended periodic installment at a fixed rate of interest and with maturity in fiscal year 2029.			
Loans payable to the Government of Yukon	0.00	3,000	8,150
Repayable without interest in periodic instalments to fiscal year 2027.			
Total long-term debt		$ 3,170	$ 8,514

The mortgages and loans payable to CMHC bear interest at the following weighted average interest rates:

	2026	2025
Mortgages payable to CMHC	5.00%	5.00%
Loans payable to CMHC	9.50%	8.09%

The loans payable to the Government of Yukon do not bear interest. During the year, the Corporation repaid $4,950,000 (2025 - $nil) of loans payable to the Government of Yukon in substance by offsetting the amount against working capital advances otherwise receivable from the Government of Yukon (Note 11). The Corporation expects the outstanding loan payable to the Government of Yukon will be renewed upon maturity.

Principal repayments required over the next five years are as follows:

	Mortgages Payable	Loans Payable CMHC	Loans Payable Government of Yukon	Total
	(thousands of dollars)			
2027	58	11	3,000	$ 3,069
2028	61	12	-	73
2029	25	3	-	28
2030	-	-	-	-
2031	-	-	-	-
Thereafter	-	-	-	-
Total	$ 144	$ 26	$ 3,000	$ 3,170

9. Post-employment benefits

The Corporation provides post-employment benefits to its employees based on years of service and salary. These benefits consist of severance benefits and unused sick and vacation leave.

The actuarial obligation for sick and vacation leave and severance benefits is calculated using the projected benefit method prorated on service. Post-employment benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation. Benefits will be paid from future appropriations or other sources of revenue.

The results measured at March 31 are summarized as follows:

	2026	2025
	(thousands of dollars)	
Accrued benefit liability, beginning of year	$ 2,605	$ 2,230
Payment to (from) Government departments for staff transfers	116	332
Add: Post-employment benefits expenses		
Current service costs	220	186
Interest on accrued benefit liability	83	81
Amortization of net actuarial (gains) losses	(63)	(82)
Less: Benefits paid during the year	(88)	(142)
Accrued benefit liability, end of year	2,873	2,605
Unamortized net actuarial gain	(324)	(348)
Accrued benefit obligation, end of year	$ 2,549	$ 2,257

The significant actuarial assumptions were:

	2026	2025
Discount rate	4.00%	3.50%
Inflation	2.00%	2.00%
Expected average remaining service life of active employees	13.7 years	11.8 years
Seniority and Promotional Salary Increases - based on the annual rates from the Public Service Pension Plan	March 31, 2023 valuation report	March 31, 2020 valuation report

The most recent actuarial valuation made for these post-employment benefits was extrapolated to March 31, 2026 based on census data at December 31, 2025. The next required valuation with updated census would be as of March 31, 2029.

Included in the total accrued benefit obligation at March 31, 2026 are vacation leave of $836,000 (2025 - $777,000) and accumulated sick leave of $531,000 (2025 - $457,000).

The post-employment benefit expense for the financial year is $240,000 (2025 - $185,000).

10. Retirement benefits

Substantially all of the employees of the Corporation are covered by the Public Service Pension Plan (the Plan), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The general contribution effective at year end was $1.01 (2025 - $1.01) for every dollar contributed by the employee, and $5.04 (2025 - $5.09) for every dollar contributed by the employee for the portion of the employee's salary above $220,000 (2025 - $210,200). For new employees who are participating in the Plan on or after January 1, 2013, the Corporation contributes $1.00 (2025 - $1.00) for every dollar contributed by the employee, and $5.04 (2025 - $5.09) for every dollar contributed by the employee for the portion of the employee's salary above $220,000 (2025 - $210,200).

Contributions during the year were as follows:

	2026	2025
	(thousands of dollars)	
Employer's contribution	$ 739	$ 728
Employees' contribution	715	713

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

11. Advances - Government of Yukon

Advances from the Government of Yukon represent a series of working capital advances by the Government of Yukon to the Corporation. These advances are repayable on demand and without interest.

	2026	2025
	(thousands of dollars)	
Balance at beginning of year	$ 20,551	$ 17,999
Cash advanced during the year	32,538	43,280
Non-cash settlement of loan payable to the Government of Yukon	4,950	-
Operations and maintenance transfer payment	(12,464)	(9,020)
Capital transfer payment	(24,604)	(31,708)
	420	2,552
Balance at end of year	$ 20,971	$ 20,551

From time to time, the Corporation repays in substance by requesting less cash than what was approved in the operating and capital transfer payments from the Government of Yukon. As a result, this repayment and the corresponding portion of these transfer payments are non-cash transactions.

During the year, the Corporation had an increase of $4,950,000 (2025 - $0) in the advances from the Government of Yukon by the way of a non-cash settlement of a loan payable to the Government of Yukon (Note 8).

12. Tangible capital assets

	Cost	Accumulated Amortization	2026 Net Book Value	2025 Net Book Value
			(thousands of dollars)	
Land	$ 6,026	$ -	$ 6,026	$ 5,989
Social housing	207,241	64,340	142,901	122,821
Staff housing	23,516	16,730	6,786	6,803
Office building	2,041	1,814	227	269
Other facilities	504	504	-	118
Furnishings and equipment	4,308	2,939	1,369	1,615
Computer systems	394	295	99	-
(Schedule B)	$ 244,030	$ 86,622	$ 157,408	$ 137,615

At March 31, 2026, there were construction projects in progress in the amount of $34,388,000 (2025 - $10,269,000). There was no interest incurred for the construction of tangible capital assets in the current year or previous year.

13. Rental and related client services income

	2026	2025
	(thousands of dollars)	
Rental income	$ 8,630	$ 8,701
Related client services income	767	649
	$ 9,397	$ 9,350

14. Expenses by object

	2026	2025
	(thousands of dollars)	
Transfer payments	$ 10,843	$ 21,642
Personnel, training and post-employment benefits	10,421	10,048
Repairs and maintenance	8,436	6,518
Property taxes and utilities	6,450	5,769
Amortization	3,626	3,464
Housing costs - leased properties	3,905	3,462
Materials, supplies and services	1,352	3,035
Other	499	607
Communication and transportation	396	411
Accretion expense	313	404
Interest on long-term debt	15	28
	$ 46,256	$ 55,388

15. Related party transactions and balances

In addition to those related party transactions disclosed elsewhere in these financial statements (Notes 8, 11 and 17), the Corporation enters into the following transactions with related entities in the normal course of business.

(a) Due to the Government of Yukon

	2026	2025
	(thousands of dollars)	
Accounts payable	$ (1,234)	$ (1,350)
Accounts receivable	281	511
Amount due re: Canada - Yukon Low Carbon Economy Fund	433	1,153
Less: Valuation allowance re: Canada - Yukon Low Carbon Economy Fund	(433)	(433)
Net amount due to the Government of Yukon	$ (953)	$ (119)

Receivables from the Government of Yukon are assessed on an individual basis and valuation allowance is calculated based on the expectation of collection.

(b) Other transactions

The value of administrative services provided by the Government of Yukon to the Corporation is estimated in 2026 to be $49,000 (2025 - $47,000). The value of territorial agent services provided by the Corporation to the Government of Yukon for 2026 is estimated to be $198,000 (2025 - $175,000). These services are provided without charge and not recorded in the financial statements.

15. Related party transactions and balances (continued)

The employees of the Corporation are paid by the Government of Yukon. During 2026, the Government charged the Corporation $10,195,000 (2025 - $10,943,000) for personnel expenses (Note 14 and Schedule A). These charges are recorded at the exchange amount.

In 2008, the Corporation entered into an agreement with the Government of Yukon for the use of a 48 unit seniors' social housing constructed as part of the Athletes' Village in Whitehorse. The Corporation is responsible for the operation and maintenance of the facility. The value of services provided without charge, relating to the use of this building by the Corporation, is estimated in 2026 to be $502,000 (2025 - $502,000) based on the Government of Yukon's amortization expense.

During 2025 and 2026, the Corporation acted as an agent in administering funding of $144,000 and $461,000, respectively, received from the Federal Ministry of Infrastructure and Communities. The Corporation flowed the funding through to the Government of Yukon in 2026. This flow through arrangement has been excluded from revenue and expenses on the Statement of Operations and Accumulated Surplus.

From time to time, the Corporation enters into arrangements with the Government of Yukon for the use of their buildings. The Government of Yukon uses the buildings to provide housing with supports and programming. The Corporation does not charge rent but instead charges the Government of Yukon for operation and maintenance costs. In 2026, the Corporation charged $55,000 (2025 - $101,000).

During 2026, the Corporation was charged $401,000 (2025 - $626,000) by the Government of Yukon for information technology support services, legal services, office rental, office supplies, computer software licensing, vehicle rental services and other upgrades. These charges are recorded at the exchange amount.

16. Contractual obligations and contingencies

	2026-2027	2027-2028	2028-2029	2030 and subsequent years
	(thousands of dollars)			
Outstanding contractual obligations to complete the funding of mortgages receivable at end of year	$ 46	$ -	$ -	$ -
Outstanding contractual obligations to complete agreements and contract commitments at end of year	33,285	1,374	1,341	22,247
Annual subsidies to private social housing organizations	449	414	114	-
	$ 33,780	$ 1,788	$ 1,455	$ 22,247

The outstanding contractual obligations include $26,185,000 (2025- $27,327,000) for the supportive services under a prepaid lease agreement (Note 19) as well as the lease of 16 units and related supportive services in a senior supporting living facility. These lease agreements expire in November 2042 and in July 2043 respectively. The outstanding contractual obligations also include $556,000 (2025-$nil) for the lease of 10 additional units and related supportive services in a senior supporting living facility. This lease expires in March 2027. Key assumptions used in estimating the amount of the contractual obligation include the inflation rate of 2% (2025 - 2%) and an occupancy rate of 100% (2025 - 100%).

16. Contractual obligations and contingencies (continued)

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

Pursuant to an agreement signed with CMHC in 1998, the Corporation is liable for a mortgage payable by the Whitehorse Housing Co-operative Association Limited (the Co-operative) in the event of a default. The amount payable as at March 31, 2026 was $116,000 (2025 - $149,000). Subsequent to year-end, the Co-operative repaid the mortgage in full, thereby reducing the Corporation's contingent liability to nil.

In 2022, the Corporation acted as an agent when it received $5,000,000 from CMHC. If Safe At Home Society is unable to operate and maintain these housing units for 20 years, the Corporation, in consultation with CMHC, would need to determine an appropriate course of action to ensure the Corporation's adherence to any potential obligation arising from this flow through arrangement.

17. Contractual rights

The Corporation has contractual rights for the following payments subsequent to March 31, 2026:

	Expiry Date	2026-27	2028-2030	Total
		(thousands of dollars)		
CMHC Social Housing Agreement	2030	$ 1,206	$ 1,820	$ 3,026
CMHC Bilateral Agreement				
CMHC Canada Housing Benefit (Gender-Based Violence)	2028	1,319	1,320	2,639
CMHC Northern Housing	2028	2,400	2,400	4,800
CMHC Canada Community Housing	2028	2,963	3,201	6,164
CMHC Yukon Priorities Housing	2027	432	-	432
CMHC Canada Housing Benefit	2028	1,379	1,446	2,825
Office space lease				
Government of Yukon	2027	96	-	96
Other	2028	12	12	24
		$ 9,807	$ 10,199	$ 20,006

18. Bad debts write-offs

Section 14(4) of the *Financial Administration Act* of Yukon requires accounts written off during the fiscal year to be reported in the Public Accounts of Yukon. Bad debts written off during the current year and past four years are as follows:

Year	Amount
2026	$ 36,291
2025	-
2024	207,334
2023	35,527
2022	190,534

19. Prepaid expenses and inventories held for use

	2026	2025
	(thousands of dollars)	
Prepaid Expenses		
- Prepaid Lease	$ 2,917	$ 3,092
- Other	409	331
Inventories held for use	42	158
	$ 3,368	$ 3,581

During the year ended March 31, 2023, the Corporation prepaid $3,500,000 to lease 10 units for the next twenty years in the Normandy Manor development project. The lease started in December 2022, when the building construction was completed, and expires in November 2042.

20. Asset retirement obligation

The Corporation owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. The asset retirement obligation accretion expense will be incurred over the estimated number of years to complete the retirement or remediation. Post-closure care is estimated to extend for up to a year post the closure of the building, while demolition and construction continues. Estimated undiscounted costs of $17,574,000 (2025 - $17,604,000) have been discounted to present value using a discount rate of 4.0% (2025 - 3.5%) per annum.

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

	2026	2025
	(thousands of dollars)	
Opening balance	$ 8,957	$ 8,992
Accretion expense	313	404
Liabilities incurred	-	24
Liabilities settled	(96)	-
Change in estimate	(606)	(463)
Closing balance	$ 8,568	$ 8,957

21. Financial instruments

The Corporation has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk. The following analysis provides a measurement of those risks as at March 31, 2026.

a) Credit Risk

Credit risk is the risk of a financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks mainly arise from certain financial assets held by the Corporation consisting of cash, accounts receivable, due from the Government of Yukon, and mortgages and loans receivable.

Cash

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

Accounts receivable

The Corporation's exposure to credit risk associated with accounts receivable particularly due from CMHC and other receivables is considered low as these receivables are due from federal, territorial and First Nation governments. The Corporation is also exposed to credit risk through CMHC indemnifications as in the event of a loan or contribution default, the Corporation is required to rectify the default or fully reimburse CMHC for approved and paid claims. The Corporation mitigates this risk by continuing operation and assuming the loan/contribution obligation.

The Corporation's exposure to credit risk associated with accounts receivable from tenants is assessed as high due to the transient nature of tenants. The Corporation mitigates this risk by keeping records of outstanding accounts where a returning tenant with outstanding account has to settle the amount owed to the Corporation before they are allowed to receive housing benefits.

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

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

	2026	2025
	(thousands of dollars)	
Due from Canada Mortgage and Housing Corporation (Note 4)	$ 6,930	$ 6,022
Receivable from tenants (Note 4)	153	104
Other receivables (Note 4)	344	332
Accounts Receivable	$ 7,427	$ 6,458

21. Financial instruments (continued)

The Corporation's receivable has a carrying value of $7,427,000 as at March 31, 2026 (2025 - $6,458,000). As at March 31, 2026, approximately 1% (2025 - 1%) were over 90 days past due, whereas 98% (2025 - 99%) were current or less than 30 days past due.

Mortgages and loans receivable

The Corporation's exposure to credit risk associated with mortgages and loans receivable is considered low because these receivables are primarily secured by property, and other security instruments. Additionally, the amounts due from clients can be recovered through court imposed repossession of property.

The Corporation has a carrying value of $22,118,000 as at March 31, 2026 (2025 - $25,755,000). As at March 31, 2026, approximately 98% (2025- 97%) were current or less than 30 days past due, whereas 1% (2025 - 2%) were over 90 days past due.

Allowance for impaired loans are provided for potential losses that have been incurred at the reporting date. The amounts disclosed on the Statement of Financial Position are net of these allowances for impaired loans. All accounts are considered for impairment based on the date of last payment and historical repayment information.

b) Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation's objective is to have sufficient liquidity to meet these liabilities when due. The Corporation monitors its cash balance and cash flows generated from operations to meet its liquidity requirements. Financing can be obtained through transfers from the Government of Yukon to mitigate this risk and also, the Corporation has the option to sell from its housing portfolio.

The liquidity risk arises from the financial liabilities consisting of accounts payable and accrued liabilities, due to the Government of Yukon, long-term debt and advances from the Government of Yukon. The Corporation's accounts payable and accrued liabilities had a carrying value of $10,879,000 (2025 - $5,810,000). As at March 31, 2026, approximately 100% (2025- 94%) of accounts payable were current or less than 30 days past due.

The Corporation's due to Government of Yukon had a carrying value of $953,000 (2025 - $119,000). As at March 31, 2026, 100% (2025-100%) of due to Government of Yukon were current or less than 30 days past due.

The Corporation's long-term debt has remaining undiscounted contractual cash flows of $3,170,000 (2025 - $8,544,000). The amount of principal to be repaid next fiscal year is $3,069,000 which includes $3,000,000 payable to the Government of Yukon. The Corporation is expecting that the loan payable to the Government of Yukon will be renewed upon maturity to mitigate the liquidity risk.

The Corporation's advances from the Government of Yukon had a carrying value of $20,971,000 (2025 - $20,551,000). This amount is payable immediately upon demand; however, management does not expect that the advances will be called in the near term.

21. Financial instruments (continued)

c) Market Risk

Currency risk

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

Interest Rate Risk

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

Long-term debt has interest rates fixed for long periods of time with the debt intended to be repaid in accordance with corresponding agreed to schedules. Impact of 1% increase in interest rates would add $2,000 to the Corporation's deficit while a 1% decrease in interest rates would add $2,000 to the Corporation's surplus.

22. Comparative Figures

During the year, the Corporation revised the presentation of expenses by function to better reflect the nature of its operations. Comparative figures have been reclassified to conform to the current year's presentation. The reclassification did not affect total expenses or annual surplus.

YUKON LIQUOR CORPORATION

FINANCIAL STATEMENTS

March 31, 2026

(audited)

Yukon

Yukon Housing Corporation
Schedule of Expenses by Function
for the year ended March 31, 2026

Schedule A

	Tenancy Support		Building Operations and Maintenance		Lending and Grant Support		General Administration		TOTAL	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
					(thousands of dollars)					
Transfer payments	3,005	2,319	-	-	7,838	19,323	-	-	10,843	21,642
Personnel, training and post-employment benefits	2,474	2,297	2,957	2,836	687	822	4,303	4,093	10,421	10,048
Repairs and maintenance	2	-	8,368	6,325	-	-	66	193	8,436	6,518
Property taxes and utilities	4,187	3,548	2,048	2,041	-	-	215	180	6,450	5,769
Housing costs - leased properties	3,905	3,462	-	-	-	-	-	-	3,905	3,462
Amortization	-	-	3,603	3,432	-	-	23	32	3,626	3,464
Materials, supplies and services	257	241	254	1,797	5	6	836	991	1,352	3,035
Other	185	140	132	371	137	(61)	45	157	499	607
Communication and transportation	152	147	164	181	4	4	76	79	396	411
Accretion expense	-	-	313	404	-	-	-	-	313	404
Interest on long-term debt	-	-	-	-	-	-	15	28	15	28
	14,167	12,154	17,839	17,387	8,671	20,094	5,579	5,753	46,256	55,388

Yukon Housing Corporation
Schedule of Tangible Capital Assets
for the year ended March 31, 2026

Schedule B

	Land	Social Housing	Staff Housing	Office Building	Other Facilities	Furnishings and Equipment	Computer Systems	2026 Total	2025 Total
				(thousands of dollars)					
Cost of tangible capital assets at beginning of year [1]	5,989	184,119	23,168	2,071	679	4,308	295	220,629	197,883
Acquisitions [1]	37	23,511	508	-	-	-	99	24,155	23,142
Change in ARO estimate	-	(389)	(160)	(30)	70	-	-	(509)	(396)
Disposals	-	-	-	-	(245)	-	-	(245)	-
Cost of tangible capital assets at end of year [1]	6,026	207,241	23,516	2,041	504	4,308	394	244,030	220,629
Accumulated amortization at beginning of year	-	61,298	16,365	1,802	561	2,693	295	83,014	79,550
Amortization	-	2,991	365	12	12	246	-	3,626	3,464
Change in designation	-	51	-	-	(51)	-	-	-	-
Disposals	-	-	-	-	(18)	-	-	(18)	-
Accumulated amortization at end of year	-	64,340	16,730	1,814	504	2,939	295	86,622	83,014
Net book value [1]	**$ 6,026**	**$ 142,901**	**$ 6,786**	**$ 227**	**$ -**	**$ 1,369**	**$ 99**	**$ 157,408**	**$ 137,615**
Construction in progress	$ -	$ 33,781	$ 508	$ -	$ -	$ -	$ 99	$ 34,388	$ 10,269

[1] Includes construction in progress

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

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

Philippe Mollet
President

Luzelle Nägel
Chief Financial and Information Officer

July 9, 2026

Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Yukon Liquor Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Yukon Liquor Corporation (the Corporation), which comprise the statement of financial position as at 31 March 2026, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 March 2026, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Report on Compliance with Specified Authorities

Opinion

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

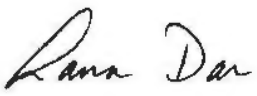
In our opinion, the transactions of the Yukon Liquor Corporation that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Liquor Act*, we report that, in our opinion, the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

Responsibilities of Management for Compliance with Specified Authorities

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

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

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



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

Vancouver, Canada
9 July 2026

YUKON LIQUOR CORPORATION
Statement of Financial Position
As at March 31
(Tabular amounts in thousands of Canadian dollars)

	2026	2025
ASSETS		
CURRENT		
Cash	$ 2,231	$ 3,021
Accounts receivable	19	30
Inventories *(Note 5)*	4,363	4,849
Prepaid expenses	40	59
	6,653	7,959
Property and equipment *(Note 6)*	1,418	1,501
Intangible assets *(Note 7)*	33	46
Right-of-use assets *(Note 16)*	702	778
TOTAL ASSETS	**$ 8,806**	**$ 10,284**
LIABILITIES AND EQUITY		
CURRENT		
Accounts payable and accrued liabilities *(Note 8)*	$ 1,688	$ 2,576
Deferred revenue	104	102
Due to the Government of Yukon *(Notes 9, 13)*	2,293	2,834
Current portion of lease liabilities *(Note 16)*	347	242
Current portion of non-pension benefit liability *(Note 10)*	249	210
Deferred government grant	42	44
	4,723	6,008
Non-pension benefit liability *(Note 10)*	1,772	1,688
Lease liabilities *(Note 16)*	376	536
TOTAL LIABILITIES	**6,871**	**8,232**
Equity *(Note 12)*	1,935	2,052
TOTAL LIABILITIES AND EQUITY	**$ 8,806**	**$ 10,284**

Commitments *(Note 17)*

APPROVED FOR ISSUE ON July 9, 2026

President

Chief Financial and Information Officer

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

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

	2026	2025
Revenue *(Note 14)*	$ 53,431	$ 53,493
Cost of goods sold *(Note 14)*	34,678	34,048
GROSS PROFIT	**18,753**	**19,445**
OTHER INCOME		
Miscellaneous	134	198
Fees, permits and licenses	153	161
Recoveries from related parties *(Note 13)*	108	80
Government grant	2	4
	397	**443**
EXPENSES		
Salaries, wages and benefits	9,186	8,852
Rent, utilities and maintenance	1,093	958
Bank charges and interest	781	767
Professional services	595	599
Other operating expenses *(Note 15)*	589	763
Depreciation of right-of-use assets *(Note 16)*	328	268
Depreciation of property and equipment	168	183
Interest on lease liabilities	41	4
Amortization of intangible assets *(Note 7)*	13	23
Loss on disposal of intangible assets	-	8
Bad debts	-	2
	12,794	**12,427**
INCOME FROM OPERATIONS	**6,356**	**7,461**
OTHER COMPREHENSIVE INCOME, NOT TO BE RECLASSIFIED SUBSEQUENTLY TO NET INCOME		
Actuarial gain *(Note 10)*	3	123
COMPREHENSIVE INCOME	**$ 6,359**	**$ 7,584**

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

YUKON LIQUOR CORPORATION

Statement of Changes in Equity

For the year ended March 31

(Tabular amounts in thousands of Canadian dollars)

	2026	2025
EQUITY - BEGINNING OF YEAR	**$ 2,052**	**$ 2,189**
Income from operations before other comprehensive income	6,356	7,461
Other comprehensive income	3	123
Profit to be remitted to the Government of Yukon *(Note 12)*	(6,476)	(7,721)
EQUITY - END OF YEAR	**$ 1,935**	**$ 2,052**

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

YUKON LIQUOR CORPORATION

Statement of Cash Flows

For the year ended March 31

(Tabular amounts in thousands of Canadian dollars)

	2026	2025
OPERATING ACTIVITIES		
Income from operations	$ 6,356	$ 7,461
Items not affecting cash:		
Depreciation of property and equipment	168	183
Depreciation of right-of-use assets	328	268
Amortization of intangible assets	13	23
Loss on disposal of intangible assets	-	8
Bad debts	-	2
	6,865	7,945
Changes in non-cash working capital:		
Accounts receivables, inventories and prepaid expenses	516	(274)
Accounts payable and accrued liabilities	(861)	1,463
Non-pension benefit liability	123	48
	(222)	1,237
Cash flow from operating activities	**6,643**	**9,182**
INVESTING ACTIVITY		
Purchases of property and equipment	(85)	(68)
Cash flow used by investing activities	**(85)**	**(68)**
FINANCING ACTIVITIES		
Cannabis fund profit remitted to the Government of Yukon *(Note 13)*	(687)	(459)
Liquor fund profit remitted to the Government of Yukon *(Note 13)*	(6,354)	(7,574)
Principal payments of lease liabilities	(307)	(277)
Cash flow used by financing activities	**(7,348)**	**(8,310)**
(DECREASE) INCREASE IN CASH FLOW	**(790)**	**804**
Cash - beginning of year	3,021	2,217
CASH - END OF YEAR*	**$ 2,231**	**$ 3,021**
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	$ 122	$ 186
Interest paid	$ 41	$ 4

*Cash, end of year is comprised of bank account balances maintained for liquor and cannabis operations with end of year balances (in thousands of Canadian dollars) of $1,406 (2025 - $2,106) and $825 (2025 - $915) respectively.

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

1. Authority and operations

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

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

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

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

The Corporation is required by the *Liquor Tax Act* to collect liquor taxes on behalf of the Government of Yukon and to remit these taxes on a monthly basis. The current rate is 12% (2025 - 12%) and is applied to selling prices of all liquor products.

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

Cannabis Fund
The Corporation is responsible for the purchase, distribution and sale of cannabis within Yukon through licensees. The *Cannabis Control and Regulation Act* received assent on April 24, 2018 and governs the distribution, retail, consumption, personal cultivation and possession of non-medical cannabis in Yukon. Through Order-in-Council 2024/29, the Corporation is designated as the distributor corporation, to act as the principal supplier of cannabis for sale in Yukon.

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

2. Basis of presentation

The financial statements were prepared on a historical cost basis, except where otherwise indicated in the notes below, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). The financial statements are presented in Canadian dollars and are rounded to the nearest thousand ($000) where indicated.

3. Material accounting policy information

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

Use of estimates

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

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

Financial instruments

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

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

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

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

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

The Corporation's financial liabilities includes lease liabilities.

Inventories

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

(continues)

3. Material accounting policy information *(continued)*

Property and equipment

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

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

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

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

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

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

Intangible assets

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

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

(continues)

3. Material accounting policy information *(continued)*

Employee benefits

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

Non-pension benefits
Under their conditions of employment, employees may qualify for and earn employment benefits for vacation, sick, and special leave, as well as severance benefits. The benefit obligation is determined on an actuarial basis. The cost of these benefits are accrued as employees render the services required to earn them and are calculated using the projected benefit method pro-rated on service. Actuarial gains and losses are recognized immediately in other comprehensive income.

Revenue recognition

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

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

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

Expense recognition

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

(continues)

3. Material accounting policy information *(continued)*

Leases

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

a) the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Corporation;

b) the Corporation has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;

c) the Corporation has the right to direct the use of the identified asset throughout the period of use. The Corporation assesses whether it has the right to direct "how and for what purpose" the asset is used throughout the period of use.

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

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

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

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

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

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

(continues)

3. Material accounting policy information *(continued)*

Accounting standards and amendments issued but not yet effective

Amendments to the classification and measurement of financial instruments

The amendments to IFRS 9 Financial Instruments and to IFRS 7 Financial Instruments: Disclosures clarifies the dates of recognition and derecognition date of certain financial assets and liabilities and the classification of certain financial assets. In addition, there are new disclosure requirements related to equity instruments designated as fair value through other comprehensive income as well as introduction and credit risk disclosure.

The amendments will be effective for annual periods beginning on or after January 1, 2026. The Corporation is currently assessing the impact of adopting this standard on its financial statements.

Presentation and disclosure in financial statements - Introduction to IFRS 18

The IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements for the presentation and disclosure of information in the financial statements. IFRS 18 will replace IAS 1 Presentation of Financial Statements and accompanies limited amendments to other standards which will be effective upon the adoption of the new standard.

The standard impacts the presentation of the primary financial statements and notes, including the required classification of income and expenses into three categories: operating, investing and financing, with defined subtotals, including operating profit. IFRS 18 will also require management-defined performance measures to be disclosed in a separate note to the financial statements.

This standard will be effective for annual periods beginning on or after January 1, 2027, with the requirement to restate comparative financial periods. The Corporation is currently assessing the impact of adopting this standard on its financial statements.

4. Financial instruments

The Corporation, through its financial assets and liabilities, is exposed to the following risks from its use of financial instruments: credit risk and liquidity risk. The Corporation manages these risk exposures on an ongoing basis. The Corporation has no significant exposure to interest rate risk or foreign exchange risk. The Corporation is not party to any derivative financial instruments. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant other price risks from its financial instruments. The following analysis provides information about the Corporation's risk exposure and concentration as of March 31, 2026.

Credit risk

Credit risk on financial instruments arises from the possibility that the issuer of a financial instrument fails to meet its obligation. The carrying amount of cash and accounts receivable represents the maximum credit risk exposure. The risk on cash is minimized as these assets are held with a Canadian chartered bank. The Corporation's accounts receivable has a carrying value of $19,000 as of March 31, 2026 (2025 - $30,000). There is a 30.5% (2025 - 43.5%) concentration of accounts receivable with one customer.

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

	2026	2025
Current	$ 19	$ 30
91 days or greater	-	-
Total trade accounts receivable	**$ 19**	**$ 30**

The Corporation measures the loss allowance at an amount equal to the lifetime Expected Credit Loss (ECL) for its accounts receivable. For the years ended March 31, 2026 and 2025, the Corporation has estimated the ECL to be nominal. Accounts written off could still be subject to enforcement activities. As at March 31, 2026 and 2025, the loss allowance was nil. During the year, the Corporation wrote off $nil (2025 - $2,000) of trade receivables.

Liquidity risk

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

The Corporation's accounts payable and accrued liabilities had a carrying value of $1,688,000 as at March 31, 2026 (2025 - $2,576,000). As at March 31, 2026, approximately 1.29% (2025 - 0.85%) of accounts payable were over 90 days past due. Due to the Government of Yukon had a carrying value of $2,293,000 as of March 31, 2026 (2025 - $2,834,000). As at March 31, 2026, 0% (2025 - 0%) of due to the Government of Yukon were over 90 days past due.

5. Inventories

	2026	2025
Liquor - Retail Stores	$ 1,340	$ 1,214
Liquor - Warehouse	2,327	2,811
Cannabis - Warehouse	696	824
	$ 4,363	**$ 4,849**

6. Property and equipment

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Land	$ 202	$ -	$ 202	$ 202
Buildings	5,524	4,775	749	767
Leasehold improvements	430	405	25	37
Furniture and office equipment	1,033	1,001	32	53
Operating equipment	560	422	138	145
Heavy equipment	570	407	163	200
Systems equipment	826	717	109	97
	$ 9,145	**$ 7,727**	**$ 1,418**	**$ 1,501**

At March 31, 2026 there was work-in-progress of $34,000 (2025 - $nil) included in the cost of operating equipment.

7. Intangible assets

	2026	2025
Systems development cost	$ 585	$ 585
System development accumulated amortization	(552)	(539)
	$ 33	**$ 46**

There were no additions for the year (2025 - $nil). Amortization for the year amounted to $13,000 (2025 - $23,000).

There were no intangible assets retired during the year (2025 - intangible assets with a cost of $20,000 and a net book value of $8,000 were retired).

8. Accounts payable and accrued liabilities

	2026	2025
Trade payable	$ 1,108	$ 2,049
Accrued liabilities	580	527
	$ 1,688	**$ 2,576**

9. Due to the Government of Yukon

	2026	2025
Reimbursement for payroll and other costs paid on behalf of the Corporation	$ 1,871	$ 1,842
Remittances (from) due to the Government of Yukon pursuant to:		
Liquor Act (Note 13)	(350)	354
Cannabis Control and Regulation Act (Note 13)	316	177
Liquor Tax Act (Note 13)	365	369
Environment Act (Note 13)	91	92
	$ 2,293	**$ 2,834**

10. Employee benefits

Pension plan

Substantially all of the employees of the Corporation are covered by the public service pension plan (the Plan), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The general contribution rate effective at year end was $1.01 (2025 - $1.01) for every dollar contributed by the employee, and $5.04 (2025 - $5.09) for every dollar contributed by the employee for the portion of the employee's salary above $220,000 (2025 - $210,200). For new employees who are participating in the Plan on or after January 1, 2013, the Corporation contributes $1.00 (2025 - $1.00) for every dollar contributed by the employee, and $5.04 (2025 - $5.09) for every dollar contributed by the employee for the portion of the employee's salary above $220,000 (2025 - $210,200). Total contributions to the Plan of $1,077,012 (2025 - $1,081,829) were recognized in salaries, wages and benefits; of which $531,064 (2025 - $531,833) were contributed by employees and $545,948 (2025 - $549,996) by the employer.

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

(continues)

10. Employee benefits *(continued)*

Non-pension benefits

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

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

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

The following table summarizes non-pension benefits by type:

	2026	2025
Severance benefit	$ 979	$ 912
Vacation and special leave	707	670
Sick leave	335	316
Accrued benefit obligation, end of year	**$ 2,021**	**$ 1,898**

The results measured at March 31 are summarized as follows:

	2026	2025
Reconciliation of accrued benefit obligation		
Accrued benefit obligation, beginning of year	$ 1,898	$ 1,848
Components recognized in salaries, wages and benefits		
Current service cost	182	173
Past service cost	(18)	(54)
Interest cost on accrued benefit obligation	91	94
Actuarial gain recognized in other comprehensive income	(3)	(123)
Benefits paid	(129)	(40)
Accrued benefit obligation, end of year	**$ 2,021**	**$ 1,898**

	2026	2025
Classification of accrued benefit obligation		
Current portion of non-pension benefit liability	$ 249	$ 210
Non-pension benefit liability	1,772	1,688
Total accrued benefit obligation	**$ 2,021**	**$ 1,898**

(continues)

10. Employee benefits *(continued)*

	2026	2025
Reconciliation of actuarial gains recognized in Other Comprehensive Income (OCI)		
Cumulative actuarial gain recognized in OCI, beginning of year	$ (597)	$ (474)
Actuarial (gain) loss from member experiences	38	(168)
Actuarial (gain) loss from economic assumption changes	(41)	45
Cumulative actuarial gain recognized in OCI, end of year	**$ (600)**	**$ (597)**

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

	2026	2025
Discount rate	4.90%	4.60%
Salary escalation rate per annum	2.00%	2.00%

A quantitative sensitivity analysis as at March 31, 2026 shows the impact of the change in the significant actuarial assumptions on the non-pension benefit obligation:

	1% increase	1% decrease
Discount rate	$ (136)	$ 153
Salary escalation rate per annum	149	(134)

The most recent full actuarial valuation in respect of the non-pension benefits plan was prepared as of December 31, 2025, and extrapolated results to March 31, 2026. The weighted average of the maturity plan as at March 31, 2026 is 7.1 years.

11. Capital management

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

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

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

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

12. Equity

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

	2026	2025
Property and equipment	$ 1,418	$ 1,501
Intangible assets	33	46
Right-of-use assets	702	778
Lease liabilities	(723)	(778)
Section 12.3(b) adjustment (1)	505	505
	$ 1,935	**$ 2,052**

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

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

	Liquor Act	*Cannabis Control and Regulation Act*	2026 Total
Comprehensive income for the year	$ 5,538	$ 821	$ 6,359
Depreciation of property and equipment	163	5	168
Amortization of intangible assets	13	-	13
Additions to property and equipment	(85)	-	(85)
Depreciation of right-of-use assets	328	-	328
Principal replayments of lease liabilities	(307)	-	(307)
Profit to be remitted for the year (Note 13)	**$ 5,650**	**$ 826**	**$ 6,476**

	Liquor Act	*Cannabis Control and Regulation Act*	2025 Total
Comprehensive income for the year	$ 7,029	$ 555	$7,584
Depreciation of property and equipment	177	6	183
Amortization of intangible assets	21	2	23
Additions to property and equipment	(68)	-	(68)
Loss on disposal of intangible assets	3	5	8
Depreciation of right-of-use assets	268	-	268
Principal repayments of lease liabilities	(277)	-	(277)
Profit to be remitted for the year (Note 13)	**$ 7,153**	**$ 568**	**$ 7,721**

13. Related party balances and transactions

Amount due (from) to the Government of Yukon pursuant to the Liquor Act

	2026	2025
Current year's profit to be remitted (Note 12)	$ 5,650	$ 7,153
Balance due at the beginning of the year	354	775
Less: remitted during the year	(6,354)	(7,574)
Due (from) to the Government of Yukon at the end of the year	**$ (350)**	**$ 354**

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

	2026	2025
Current year's profit to be remitted (Note 12)	$ 826	$ 568
Balance due at the beginning of the year	177	68
Less: remitted during the year	(687)	(459)
Due to the Government of Yukon at the end of the year	**$ 316**	**$ 177**

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

	2026	2025
Balance due at the beginning of the year	$ 369	$ 417
Liquor tax collected during the year	5,032	5,146
Less: remitted during the year	(5,036)	(5,194)
Due to the Government of Yukon at the end of the year	**$ 365**	**$ 369**

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

	2026	2025
Bottle deposits collected	$ 692	$ 717
Environment fees collected	581	595
Other claims and fees	-	1
Less: remitted during the year	(1,182)	(1,221)
Due to the Government of Yukon at the end of the year	**$ 91**	**$ 92**

(continues)

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

Transactions with the Government of Yukon without compensation

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

The Government of Yukon provides rent-free occupation of certain government buildings and land to the Corporation with an estimated value of $1,018,000 (2025 - $1,010,000). The Government of Yukon also provides mail services with an estimated value of $29,000 (2025 - $12,670).

The Corporation provides Territorial Agent services in rural community liquor stores on behalf of the Government of Yukon with an estimated value of $777,000 (2025 - $730,000).

The Corporation reimburses the Government of Yukon on a monthly basis for salaries and benefits expense paid on its behalf and administered by the Government of Yukon. During the year, other retirement benefits, such as extended health care and life insurance, paid to retired Corporation employees by the Government of Yukon without compensation totalled $30,000 (2025 - $32,188).

Agreements with related parties

The Corporation has lease agreements for the Haines Junction and Mayo community liquor stores and service level agreements for the three owned community liquor stores. During the year the payments totalled $305,000 (2025 - $292,000) to the Government of Yukon for these agreements.

The Corporation has service agreements with the Government of Yukon for the provision of information, communication and technology services. During the year the Corporation was charged $177,000 (2025 - $227,000) for these services.

The Corporation has service agreements with the Government of Yukon for the provision of human resources' services. During the year the Corporation was charged $263,000 (2025 - $263,000) for these services.

The Corporation had personnel sharing arrangements with certain related parties during the year. Recoveries for compensation paid to personnel on behalf of these related parties were $108,000 (2025 - $80,000).

Key management compensation

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

	2026	2025
Salaries and short-term employee benefits	$ 1,083	$ 1,051
Post-employment benefits	190	212
Other long-term employee benefits	25	76
	$ 1,298	**$ 1,339**

14. Gross Profit

	2026	2025
Revenue		
Liquor - Retail Stores	$ 20,517	$ 21,627
Liquor - Warehouse	21,666	21,445
Cannabis - Warehouse	11,248	10,421
	53,431	53,493
Cost of goods sold		
Liquor - Retail Stores	10,167	10,646
Liquor - Warehouse	15,604	15,148
Cannabis - Warehouse	8,907	8,254
	34,678	34,048
Gross Profit		
Liquor - Retail Stores	10,350	10,981
Liquor - Warehouse	6,062	6,297
Cannabis - Warehouse	2,341	2,167
Total Gross Profit	**$ 18,753**	**$ 19,445**

15. Other operating expenses

	2026	2025
Computer systems and telecommunications	$ 205	$ 256
Other expenses	116	104
Program materials and supplies	114	123
Travel and training	84	81
Office supplies	47	96
Contributions	23	103
	$ 589	**$ 763**

16. Leases

The Corporation has leases that relate to the Whitehorse, Haines Junction and Mayo liquor stores with lease terms from 1 year up to 3 years. The Corporation does not have an option to purchase the buildings at the expiry of the lease periods. The Mayo lease agreement is a short-term lease therefore no right-of-use asset and no lease liability is recognized. The Corporation has arrangements with the Government of Yukon that allow the Corporation to lease the warehouse in Whitehorse and the Dawson liquor store land for no compensation (Note 13). Because there is no compensation for the use of the building and land, no right-of-use asset and no lease liability are recognized.

(continues)

16. Leases *(continued)*

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

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

Right-of-use asset	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension options	No. of leases with options to purchase	No. of leases with variable payments linked to an index	No. of leases with termination options
Retail stores	2	24 months	24 months	0	0	0	0

	2026	2025
Right-of-use assets: Land and buildings		
Opening Balance	$ 778	$ 289
Depreciation	(328)	(268)
Effect of modifications to lease terms	-	757
Additions	252	-
Carrying amount	**$ 702**	**$ 778**

	2026	2025
Lease liabilities		
Opening Balance	$ 778	$ 298
Interest on lease liabilities	41	4
Effect of modifications to lease terms	-	757
Additions	252	-
Lease payments	(348)	(281)
Lease liabilities at March 31	723	778
Less: current portion	(347)	(242)
Non-current portion	**$ 376**	**$ 536**

	2026	2025
Maturity Analysis		
Less than one year	$ 375	$ 275
One to five years	378	558
Total cash outflow for lease liabilities	**$ 753**	**$ 833**

	2026	2025
Amounts recognized in the statement of comprehensive income		
Expense relating to short-term leases	$ 74	$ 141

17. Commitments

In the normal course of operations, the Corporation enters into multi-year agreements for the provision of freight and other goods and services. The total of these commitments as at March 31, 2026 for future years is $8,256,000 (March 31, 2025 - $6,927,407).

Included in these commitments is $258,000 (2025 - $nil) for the acquisition of property and equipment.

YUKON LIQUOR CORPORATION

Schedule of Property and Equipment ***(Schedule 1)***

For the year ended March 31

(Tabular amounts in thousands of Canadian dollars)

	Land	Buildings	Leasehold improvements	Furniture and office equipment	Operating equipment	Heavy equipment	Systems equipment	**2026 Total**	2025 Total
Cost, beginning of year	$ 202	$ 5,524	$ 430	$ 1,033	$ 526	$ 570	$ 786	$ 9,071	$ 9,003
Acquisitions	-	-	-		34		51	85	68
Disposals	-	-	-	-	-	-	(11)	(11)	
Cost, end of year	$ 202	$ 5,524	$ 430	$ 1,033	$ 560	$ 570	$ 826	$ 9,145	$ 9,071
Accumulated depreciation, beginning of year	$ -	$ 4,757	$ 393	$ 980	$ 381	$ 370	$ 689	$ 7,570	$ 7,387
Depreciation	-	18	12	21	41	37	39	168	183
Disposals	-	-	-	-	-	-	(11)	(11)	
Accumulated depreciation, end of year	$ -	$ 4,775	$ 405	$ 1,001	$ 422	$ 407	$ 717	$ 7,727	$ 7,570
Net book value	**$ 202**	**$ 749**	**$ 25**	**$ 32**	**$ 138**	**$ 163**	**$ 109**	**$ 1,418**	**$ 1,501**

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

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YUKON UNIVERSITY

FINANCIAL STATEMENTS

March 31, 2026

(audited)

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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Yukon University are the responsibility of management and have been approved by the Board of Governors.

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards for government not-for-profit organizations. The consolidated financial statements include some amounts that are necessarily based on management's best estimates and judgment. Management has determined such amounts on a reasonable basis.

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

The Board of Governors (the Board) is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board meets on a periodic basis with management and the external auditor to review the scope and results of the annual audit, and to review the consolidated financial statements and related financial reporting matters. The Board of Governors has reviewed and approved the consolidated financial statements.

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

Dr. Shelagh Rowles
Interim President

Andrea McIntyre, CPA, CA
Vice President Finance and Administration

September 25, 2026

Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of Yukon University

Opinion

We have audited the consolidated financial statements of Yukon University and its controlled entity (the Group), which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of operations, consolidated statement of changes in net assets, consolidated statement of remeasurement gains and losses and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2026, and the consolidated results of its operations, its consolidated remeasurement gains and losses, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

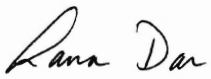
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists,

we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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



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

Vancouver, Canada
25 September 2026

YUKON UNIVERSITY
Consolidated Statement of Financial Position
As at March 31

	Notes	2026	2025
ASSETS			
CURRENT			
Cash		**$ 32,762,191**	$ 37,149,798
Accounts receivable	**3**	**8,317,386**	3,320,511
Inventories		**73,122**	161,995
Prepaid expenses		**1,384,183**	861,434
Total Current Assets		**42,536,882**	41,493,738
NON-CURRENT			
Investments	**5**	**6,926,318**	7,406,608
Accrued pension benefit asset	**6a**	**38,509,600**	37,914,800
Capital assets	**7**	**28,932,618**	12,236,078
Total Non-current Assets		**74,368,536**	57,557,486
TOTAL ASSETS		**$ 116,905,418**	$ 99,051,224
LIABILITIES AND NET ASSETS			
CURRENT			
Accounts payable and accrued liabilities	**8, 21**	**$ 5,989,777**	$ 3,205,549
Accrued payroll and benefits	**21**	**4,210,072**	1,686,826
Deferred revenue	**9**	**321,893**	505,487
Deferred contributions	**10**	**13,817,833**	11,039,234
Vacation leave and employee future benefits	**11**	**2,523,820**	2,564,404
Total Current Liabilities		**26,863,395**	19,001,500
NON-CURRENT			
Deferred capital contributions	**12**	**31,634,677**	24,275,249
Other employee future benefits	**6b**	**8,362,400**	7,947,510
Total Non-current Liabilities		**39,997,077**	32,222,759
		66,860,472	51,224,259
NET ASSETS			
Unrestricted		**8,290**	(506,308)
Invested in capital assets		**3,072,031**	3,505,429
Externally restricted for endowments	**13**	**5,784,101**	5,694,008
Internally restricted for pension		**38,509,600**	37,914,800
Internally restricted for capital assets		**3,207,272**	1,883,555
		50,581,294	48,491,484
Accumulated remeasurement losses		**(536,348)**	(664,519)
		50,044,946	47,826,965
TOTAL LIABILITIES AND NET ASSETS		**$ 116,905,418**	$ 99,051,224

Contractual rights, Contractual obligations and Contingencies *(Notes 18, 19, 20)*

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

ON BEHALF OF THE BOARD

Chair *Member*

YUKON UNIVERSITY
Consolidated Statement of Operations
For the year ended March 31

	Notes	2026	2025
REVENUES			
Government of Yukon contributions	**15**	**$ 44,272,394**	$ 40,580,695
Other contributions	**10**	**13,515,433**	11,754,997
Contracts	**9**	**3,347,798**	2,970,943
Tuition	**9**	**3,705,877**	3,436,694
Sales, rental and fees	**16, 21**	**1,774,388**	2,045,483
Interest income		**943,228**	1,086,130
Amortization of deferred capital contributions	**12**	**650,725**	495,284
Miscellaneous income	**21**	**641,762**	311,352
Fundraising and donations revenue		**392,959**	233,412
		69,244,564	62,914,990
EXPENSES	**14**		
Direct instruction		**$ 21,158,634**	$ 16,651,406
Direct instructional support		**13,123,299**	10,176,160
General administration		**12,312,197**	11,279,783
Research		**8,825,902**	8,466,673
Service received without charge	**10**	**6,020,450**	5,623,326
Facility services and utilities		**2,613,153**	2,881,066
Amortization of capital assets	**7**	**1,474,967**	1,553,661
Cost of sales		**1,392,552**	1,341,490
Student assistance/scholarships		**238,016**	155,109
Miscellaneous		**85,677**	68,587
		67,244,847	58,197,261
EXCESS OF REVENUES OVER EXPENSES		**$ 1,999,717**	$ 4,717,729

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

YUKON UNIVERSITY
Consolidated Statement of Changes in Net Assets
For the year ended March 31

	Unrestricted	Invested in Capital Assets	Externally Restricted for Endowments	Internally Restricted for Pension	Internally Restricted for Capital Investments	Accumulated Remeasurement (Losses) Gains	**2026**	2025
NET ASSETS - BEGINNING OF YEAR	$ (506,308)	$ 3,505,429	$ 5,694,008	$ 37,914,800	$ 1,883,555	$ (664,519)	**$ 47,826,965**	$ 43,046,959
Excess of revenues over expenses	1,348,392	-	-	594,800	56,525	-	**1,999,717**	4,717,729
Capital assets acquired net of disposals	(18,171,507)	18,171,507	-	-	-	-	**-**	-
Deferred capital contributions invested in capital assets	17,780,663	(17,780,663)	-	-	-	-	**-**	-
Amortization of capital assets	1,474,967	(1,474,967)	-	-	-	-	**-**	-
Amortization of deferred capital contributions	(650,725)	650,725	-	-	-	-	**-**	-
Transfer to internally restricted for capital	(1,267,192)	-	-	-	1,267,192	-	**-**	-
Transfer (to)/from deferred contributions	-	-	70,369	-	-	-	**70,369**	-
Remeasurement gains/(losses)	-	-	-	-	-	128,171	**128,171**	(514,386)
Endowment contributions - net of disbursement	-	-	(141,995)	-	-	-	**(141,995)**	15,089
Net investment income	-	-	161,719	-	-	-	**161,719**	561,574
NET ASSETS - END OF YEAR	$ 8,290	$ 3,072,031	$ 5,784,101	$ 38,509,600	$ 3,207,272	$ (536,348)	**$ 50,044,946**	$ 47,826,965

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

YUKON UNIVERSITY
Consolidated Statement of Remeasurement Gains and Losses
For the year ended March 31

	2026	2025
Accumulated remeasurement losses, beginning of year	$ **(664,519)**	$ (150,133)
Unrealized gains/(losses) attributable to: Investments	**128,171**	(514,386)
Accumulated remeasurement losses, end of year	$ **(536,348)**	$ (664,519)

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

YUKON UNIVERSITY
Consolidated Statement of Cash Flows
For the year ended March 31

	2026	2025
OPERATING ACTIVITIES		
Excess of revenues over expenses	**$ 1,999,717**	$ 4,717,729
Amortization of capital assets	**1,474,967**	1,553,661
Amortization of deferred capital contributions	**(650,725)**	(495,284)
Loss on disposal of capital assets	**93,635**	-
(Increase)/decrease in accounts receivable	**(4,996,875)**	2,030,333
Increase/(decrease) in accounts payable	**3,110,102**	(1,405,078)
Increase/(decrease) in accrued payroll and benefits	**2,523,246**	(801,895)
Decrease in deferred revenue	**(183,594)**	(254,470)
Increase in deferred contributions	**2,848,968**	913,691
Decrease in inventories	**88,873**	27,718
(Increase)/decrease in prepaid expenses	**(522,749)**	67,937
Decrease in vacation leave and employee future benefits	**(40,584)**	(913,148)
Increase in accrued pension benefit asset	**(594,800)**	(4,011,900)
Increase in non-current other employee future benefits	**414,890**	1,101,000
Cash provided by operating activities	**5,565,071**	2,530,294
INVESTING ACTIVITIES		
Decrease/(Increase) in investments	**608,461**	(1,094,834)
Cash provided by/(used for) investing activities	**608,461**	(1,094,834)
CAPITAL ACTIVITIES		
Capital assets acquired	**(18,591,016)**	(1,971,010)
Cash used for capital activities	**(18,591,016)**	(1,971,010)
FINANCING ACTIVITIES		
Net investment income from endowments	**161,719**	561,574
Repayment of loan payable	**-**	(966,431)
Endowment (disbursements)/contributions	**(141,995)**	15,089
Receipt of deferred capital contributions	**8,010,153**	17,029,332
Cash provided by financing activities	**8,029,877**	16,639,564
(DECREASE)/INCREASE IN CASH	**(4,387,607)**	16,104,014
Cash - beginning of year	**37,149,798**	21,045,784
CASH - END OF YEAR	**$ 32,762,191**	$ 37,149,798
Interest received	**$ 943,228**	$ 1,086,130
Interest paid	**$ 1,308**	$ 963

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

1. PURPOSE

a) Yukon University (the University) is a post-secondary educational institution under the *Yukon University Act* . The University is a not-for-profit organization and is a registered charity under the *Income Tax Act* and is therefore exempt from tax. The purpose of the University is to offer a balance of educational programs. Programs include baccalaureate, masters and doctoral degree programs, certificate, and diploma programs, and continuing and adult basic education. The University also undertakes and maintains research, scholarly activities and other learning and training activities for these purposes. It is expected that the ongoing operations of the University will depend on continued financial support from the Government of Yukon.

b) The Yukon University Foundation (the Foundation) is incorporated as a not-for-profit organization under the *Canada Not-For-Profit Corporations Act* . The Foundation is a registered charity under the *Income Tax Act* and is therefore exempt from tax. The Foundation was established:

- to fund, facilitate, promote, and carry out activities which are consistent with the objectives of the University and to provide support for its educational facilities, educational programs, and education services;
- to fund the provision of bursaries, scholarships and prizes granted by the University for any purpose for students in attendance at facilities owned and/or operated by the University;
- to receive bequests, legacies, donations, gifts, funds, and property from all sources and to hold and invest such funds and property and to administer and distribute such funds and property for the purposes of the Foundation; and
- to do all such other things as are incidental and ancillary to the attainment of the foregoing purposes and the exercise of the power of the Foundation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Basis of consolidation

The consolidated financial statements include the accounts of the University and its controlled entity, the Foundation. All inter-entity transactions and balances have been eliminated on consolidation.

The University controls the Foundation as it has the ability to appoint the Board of Governors of the University as the majority of the members of the Board of Directors of the Foundation. The President is an ex-officio member of the Board of Directors of the Foundation and a non-voting member of the Board of Governors of the University. The Foundation operates out of the University's main campus building with the assistance of University employees in the advancement office.

Trusts administered by the University on behalf of others are excluded from these consolidated financial statements.

Financial instruments

The financial instruments of the University include cash, accounts receivable, investments, accounts payable and accrued liabilities and accrued payroll and benefits.

All of the University's financial instruments are assigned to the cost or amortized cost measurement category, except for investments which are assigned to the fair value measurement category.

Fair value classification

Investments includes equity and debt instruments that are quoted in an active market. They are initially recognized at fair value and subsequently carried at fair value. Unrealized changes in fair value are recognized in the Consolidated Statement of Remeasurement Gains and Losses until they are realized. Realized changes in fair value of investments are recorded as deferred contributions, where they remain deferred until the restriction on use is fulfilled, and at that time the amount is transferred to the Consolidated Statement of Operations. Transaction costs are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the Consolidated Statement of Operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fair value classification *(continued)*

The University classifies, for financial reporting purposes, fair value measurements using a fair value hierarchy made up of three levels, according to the inputs used in making the measurements.

Level 1: This level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in an active market that the University can access at the measurement date.

Level 2: This category includes measurements that use, either directly or indirectly, observable inputs other than quoted prices included in level 1.

Level 3: The measurements in this category depend upon inputs that are not based on observable market data.

Amortized cost classification

These financial instruments are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. Transaction costs are added to the cost of the instrument.

Writedowns are recognized when the amount of the loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are written down to net recoverable value with the writedown recognized in the Consolidated Statement of Operations. Accounts receivable are recorded at cost less valuation allowances. Valuation allowances are calculated by examining amounts overdue 90 days or more and/or accounts where there is no longer reasonable assurance of timely collection to estimate amounts deemed to be uncollectible.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the time of contribution.

When conditions indicate that an asset no longer contributes to the University's ability to provide its services, the carrying value of the capital asset is reduced to reflect the decline in the asset's value.

Work in progress costs are capitalized as incurred. These amounts are transferred to various categories of capital assets and are amortized on a basis consistent with similar assets once the assets are placed in service.

Capital assets are amortized on a straight-line basis over their estimated useful lives, which are estimated as follows:

	Useful life (years)
Leasehold improvements	20
Equipment, general	5-10
Equipment, electronic data processing (EDP)	3-5
Mobile trailers	5-20
Furniture and fixtures	10
Vehicles	5

Works of art are capitalized at cost and no amortization is recorded.

Asset retirement obligations

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

(a) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
(b) The past transaction or event giving rise to the liability has occurred;
(c) It is expected that future economic benefits will be given up; and,
(d) 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 and is recorded as a liability and increase to the related tangible capital assets. As at March 31, 2026, the University determined that there were no significant asset retirement obligations associated with its tangible capital assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Inventories

Inventories consist of items for resale in the bookstore and food service operations and are valued at the lower of cost and net realizable value. Cost is determined on a first-in first-out basis.

Contributed services

The University benefits from services provided by volunteers in assisting the institution in carrying out its activities. The fair value of these services is not reliably estimable and accordingly is not recognized in the consolidated financial statements.

Employee future benefits

Pension benefits

Yukon University Employees' Pension Plan (the pension plan) is a contributory defined benefit pension plan. The pension plan provides mandatory pension benefits for all full-time employees and optional benefits for part-time employees of the University after 24 months of continuous service. The University's pension plan provides for defined retirement benefits based on an employee's years of service and average final earnings, in accordance with the federal *Pension Benefits Standards Act* , and is indexed in accordance with the change in Consumer Price Index for 12 months ending September 30th. In general, pension benefits are based on 2% of the best five years of continuous service minus any adjustments required by the Canada Pension Plan. Plan members can accumulate up to 35 years of continuous service. The University has contracted with external organizations to provide the services of trustee, administration, consulting, and investment management for the pension plan. Separate financial statements are prepared for the pension plan.

The University accrues for its pension benefit asset under the pension plan, net of related costs and pension obligations.

The cost of pension benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of expected plan investment performance, inflation rates, salary escalation, and retirement ages of employees.

Past service costs from plan amendments are accounted for in the period of the plan amendments.

Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the related employee group.

Other non-pension benefits

The cost of the benefit plan, other than pension, including severance benefits, non-vesting but accumulating sick leave and special leave and managers' accrued leave, payable upon termination of employment, death or retirement, is actuarially determined using the projected accrued benefit method prorated on employment services using management's best estimate of inflation rates, salary escalation, and retirement ages of employees, and is recognized over the period in which the benefits are earned (i.e. the period the employee renders service to the University). Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the related employee group. The University accrues other vacation and leave benefits for employees as earned based on their respective terms of

Revenue recognition

The University follows the deferral method of accounting for contributions. Restricted contributions are deferred and recognized as revenue on the same basis and in the same periods as expenses under the terms of the restrictions. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Unrestricted contributions, such as operating grants, are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recorded as direct increases in net assets. Investment income earned on restricted endowments which is required to remain in the endowment is added to the endowment principal. Investment income earned on restricted endowment contributions that is not required to remain in the endowment is deferred until a specified expense is incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition *(continued)*

Tuition and Contracts related to program delivery represent revenues for programs offered by the University and are considered revenue arising from exchange transactions with performance obligations. Such transactions are recognized as revenue over time when or as the University fulfils its performance obligation(s) by delivering the programs. If the performance obligation is outstanding at year end, the remaining revenue is deferred.

Sales, rental and fees represent revenues such as campus store sales, cafeteria sales, housing rentals, general student fees, and computer lab usage fees. Sales revenues are considered exchange transactions and are recognized as revenue when or as the University fulfils its performance obligation(s) and transfers control of the promised goods or services to the payor. Housing rentals are considered revenue arising from exchange transactions and are recognized as revenue over the duration of the housing rental agreement. Fees are nonexchange transactions without a performance obligation and are recognized when the University has the authority to claim or retain the revenue.

Allocation of expenses

The University allocates the majority of its expenses by function. General administration expenses are not allocated to other functions but are disclosed separately. Fundraising expenses incurred during the year are included in general administration expenses.

Internally restricted net assets

Net assets invested in capital assets represents the amount the University has spent on capital assets using its own funding sources. Net assets internally restricted for pension represents the amounts restricted in order to meet future pension obligations. Net assets internally restricted for capital assets represents the amounts restricted in order to invest in capital assets (replacement and purchase of new assets).

Related party transactions

The University is related to all Government of Yukon departments, corporations, agencies, and the University's key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the University. Significant transactions with related parties and balances at year-end are disclosed separately in the consolidated financial statements and notes thereto.

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions are recorded on a gross basis and are measured at the carrying amount, except for when inter-entity transactions are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length, or where costs provided are recovered, they are measured at the exchange amount.

Related party transactions other than inter-entity transactions are recorded at the exchange amount.

The University receives certain services provided by the Government of Yukon without charge. The majority of the services received without charge represent costs associated with facilities provided by the Government of Yukon at a reduced, or no, charge. These services are recognized as expenses with an offsetting credit to revenues in order to reflect the full cost of the University’s operations in its consolidated financial statements. These services are recorded at amounts based on the Government of Yukon's amortization expense (for the main campus), and on fair value for the rental of other facilities.

Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards applicable for government not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses for the year. Significant areas requiring the use of management estimates relate to the determination of the accrued pension benefit asset and the liabilities for other employee future benefits, and the estimated useful lives of capital assets. Actual results could differ significantly from those estimated. Estimates are reviewed annually and as adjustments become necessary, they are recorded in the consolidated financial statements in the period in which they become known.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contingent liabilities

Contingent liabilities may arise from time to time in the normal course of operations. Liabilities on any litigation are recognized in the consolidated financial statements when it is likely that a future event will confirm that a liability has been incurred at the date of the consolidated financial statements and the amount can be reasonably estimated. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingent liability is disclosed in the notes to the consolidated financial statements and no liability is accrued.

3. FINANCIAL RISK MANAGEMENT

The University's financial instruments are exposed to the following risks: interest rate risk, currency risk, credit risk, liquidity risk and other price risk. The University manages these risk exposures on an ongoing basis. The University is not party to any financial derivatives.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The University is not exposed to any significant interest rate or fair value risk because its fixed interest rate financial instruments are not considered significant. Investments are monitored by the Board of Governors and managed by investment managers, subject to asset mix and performance benchmarks contained in the investment policies. The investment managers report on a regular basis to the Board of Governors.

Currency risk

Currency risk is the risk that the fair value or future cash flows of financial assets and liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates. The University is not exposed to any significant currency risk because instruments held in foreign currency are not considered significant.

Credit risk

Credit risk arises from the possibility that the issuer of a financial instrument fails to meet its obligation. The carrying amount of cash, accounts receivable, and the portion of investments related to debt securities and cash represents the maximum credit risk exposure. The credit risk associated with these instruments is considered to be minimal due to the nature of the instruments and the fact that the majority of the accounts receivable are due from the federal, territorial, first nation and municipal governments.

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

		2026		2025
Carrying value	**$**	**8,317,386**	$	3,320,511
Allowance for doubtful accounts	**$**	**558,261**	$	424,236
Accounts receivable % less than 30 days		**83%**		74%
Accounts receivable % over 90 days		**14%**		20%

Liquidity risk

Liquidity risk is the risk that the University will not be able to meet its financial obligations as they become due.

The University manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the University's reputation. As at March 31, 2026, the University's financial liabilities includes Accounts payable and accrued liabilities of $5,989,777 (2025 - $3,205,549) and Accrued payroll and benefits of $4,210,072 (2025 - $1,686,826). The University's cash balance as at March 31, 2026 of $32,762,191 (2025 - $37,149,798), less deferred contributions of $13,817,833 (2025 - $11,039,234) and unspent deferred capital contributions of $5,774,090 (note 12) (2025 - $15,544,599), exceeds the total balance of all financial liabilities by nearly $3,000,000, thereby reducing exposure to any significant amount of liquidity risk.

3. FINANCIAL RISK MANAGEMENT *(continued)*

The University has, if needed, an operating demand line of credit with its banker that allows the University to borrow up to $1,000,000 (2025 - $1,000,000) at bank prime. The credit line was unused during 2026 and 2025. The University's credit facility interest rates are subject to fluctuations in the prime rate.

Other price risk

Other price risk is the risk that changes in financial or market conditions impair the value of the University's assets, or that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The University's investments are managed by investment managers in accordance with the University's Investment Governance Policy. The University is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

4. TRUSTS UNDER ADMINISTRATION

The University administers trust accounts on behalf of employees who are participating in income averaging plans, which are not included in the University's assets. The balance in these trusts as at March 31, 2026 was $159,441 (2025 - $189,365).

5. INVESTMENTS

	Level	Percentage	**2026**	2025
Equity securities	1	57.84%	**$ 4,006,031**	$ 4,409,168
Debt securities	1	39.63%	**2,744,691**	2,844,304
Cash and cash equivalents	1	2.53%	**175,596**	153,136
			$ 6,926,318	$ 7,406,608

The University has designated $5,784,101 (2025 - $5,694,008) for endowments.

6. EMPLOYEE FUTURE BENEFITS

a) Pension benefits

Yukon University Employees' Pension Plan is a defined-benefit pension plan, which requires the employer and the employee to make annual contributions to an employee's retirement account. Plan administrators hire an actuary to calculate the future benefits that the plan must pay an employee and the amount that the employer and employee must contribute to provide those benefits. During the year, the pension benefits paid by the pension plan were $5,894,800 (2025 - $6,353,200) and the employer and employee contributions to the pension plan were $325,000 (2025 - $1,471,100) and $332,000 (2025 - $1,538,700), respectively.

The pension plan has two groups of members. Group 1 is for members with a start date prior to July 1, 2013. Group 2 is for members with a start date on or after July 1, 2013. The age at which a member can retire without a reduced pension is age 60 for Group 1 and age 65 for Group 2. Effective January 1, 2026, Group 1 members were required to contribute to the plan at a rate of 9.77% on annual earnings up to the Yearly Maximum Pensionable Earnings (YMPE) plus 12.17% on annual earnings in excess of the YMPE (2025 - 8.97% on annual earnings up to the YMPE plus 11.37% on annual earnings in excess of the YMPE). Effective January 1, 2026, Group 2 members were required to contribute to the plan at a rate of 7.73% on annual earnings up to the YMPE plus 9.51% on annual earnings in excess of the YMPE (2025 - 6.98% on annual earnings up to the YMPE plus 8.76% on annual earnings in excess of the YMPE). An actuarial valuation for accounting purposes was performed as at March 31, 2026 using the projected benefits method prorated on services, based on extrapolated employee data as at June 30, 2025.

6. EMPLOYEE FUTURE BENEFITS *(continued)*

a) Pension benefits *(continued)*

The pension plan exposes the University to risk such as investment risk and actuarial risk. Investment risk is the risk that the assets invested will be insufficient to meet expected benefits. Actuarial risk is the risk that benefits paid will be more than expected.
In February 2025, the University entered into an annuity buy-in agreement with a third party. The buy-in relates to the University's accrued benefit obligation for retired members and surviving spouses in receipt of a pension as at June 30, 2023. The University transferred the related pension plan assets of $62,705,460, which was equal to the applicable portion of the accrued benefit obligation as at the same date, to the third-party. The University realized a gain of $11,275,513 upon redemption of the transferred assets, which is included in the actual return on pension plan assets as at March 31, 2025, of $14,486,800. All pension plan assets and accrued benefit obligations remain part of the pension plan and are reported in these consolidated financial statements.

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

	2026	2025
Weighted-average assumptions for benefit costs	**5.33%**	6.20%
Discount rate	**5.33%**	6.20%
Expected long-term rate of return on plan assets		
Rate of compensation increase		
Group 1:	**3.00%**	3.00%
Group 2:	**4.00%**	4.00%
Inflation rate	**2.00%**	2.00%
Expected average remaining service life	**13 years**	12 years
Weighted-average assumptions of accrued benefit obligation		
Discount rate	**5.72%**	5.33%
Expected long-term rate of return on plan assets	**5.72%**	5.33%
Rate of compensation increase		
Group 1:	**3.00%**	3.00%
Group 2:	**4.00%**	4.00%
Inflation rate	**2.00%**	2.00%

	2026	2025
Change in accrued benefit obligation:		
Accrued benefit obligation - beginning of year	**$ 113,276,300**	$ 96,075,600
Current service cost, net of employee contributions	**4,209,600**	2,617,400
Interest cost	**5,978,800**	5,865,300
Employee contributions	**332,000**	1,538,700
Benefits paid	**(5,894,800)**	(6,353,200)
Admin expenses	**(767,700)**	(749,400)
Actuarial (gain)/losses	**(480,600)**	14,281,900 [1]
Accrued benefit obligation - end of year	**$ 116,653,600**	$ 113,276,300

[1] The actuarial loss is primarily related to the change in the discount rate from 6.20% in 2024 to 5.33% in 2025.

6. EMPLOYEE FUTURE BENEFITS *(continued)*

a) Pension benefits *(continued)*

	2026	2025
Change in plan assets:		
Fair value of plan assets - beginning of year	**$ 159,423,400**	$ 149,029,400
Actual return on plan assets	**7,402,200**	14,486,800
Employer contributions	**325,000**	1,471,100
Employee contributions	**332,000**	1,538,700
Benefits paid	**(5,894,800)**	(6,353,200)
Admin expenses	**(767,700)**	(749,400)
Fair value of plan assets - end of year	**$ 160,820,100**	$ 159,423,400

	2026	2025
Reconciliation of accrued pension benefit asset - end of year:		
Accrued benefit obligation	**$ (116,653,600)**	$ (113,276,300)
Fair value of plan assets	**160,820,100**	159,423,400
Pension benefit surplus	**44,166,500**	46,147,100
Unamortized net actuarial gains	**(5,656,900)**	(8,232,300)
Accrued pension benefit asset	**$ 38,509,600**	$ 37,914,800

	2026	2025
Elements of defined pension plan benefit costs recognized in the year:		
Current service cost	**$ 4,209,600**	$ 2,617,400
Interest cost on benefit obligation	**5,978,800**	5,865,300
Expected return on plan assets	**(8,334,000)**	(8,627,000)
Amortization of actuarial gains	**(2,124,200)**	(2,396,500)
Net periodic pension income recognized	**$ (269,800)**	$ (2,540,800)

The fair value of the pension plans' equity securities, debt securities and other assets are based on market values as reported by the pension plans' trustee as at each applicable Statement of Financial Position date. The value of the annuity buy-in is valued by present valuing expected future cash inflows at year-end using the discount rate for the accrued benefit obligation.

	2026	2025
Based on fair value of plan assets held, the assets were composed of:		
Equity securities	**30.00%**	33.00%
Debt securities	**24.00%**	27.00%
Annuity buy-In	**35.00%**	38.00%
Other	**11.00%**	2.00%
	100.00%	100.00%

The net periodic pension income of $269,800 (2025 - $2,540,800) is recognized in salaries, wages and benefits in Note 14 and allocated to expenses by function on the Consolidated Statement of Operations in a manner consistent with the employee allocation to those functions.

Actuarial valuation for funding purposes

An actuarial valuation for funding purposes was performed as at June 30, 2025 which identified the University's required current service contributions as 100% (June 30, 2024 – 100%) of employee contributions. Under economic and demographic assumptions used in these calculations, this level of University contributions, together with the employee contributions, is sufficient to fund the current service costs of the pension plan benefits.

Effective January 1, 2025, University commenced a full contribution holiday. For the period between January 1, 2025 and December 31, 2025, neither the employer nor employees were required to make current service contributions. This decision was based on the pension plan's actuarial valuation as at June 30, 2024 for funding purposes which indicated a surplus in funding above the minimum required threshold. Effective January 1, 2026, University implemented a partial contribution holiday. For the period between January 1, 2026 and December 31, 2026, both the employer and employees are required to contribute at one-third of the otherwise required contribution rates. This decision was based on the pension plan's actuarial valuation as at June 30, 2025 for funding purposes, which indicated a surplus in funding above the minimum required threshold.

6. EMPLOYEE FUTURE BENEFITS *(continued)*

a) Pension benefits *(continued)*

The actuarial valuation for funding purposes as at June 30, 2025 for the University had an actual surplus of $26,879,500 (June 30, 2024 - $27,035,000) at the measurement date on a going-concern basis and a surplus of $26,200,200 (June 30, 2024 - $17,707,800) if valued on the basis that the pension plan was terminated/wound up as at June 30, 2025. The solvency ratio of the pension plan was 119.6% as at June 30, 2025. The Government of Yukon provided a pension related contribution to the University during the year as described in Note 15. All required contributions to the pension plan have been made.

A new actuarial valuation for funding purposes is currently expected to be prepared as at June 30, 2026 and filed with the regulator prior to December 31, 2026.

b) Other non-pension benefits

The non-pension benefit plan is not funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. The benefits include severance, non-vesting but accumulating sick leave, special leave and other outstanding leave entitlements and will be paid from future sources of revenue.

The actuarial valuation of the accrued benefit liability is:

	2026	2025
Accrued benefit obligation, end of year	**$ 6,699,600**	$ 7,653,000
Unamortized actuarial gain	**2,267,300**	1,055,710
Actuarially determined obligation, end of year	**8,966,900**	8,708,710
Less: Current portion included in vacation leave and employee future benefits *(Note 11)*	**(604,500)**	(761,200)
Non-current portion of obligation, end of year	**$ 8,362,400**	$ 7,947,510

The annual benefit plan cost and change in accrued benefit liability are as follows:

	2026	2025
Actuarially determined obligation, beginning of year	**$ 8,708,710**	$ 8,007,010
Add: Annual benefit plan cost:		
Current service cost	**1,017,300**	817,800
Interest on accrued benefit obligation	**312,500**	324,900
Curtailment/settlement gain	**(167,900)**	-
Amortization of net actuarial gain	**(238,810)**	(154,500)
Total annual benefit plan cost	**923,090**	988,200
Accrued benefit obligation before benefits paid by the University	**9,631,800**	8,995,210
Less: Benefits paid by the University	**(664,900)**	(286,500)
Actuarially determined obligation, end of year	**8,966,900**	8,708,710
Less: Current portion included in vacation leave and employee future benefits	**(604,500)**	(761,200)
Non-current portion of obligation, end of year	**$ 8,362,400**	$ 7,947,510

The significant actuarial assumptions adopted in measuring the University's accrued benefit obligation are as follows:

	2026	2025
Weighted average assumptions for benefit costs:		
Discount rate	**4.50%**	4.85%
Rate of compensation increase for 10 years and thereafter		
Group 1:	3.00%	3.00%
Group 2:	4.00%	4.00%

6. EMPLOYEE FUTURE BENEFITS *(continued)*

b) Other non-pension benefits *(continued)*

	2026	2025
Weighted average assumptions for accrued benefit obligation:		
Discount rate	**4.90%**	4.50%
Rate of compensation increase for 10 years and thereafter		
Group 1:	3.00%	3.00%
Group 2:	4.00%	4.00%
Expected average remaining service life	**14.2 years**	10 years

Effective July 1, 2025, the personal and travel leave benefit for management was revised. Under the revised policy, managers are provided with ten days of management leave annually, which resets each July 1 and cannot be carried forward, converted to other leave entitlements, or paid out in cash, including upon termination. As a result of this change, the University recognized a gain of $167,900 during the year from the settlement and curtailment of the related employee future benefit obligation, which has been recognized in the statement of operations.

7. CAPITAL ASSETS

March 31, 2026:	**Cost, beginning of year**	**Acquisitions**	**Disposals**	**Transfers**	**Cost, end of year**
Leasehold improvements	$ 7,090,790	$ -	$ (3,430)	$ -	$ **7,087,360**
Equipment general	6,143,694	376,818	(46,573)	841,335	**7,315,274**
Equipment EDP	2,471,820	322,436	(22,252)	-	**2,772,004**
Furniture and fixtures	582,846	16,763	(16,379)	11,878	**595,108**
Vehicles	1,195,805	-	(9,296)	-	**1,186,509**
Mobile Trailers	1,883,300	-	-	-	**1,883,300**
Works of art	103,448	-	-	-	**103,448**
Work in progress *(Note 12)*	4,380,777	17,549,125	(93,635)	(853,213)	**20,983,054**
	$ 23,852,480	$ 18,265,142	$ (191,565)	$ -	**$ 41,926,057**

	Accumulated amortization, beginning of year	**Amortization expense**	**Disposals**	**Accumulated amortization, end of year**	**Net book value**
Leasehold improvements	$ 4,046,633	$ 283,976	$ (3,430)	**4,327,179**	$ **2,760,181**
Equipment general	3,609,448	625,459	(46,573)	**4,188,334**	**3,126,940**
Equipment EDP	1,783,594	295,809	(22,252)	**2,057,151**	**714,853**
Furniture and fixtures	393,188	41,461	(16,379)	**418,270**	**176,838**
Vehicles	760,224	130,580	(9,296)	**881,508**	**305,001**
Mobile trailers	1,023,315	97,682	-	**1,120,997**	**762,303**
Works of art	-	-	-	**-**	**103,448**
Work in progress *(Note 12)*	-	-	-	**-**	**20,983,054**
	$ 11,616,402	$ 1,474,967	$ (97,930)	**$ 12,993,439**	**$ 28,932,618**

7. CAPITAL ASSETS *(continued)*

March 31, 2025:	Cost, beginning of year	Acquisitions	Disposals	Transfers	Cost, end of year
Leasehold improvements	$ 7,090,790	$ -	$ -	$ -	$ 7,090,790
Equipment general	5,659,843	483,851	-	-	6,143,694
Equipment EDP	2,019,698	452,122	-	-	2,471,820
Furniture and fixtures	555,541	27,305	-	-	582,846
Vehicles	1,036,114	159,691	-	-	1,195,805
Mobile Trailers	1,873,300	10,000	-	-	1,883,300
Works of art	103,448	-	-	-	103,448
Work in progress *(Note 12)*	3,383,599	997,178	-	-	4,380,777
	$ 21,722,333	$ 2,130,147	$ -	$ -	$ 23,852,480

	Accumulated amortization, beginning of year	Amortization expense	Disposals	Accumulated amortization, end of year	Net book value
Leasehold improvements	$ 3,664,952	$ 381,681	$ -	$ 4,046,633	$ 3,044,157
Equipment general	3,115,999	493,449	-	3,609,448	2,534,246
Equipment EDP	1,350,480	433,114	-	1,783,594	688,226
Furniture and fixtures	350,720	42,468	-	393,188	189,658
Vehicles	653,324	106,900	-	760,224	435,581
Mobile trailers	927,466	95,849	-	1,023,315	859,985
Works of art	-	-	-	-	103,448
Work in progress *(Note 12)*	-	-	-	-	4,380,777
	$ 10,062,941	$ 1,553,461	$ -	$ 11,616,402	$ 12,236,078

Work in progress having a value of $20,983,054 (2025 - $4,380,777) have not been amortized. Amortization of these assets will commence when the asset is put into service. The increase in work in progress during the year is primarily attributable to expenditures incurred on the Polaris Project, a major campus infrastructure initiative. Upon completion and commissioning, project costs will be transferred from work in progress to Buildings.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		2026	2025
Holdback liability		**1,645,861**	-
Accrued liabilities		**1,847,027**	1,855,885
Trades accounts payable		**1,543,469**	348,604
Student deposits		**443,829**	580,107
Other payables		**509,591**	420,953
	(Note 21)	**$ 5,989,777**	$ 3,205,549

9. DEFERRED REVENUE

	Contracts	Tuition	**2026**	2025
Balance, beginning of year	$ 329,582	$ 175,905	**$ 505,487**	$ 759,957
Additions	3,313,418	3,556,663	**6,870,081**	6,153,167
Revenue recognized	(3,347,798)	(3,705,877)	**(7,053,675)**	(6,407,637)
Balance, end of year	$ 295,202	$ 26,691	**$ 321,893**	$ 505,487

10. DEFERRED CONTRIBUTIONS

	Government of Yukon Contributions	Other contributions	Donations and allocated investment income	**2026**	2025
Balance, beginning of year	$ 980,973	$ 8,449,793	$ 1,608,468	**$ 11,039,234**	$ 10,125,543
Additions	37,772,380	16,612,417	368,264	**54,753,061**	47,559,420
Revenue recognized	(38,251,944)	(13,515,433)	(335,389)	**(52,102,766)**	(47,194,068)
Investment income	-	-	198,673	**198,673**	548,339
Transfer to endowments	-	-	(70,369)	**(70,369)**	-
Balance, end of year	$ 501,409	$ 11,546,777	$ 1,769,647	**$ 13,817,833**	$ 11,039,234

Government of Yukon contributions (Note 15) includes services received without charge of $6,020,450 (2025 - $5,623,326) in addition to $38,251,944 (2025 - $34,957,369) recognized from deferred contributions, for a total of $44,272,394 (2025 - $40,580,695).

Other contributions is comprised primarily of amounts from the Government of Canada $4,219,566 (2025 - $4,473,543), Mastercard Foundation $6,105,387 (2025 - $2,860,939) and Others $1,221,824 (2025 - $1,115,311). Donations revenue is recognized on the Consolidated Statement of Operations within fundraising and donations revenue.

11. VACATION LEAVE AND EMPLOYEE FUTURE BENEFITS

	2026	2025
Vacation leave liability	**$ 1,706,472**	$ 1,631,239
Current portion of other employee future benefits	**604,500**	761,200
Long service leave liability	**180,798**	154,323
Compensatory pay liability	**32,050**	17,642
	$ 2,523,820	$ 2,564,404

During the year, management identified employee leave that had been taken but remained unprocessed in the system at year-end. An adjustment was recorded to reduce the leave liability to reflect the actual obligation outstanding at year-end.

12. DEFERRED CAPITAL CONTRIBUTIONS

The changes in the deferred capital contributions balance are as follows:

	2026	2025
Balance, beginning of year	**$ 24,275,249**	$ 7,741,201
Restricted contributions from:		
Government of Canada	**7,949,011**	16,857,981
Government of Yukon	**61,142**	171,351
Amount amortized to revenue	**(650,725)**	(495,284)
	$ 31,634,677	$ 24,275,249

12. DEFERRED CAPITAL CONTRIBUTIONS *(continued)*

The deferred capital contributions ending balance is comprised of:

	2026	2025
Leasehold improvements	**$ 2,156,378**	$ 2,359,952
Equipment general	**1,802,436**	1,018,854
Vehicles	**54,942**	69,252
Equipment EDP	**109,772**	139,710
Furniture and fixtures	**9,389**	16,626
Work in progress		
Polaris Project	**20,983,054**	3,433,930
Signage	**-**	841,335
Mobile trailers	**744,617**	850,991
Unspent amount - Polaris Project	**5,774,089**	15,544,599
	$ 31,634,677	$ 24,275,249

13. EXTERNALLY RESTRICTED FOR ENDOWMENTS

	2026	2025
Endowment balance, beginning of year	**$ 5,694,008**	$ 5,117,345
Endowment contributions	**8,005**	15,089
Disbursements from endowments	**(150,000)**	-
Transfer from deferred contributions	**70,369**	-
Net investment income	**161,719**	561,574
Endowment balance, end of year	**$ 5,784,101**	$ 5,694,008

14. EXPENDITURES BY OBJECT

		2026	2025
Salaries, wages and benefits		**$ 43,879,765**	$ 36,194,911
Contract services		**7,196,831**	7,027,325
Rental of facilities and equipment		**3,713,571**	3,218,628
Utilities and communications		**3,360,391**	3,401,156
Material and supplies		**2,032,398**	2,057,589
Travel		**1,985,664**	1,759,056
Amortization of capital assets		**1,474,967**	1,553,661
Licenses, permits, and memberships		**1,202,723**	946,133
Promotion, events and advertising		**726,533**	672,869
Goods purchased for resale		**405,272**	467,213
Books and subscriptions		**301,528**	225,733
Bank fees and credit card commissions		**169,086**	203,786
Student assistance/scholarships		**238,016**	155,109
Postage and freight		**77,501**	78,087
Other		**480,601**	236,005
	(Note 21)	**$ 67,244,847**	$ 58,197,261

14. EXPENDITURES BY OBJECT *(continued)*

Fundraising expenses totaling $221,440 (2025 - $369,768) are included in salaries, wages and benefits, contract services, material and supplies, and promotion, events, and advertising.

Services received without charge included in above:

	2026	2025
Rental of facilities and equipment	**$ 3,209,798**	$ 2,776,216
Utilities and communication	**2,810,652**	2,847,110
	$ 6,020,450	$ 5,623,326

15. GOVERNMENT OF YUKON CONTRIBUTIONS

	2026	2025
Operating contributions	**$ 30,240,595**	$ 27,647,395
Other contributions	**7,891,865**	7,190,490
Services received without charge (Note 14)	**6,020,450**	5,623,326
Pension funding	**119,484**	119,484
	$ 44,272,394	$ 40,580,695

A significant portion of the University's revenue is received from the Government of Yukon. For the year ended March 31, 2026, total Government of Yukon contributions made up 64% of total revenues (2025 - 65%).

16. SALES, RENTAL AND FEES

Sales, rental and fees for the year is comprised of the following:

	2026	2025
Rental	**$ 779,617**	$ 888,234
Sales	**554,004**	718,685
Fees	**440,767**	438,564
	$ 1,774,388	$ 2,045,483

17. RELATED PARTY TRANSACTIONS

The University enters into transactions with related entities in the normal course of business.

In addition to those related party transactions disclosed in Note 15, the University received funds from the Government of Yukon for student training allowances amounting to $543,601 (2025 - $447,751). Included in the amortization of deferred capital contributions on the Consolidated Statement of Operations is $372,366 (2025 - $303,067) related to the Government of Yukon. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related

At March 31, 2026 there was $25,710 (2025 - $71,060) of accounts payable and accrued liabilities and $2,886,862 (2025 - $776,424) of accounts receivable related to the Government of Yukon. At March 31, 2026 there was $501,409 (2025 - $980,973) of deferred contributions and $3,247,178 (2025 - $3,619,544) of deferred capital contributions related to the Government of Yukon. The University has a lease agreement with the Government of Yukon for a building and land lease which expired June 2022. The University continues to incur lease payments for the building and land on a month-to-month basis until updated terms are established and a new agreement is signed. Lease payments of $53,089 (2025 - $53,089) were incurred by the University during the year.

18. CONTRACTUAL RIGHTS

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The University's contractual rights arise because of contracts entered into for undertaking specific programs and projects in the normal course of business. The following table summarizes the contractual rights of the University:

	Government of Canada	Government of Yukon	Others	**Total**
2027	$ 8,331,061	1,216,119	9,297,167	18,844,347
2028	2,616,018	52,000	1,913,010	4,581,028
2029	489,267	-	1,284,654	1,773,921
Thereafter	33,542	-	2,302,461	2,336,003
	$ 11,469,888	$ 1,268,119	$ 14,797,292	**$ 27,535,299**

Government of Canada contractual rights comprise amounts receivable in respect of the following funded initiatives: Transition off Diesel Hub (Northern Energy Innovation Transition), Empowering Traditions, Enhancing Yukon Trade Corridor Resilience to Northern Geohazards, Polaris – Energy Innovation Program, and Mobilizing Northern Research Leadership at Yukon University.

Government of Yukon contractual rights primarily comprise amounts receivable related to project funding for Climate Resilience Knowledge into Action, Innovation & Entrepreneurship initiatives, and IMPACT Driver's Training.

Other contractual rights consist of amounts receivable from the Mastercard Foundation and for the following initiatives: From Partnership to Impact: Strengthening Person-Centred and Partner-Integrated Youth Services in the Yukon—Exploring the What, How and Where; Yukon's Collaborative Indigenous Teacher Education Initiative; Northern Energy Innovation People and Supporting Equipment Project; Accelerating Community Energy Transformation; and Indigenous Water Governance Policy Research and Education Program Development and Pilot.

19. CONTRACTUAL OBLIGATIONS

	Construction	Information systems, course curriculum and other contracts	Facility leases	**Total**
2027	$ 16,487,500	2,651,583	17,767	**$ 19,156,850**
2028	3,235,116	964,136	5,571	**4,204,823**
2029	-	266,778	4,642	**271,420**
Thereafter	-	23,334	-	**23,334**
	$ 19,722,616	$ 3,905,831	$ 27,980	**$ 23,656,427**

The land and buildings at Ayamdigut Campus and some community campuses are owned by the Government of Yukon and leased to the University at no charge. The Government of Yukon is responsible for major maintenance and upkeep of the buildings and grounds, and the University is responsible for minor interior maintenance and repairs.

The University has entered into contractual agreements for the construction of the Polaris project. The balance disclosed in the construction category above is attributable solely to the Polaris project.

20. CONTINGENCIES

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

21. RECLASSIFICATION OF COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. These reclassifications had no impact on the previously reported excess of revenue over expenses or net assets.

COMPENSATION FUND (YUKON)

FINANCIAL STATEMENTS

December 31, 2025

(audited)

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Management's Discussion and Analysis

Management's Discussion and Analysis provides further insight into the financial performance of the Compensation Fund (the Fund), as managed by the Workers' Safety and Compensation Board (WSCB), for the year ended December 31, 2025. This section provides management's perspective on our financial results and position for the year.

Forward-looking information

Any forward-looking information in this document represent the views of management. Forward-looking information is subject to many risks and uncertainties, and may contain significant assumptions about the future. This information is presented to help stakeholders understand the Fund's financial position, priorities and anticipated financial performance.

Risk and uncertainties about future assumptions include, but are not limited to: the changing financial markets, the industry mix of the Yukon workforce, the general economy, legislation, accounting standards, appeals and court decisions, and other known or unknown risks. Readers are cautioned not to place undue reliance on forward-looking information as actual results may differ materially from those expressed or implied.

Basis of reporting

The audited financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

IFRS basis versus funding basis

The change to IFRS 17 significantly affects the Fund's reported IFRS basis financial results. IFRS 17 does not affect how the Fund operates, the funding position, the investment portfolio, the assessment rates employers pay or workers' benefits. This is because the Fund manages its funding position using a funding basis of accounting (funding basis), a method approved by the Board of Directors and the method used prior to the adoption of IFRS 17. Funding basis method uses the discount rate based on the long-term expected rate of return and reflects a more long-term financial strategy providing the Fund with more stability in its funding management. The funding basis ensures a long-term perspective on the sufficiency of funding to sustain benefits for injured workers and their dependents, while reducing the volatility of financial results used in setting assessment rates for employers.

Note that the financial results from the unaudited funding basis financial statements can be materially different from the results based on IFRS 17 in any given year due to the reasons discussed above.

Financial position (funding basis versus IFRS basis)

	Funding basis		IFRS basis	
as at December 31 ($ thousands)	2025	2024	2025	2024
Total assets	333,379	314,620	330,259	313,006
Total liabilities	213,220	227,963	213,306	234,080
Equity	120,159	86,657	116,953	78,926
Assets/liabilities	156%	138%	155%	134%

Benefits liability (funding basis) versus insurance contract liability (IFRS basis)

	Funding basis		IFRS basis	
as at December 31 ($ thousands)	2025	2024	2025	2024
Benefits Liability/Insurance Contract Liability	200,870	210,866	204,820	220,875

Under IFRS basis, all insurance contract related balances, including assessments receivable and assessments refundable, are aggregated and presented as part of the insurance contract liability (see Note 11 for details). Under funding basis, assessments receivable are included in accounts receivable and assessments refundable are included in accounts payable.

The main factor that causes the difference between the financial position of the Fund when reporting under the funding basis versus IFRS basis is the use of different discount rates to calculate the benefits liability (funding basis) versus insurance contract liability (IFRS basis). To clarify, IFRS basis now refers to the benefits liability as insurance contract liability.

Under funding basis, the discount rate is based on the anticipated returns of the underlying assets of the Fund, which takes a longer-term view and tends to provide more stability when measuring the benefits liability over time. IFRS basis uses a market rate based on a select cohort of long-term bonds that is calculated at a point in time and is not based on the expected long-term rates of return on the Fund's investments. IFRS basis calculation for liabilities for incurred claims can be much more volatile especially when interest rates change quickly.

Equity reconciliation (funding basis versus IFRS basis)

The following reconciliation illustrates the equity differences of the funding basis versus IFRS basis. Again, the main reconciling item is the difference in benefits liability (funding basis) versus insurance contract liability (IFRS basis) due to different discount rates.

as at December 31 ($ thousands)	2025	2024
Equity funding basis	120,159	86,657
Difference Benefits Liability (Funding Basis) versus Insurance Contract Liability (IFRS Basis)	-3,950	-10,010
Accounts receivable difference - IFRS reclassification to Insurance Contract Liability	-3,120	-1,614
Accounts payable difference - IFRS reclassification to Insurance Contract Liability	3,864	3,893
Equity IFRS Basis	116,953	78,926

The other reconciling items involve reclassifications of accounts receivable and accounts payable related to insurance contracts. These items are shown separately on the funding basis financial position, but are reclassified under the IFRS basis financial position and included in the insurance contract liability.

Change in presentation of IFRS basis financial statements

IFRS 17 fundamentally changes how assets, liabilities and earnings related to insurance are presented in IFRS basis published financial statements. On the Statement of Financial Position, all assets and liabilities related to the insurance contract are grouped together and presented as "insurance contract liability."

On the Statement of Comprehensive Income, insurance finance income or loss and net investment income or loss are presented separately from insurance service result. Further information on the IFRS insurance contract liability and expenses are provided in the notes to the audited IFRS basis financial statements.

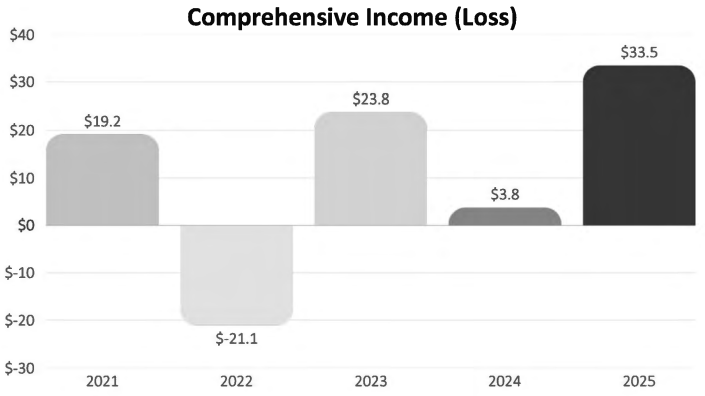
How to read the Management Discussion and Analysis

As funding basis financial results are used to manage the Fund's financial position, unless otherwise noted, the Fund's financial position and results are discussed on the funding basis here in the Management Discussion and Analysis.

Operating results

In 2025, the Fund's funding basis financial statements (unaudited), incurred an net operating surplus of $33.5 million compared to $3.9 million in 2024. The increase is due to several factors. In July 2024, the Board approved a surplus distribution of $10 million to bring the funding ratio closer to target, compared to no distribution in 2025.

The 2024 benefit liability also increased by $24.9 million, and decreased by $10.0 million in 2025. The decrease in the benefit liability resulted in the claims expenses for 2025 being $9.9 million compared to $47.1 million in 2024. Additionally, the Fund achieved a net investment gain of $37.2 million in 2024, compared to a gain of $21.8 million in 2025.



In 2025, under the funding basis, the Fund had total comprehensive income of $33.5 million, compared to $3.8 million in 2024. This included no surplus distribution in 2025 and a surplus distribution expense of $10.0 million in 2024.

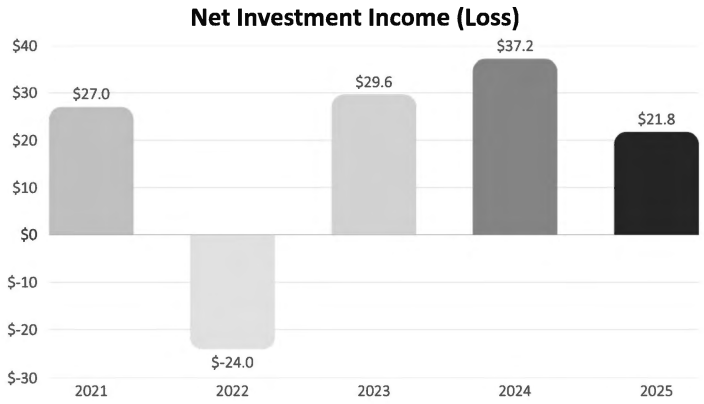
In 2025, under the IFRS basis, the Fund reported a net income before other comprehensive loss and surplus distribution of $38.0 million, an increase from $19.6 million in 2024. There was no surplus distribution for 2025, compared to a $10.0 million distribution in 2024.

The net income before comprehensive loss was $38.0 million, an increase from $9.5 million in 2024. The Fund also recognized an actuarial loss on post-employment benefits of $11 thousand, up from $42 thousand in 2024. Total comprehensive income for 2025 amounted to $38 million, compared to $9.5 million in 2024.

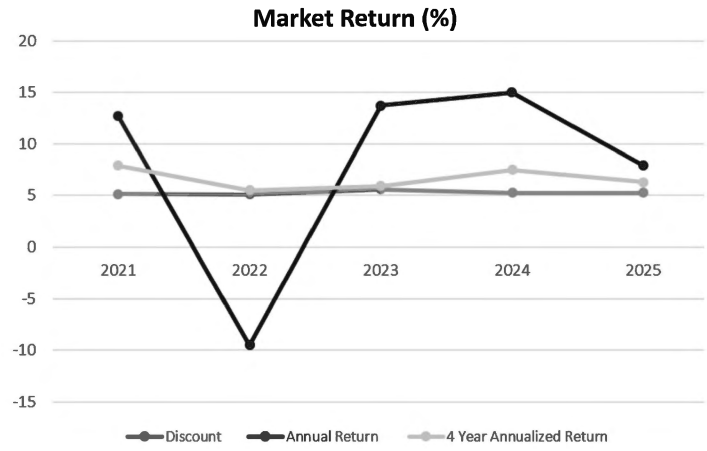
The main difference betweeen the funding statements and the IFRS statements is due to the difference in benefits liability versus insurance contract liability.

Revenues

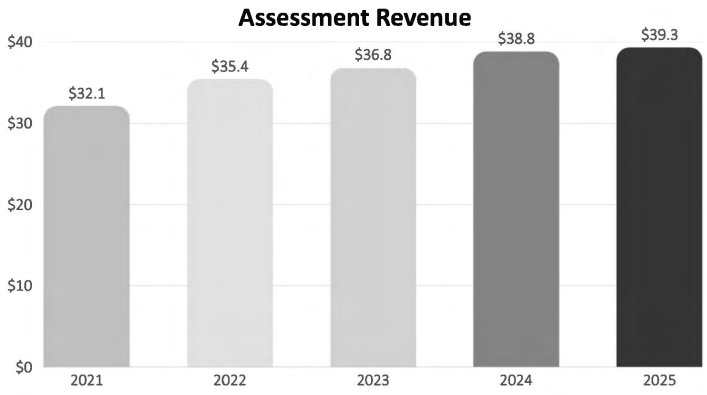
The Fund's revenue and income, which includes net investment income, totalled $61.9 million versus $77.8 million in 2024. The decrease in revenue was mainly due to the decrease in net investment income in 2025. Net investment income in 2025 was $21.8 million versus $37.2 million in 2024, a decrease of $15.4 million.



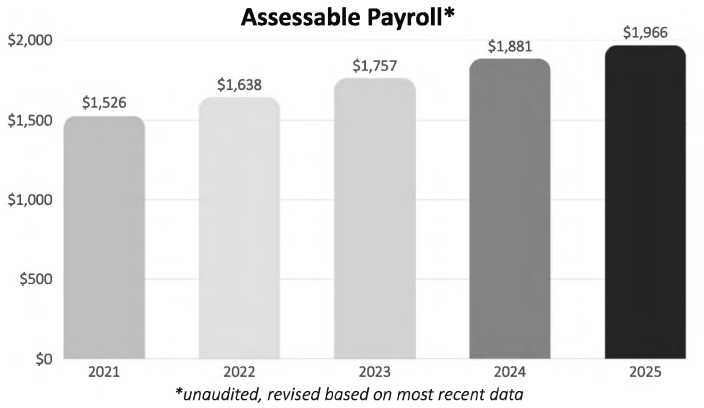
In 2025, the Fund's investments increased due to continuing strong equity markets ending the year with an overall return of 7.9%. The four-year annualized return decreased from 7.5% to 6.3%. As of December 31, 2025, the investment portfolio's asset mix was 42.9% fixed income and 57.1% equities.



Assessment revenue (or insurance revenue) in 2025 was $39.3 million versus $38.8 million in 2024. This increase was mainly due to an overall increase in assessable payroll and an increase in the maximum annual earnings (MAE). The average collected assessment premium rate (per $100 of insurable earnings) decreased in 2025 to $1.92 versus $2.06 in 2024.



The increase in assessable payroll (4.5%) was due to an overall increase in economic activity and an increase in the MAE in 2025. The MAE went from $102,017 to $104,975 due to indexing that is based on the Consumer Price Index (CPI). The number of employers increased to 4,155 from 4,131 in 2024.

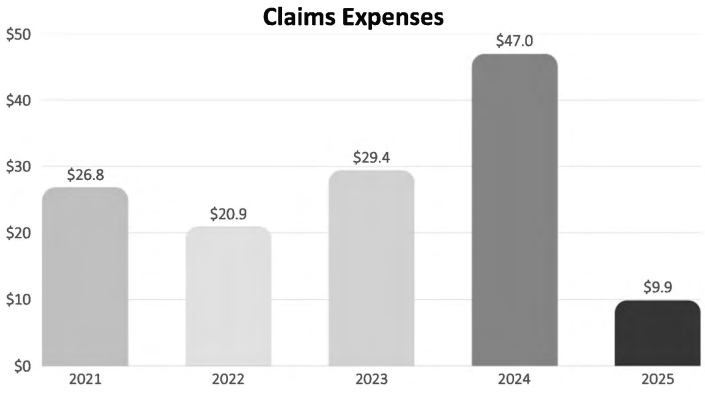


**unaudited, revised based on most recent data*

Expenses

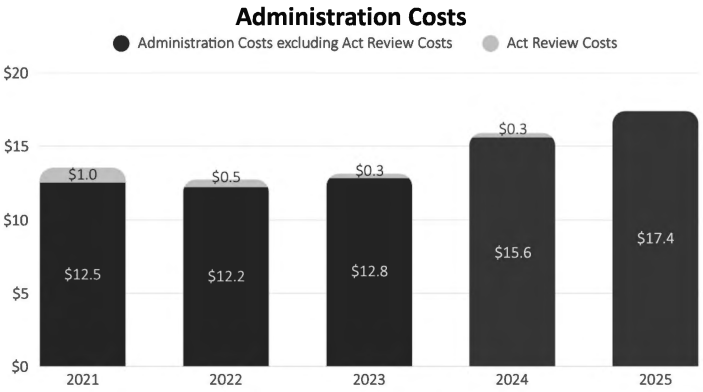
IFRS basis expenses are shown under three main categories as opposed to multiple expenses under the funding basis. As noted above, the IFRS basis discount rate resulted in higher total expenses as compared to the funding basis total expenses. The three expenses categories under IFRS basis are:

- insurance service expense (see Note 17 for details) of $12.8 million in 2025 versus $48.0 million in 2024;
- insurance finance loss (see Note 17 for details) of $7.2 million in 2025 versus $6.9 million in 2024;
- other general and administration expenses (see Note 16 for details) of $3.9 million in 2025 versus $3.3 million in 2024.



Total claims expenses for funding basis decreased to $9.9 million in 2025 versus $47.0 in 2024. The decrease was driven by a decrease in the benefit liability number for 2025.

Administration costs for funding basis increased to $17.4 million in 2025 versus $15.9 million in 2024 and the increase was due mainly to the hiring of vacant positions.



Balance sheet

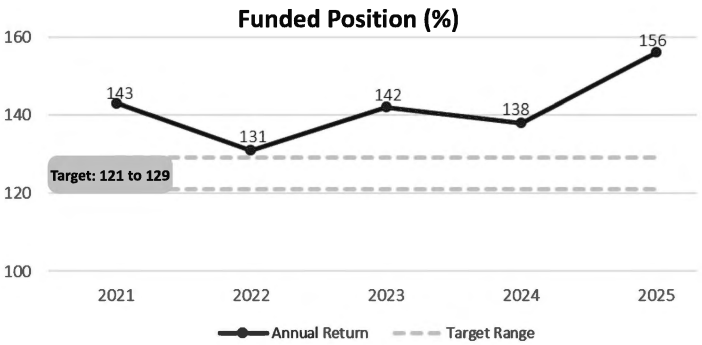
At the end of each fiscal year, WSCB's actuary calculates the benefits liability for all injuries that have occurred to date. The benefits liability represents the actuarial present value of all future benefits and related administration costs. As at December 31, 2025, this liability under the funding basis was $200.9 million compared to $210.9 million the previous year. Under IFRS basis, this liability was $204.8 million in 2025 versus $220.9 in 2024.

The total assets of the Fund as at December 31, 2024, increased under both reporting basis. Under the funding basis, assets rose by $18.8 million, compared to $35.4 million in 2024, a 6% increase over the prior year (12% in 2024). Under the IFRS basis, assets increased by $17.3 million, compared to $35.4 million in 2024, a 6% increase over the prior year (13% in 2024). The growth was primarily attributable to strong investment performance, particularly in equities.

Funded position

The funding ratio is calculated by dividing the total assets by the total liabilities. Like a pension plan, the Fund must have adequate assets to ensure that benefits can be provided to injured workers both now and well into the future. Reserves are necessary to ensure that WSCB can minimize rate volatility, protect the Fund from unforeseen catastrophic events and preserve capital during large downturns in financial markets.

As at December 31, 2025, the funding basis funding ratio increased to 156% (138% in 2024), due to a decrease in benefits liability, and relatively strong investment returns in 2025.



Risk management

In order to identify and manage the many risks that the Fund faces, an enterprise risk management system (ERMS) has been implemented. The ERMS's purpose is to identify risks that could impede WSCB's ability to carry out its mandate of preventing injuries and helping injured workers and their families. Risks are identified and ranked by probability and impact. Risk owners are assigned, and mitigation measures are identified, implemented and monitored throughout the year. These measures are reviewed through the internal audit process to assure the organization that measures are functioning as anticipated. Annually, management formally reviews the risks and corresponding mitigation strategies with the Board of Directors.

The top risks for 2025 were identified as outdated legislation regulations, the disruption of operations by cyberattacks and adverse changes in economies. Ongoing mitigation of these risks include the continued work on regulations, information technology enhancements and continued commitment to business process improvements.

Economic review

The Yukon continues to experience economic stability, supported by a growing population and sustained strength in employment. Over the past year, WSCB has seen steady investment income, which has contributed to strengthening our financial position. While markets have been somewhat unpredictable, we have remained steadfast in our financial investment practices and delivered solid results.

The overall volume of claims has remained relatively stable year over year. However, some claims are becoming increasingly complex and more challenging to manage, which often results in longer durations. While these kinds of claims can be more costly, WSCB places great importance on the human impact that are a result of injury. Our priority is to support workers in recovering and returning to work safely and in a timely manner.

To achieve this, WSCB continues to collaborate with workers, service providers and employers to effectively manage these cases and promote positive return-to-work outcomes.

Growing concerns around cybersecurity and the rapid evolution of artificial intelligence have prompted WSCB to explore how technology can enhance service quality, strengthen security and improve operational efficiency. In 2025, WSCB actively examined opportunities to modernize and streamline service delivery through the strategic use of technology.

Future outlook

As we look ahead to 2026, WSCB remains focused on navigating a rapidly evolving and, at times, uncertain economic environment. Emerging challenges can arise quickly and unexpectedly. This underscores the importance of embracing resiliency and adaptability while maintaining a strong and stable financial foundation to support our long-term objectives.

A stable financial foundation will ensure that WSCB will meet future obligations to injured workers while providing employers with predictable and sustainable assessment rates. It allows the organization to invest in enhancing client experience and allocate resources that will result in safer workplaces in the Yukon. This financial strength also positions WSCB to advance key client service initiatives that improve accessibility, responsiveness and overall service quality.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The management of the Workers' Safety and Compensation Board - Yukon (the "Board") is responsible for establishing and maintaining a system of books, records, internal controls and management practices designed to provide reasonable assurance that reliable financial information is produced on a timely basis; Compensation Fund (the "Fund") assets are safeguarded and controlled; transactions of the Fund are in accordance with relevant legislation, regulations and Board policies; the Fund's resources are managed efficiently and economically and the operations of the Board are carried out effectively.

Management is also responsible for the integrity and objectivity of the financial statements of the Fund, including any amounts that must of necessity be based on management's best estimates, experience and judgement. Management is responsible for preparing the accompanying financial statements in accordance with IFRS Accounting Standards. Management is responsible for ensuring that the other financial information included in the Annual Report is consistent with these financial statements.

Members of the Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board of Directors exercises its responsibilities through the Finance, Investment, and Audit Committee (the "Committee"). The Committee meets with management and the external auditors on a regular basis. The Committee has reviewed the financial statements and has submitted its report to the Board of Directors, which has approved these financial statements.

The Auditor General of Canada conducts an independent audit for the purpose of expressing her opinion on the financial statements.

Telus Health, an independent consulting actuarial firm, has completed an actuarial valuation of the insurance contract liability of the Fund included in the financial statements and reported thereon in accordance with accepted actuarial practice.

Catherine Jones
President and Chief Executive Officer

Maureen Thompson, CPA, CA
A/Vice President, Finance and Strategy

April 28, 2026

TELUS Health

Actuarial Statement of Opinion

I have completed the IFRS17 actuarial valuation of the insurance contract liability of the Yukon Workers' Compensation Health and Safety Board (the "Board") as at December 31, 2025 (the "valuation date"). Details of the data, actuarial assumptions, valuation methods and results are included in the actuarial valuation report as at the valuation date, of which this statement of opinion forms part. In my opinion:

1. The data on which the valuation is based were supplied by the board in accordance with specifications provided by us. We applied such checks of reasonableness of the data as we considered appropriate and have concluded that the data are sufficient and reliable for the purpose of the valuation.
2. The actuarial assumptions adopted in computing the liability are adequate and appropriate for the purpose of the valuation.
3. The methods used are appropriate for the purpose of the valuation and are in accordance with accepted actuarial practice for workers' compensation organizations in Canada.
4. The estimate of the actuarial liabilities as at the valuation date is $204,076,000. This amount consists of $203,896,000 for the liability and $180,000 for the Other Provisional Pensioners Occupation Disease & Presumptive Firefighter liability. This includes provisions for benefits expected to be paid after the valuation date for claims that occurred on or before the valuation date. A provision for future claims arising from long latency occupational diseases is included in this valuation. This liability includes future administrative expenses for all benefits, with the exception of the Retirement benefit. It does not include any accrued liability for claims arising from self-insured accounts.
5. The liability as at the valuation date for Retirement contributions and interest already set aside by the board up to the valuation date for purposes of providing pension benefits to injured workers was obtained from the board's finance division and is included in item 4 above.
6. The amount of the actuarial liabilities makes appropriate provision for all personal injury compensation obligations given the plan's accounting.
7. This report has been prepared, and my opinions given, in accordance with accepted actuarial practice in Canada.
8. The valuation is based on the provisions of the Workers' Safety and Compensation Act and on the board's policies and practices in effect on the valuation date.

Sekayi Campbell, F.C.I.A.

This report has been peer reviewed by Jeff Queen, F.C.I.A.

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

INDEPENDENT AUDITOR'S REPORT

To the Workers' Safety and Compensation Board, the board of directors and the Minister responsible for the Compensation Fund

Opinion

We have audited the financial statements of the Compensation Fund, which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Compensation Fund as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

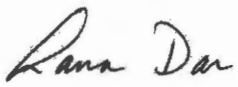
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Compensation Fund's internal control.

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

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

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

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



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

Vancouver, Canada
28 April 2026

Compensation Fund

Statement of Financial Position

As at December 31 (in thousands of Canadian dollars)

	2025	2024
Assets		
Cash	$ 1,186	$ 6,447
Accounts receivable (Note 6)	439	98
Prepaid expenses	377	469
Investments (Note 7)	309,760	288,131
Property and equipment (Note 8)	15,156	14,595
Intangible assets (Note 9)	3,341	3,266
Total assets	$ 330,259	$ 313,006
Liabilities		
Accounts payable and accrued liabilities	$ 2,962	$ 2,604
Surplus distributions payable (Note 13)	304	5,365
Other provisions (Note 10)	1,143	1,163
Insurance contract liability (Note 11)	204,820	220,875
Employee benefits (Note 12)	4,077	4,073
Total liabilities	213,306	234,080
Equity	116,953	78,926
Total liabilities and equity	$ 330,259	$ 313,006

Commitments and Contingencies (Notes 15 and 18)

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

Approved by the Workers' Safety and Compensation Board

Mark Pike, Chair

Compensation Fund

Statement of Comprehensive Income

For the year ended December 31 (in thousands of Canadian dollars)

	2025	2024
Insurance revenue and expenses		
Insurance revenue	$ 39,305	$ 38,762
Insurance service expense (Note 17)	(12,785)	(48,010)
Insurance service result	26,520	(9,248)
Net investment income (Note 7)	21,754	37,211
Insurance finance loss (Note 17)	(7,207)	(6,910)
Net insurance financial result	**41,067**	21,053
Other income and expenses		
Government grants and miscellaneous income	826	1,857
Other general and administration expenses (Note 16)	(3,855)	(3,347)
Net other expenses	(3,029)	(1,490)
Net income before other comprehensive income (loss) and surplus distribution	**38,038**	19,563
Surplus distribution expense (Note 13)	-	(10,041)
Net income before other comprehensive income (loss)	**$ 38,038**	$ 9,522
Other comprehensive income (loss)		
All items presented in other comprehensive income (loss) will not be reclassified to net income in subsequent periods:		
Actuarial loss on post-employment benefits (Note 12)	(11)	(42)
Total comprehensive income	**$ 38,027**	$ 9,480

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

Compensation Fund
Statement of Changes in Equity
(in thousands of Canadian dollars)

	Total
Equity, Balance at January 1, 2024	**$ 69,446**
Net income before comprehensive income (loss) for 2024	9,522
Other comprehensive income (loss)	(42)
Total comprehensive income (loss) for 2024	9,480
Equity, Balance at December 31, 2024	**$ 78,926**
Net income before comprehensive income (loss) for 2025	$ 38,038
Other comprehensive income (loss)	(11)
Total comprehensive income (loss) for 2025	38,027
Equity, Balance at December 31, 2025	**$ 116,953**

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

Compensation Fund
Statement of Cash Flows
For the year ended December 31 (in thousands of Canadian dollars)

	2025	2024
Operating activities		
Cash received from:		
Employers, for insurance revenue	$ 32,709	$ 38,809
Investment income - interest	4,575	3,937
Investment income - dividends	3,471	3,241
Government grants and miscellaneous income[1]	806	1,226
	41,561	47,213
Cash paid:		
To employers, for surplus distributions	-	(2,984)
For insurance service expense	(32,626)	(34,548)
For other general and administration expenses	(3,930)	(2,641)
For investment fees	(886)	(843)
	(37,442)	(41,016)
Total cash provided by operating activities	4,119	6,197
Investing activities		
Net (purchases) sale of investments	(7,022)	(4,443)
Purchases of property and equipment	(1,356)	(3,074)
Purchases of intangible assets	(1,002)	(1,176)
Total cash used for investing activities	(9,380)	(8,693)
Net (decrease) in cash	(5,261)	(2,496)
Cash, beginning of year	6,447	8,943
Cash, end of year	**$ 1,186**	$ 6,447

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

[1] *Bank interest received during the year was $159 (2024 - $435)*

1. Reporting Entity

The Compensation Fund (the "Fund") is continued by the *Workers' Safety and Compensation Act* (the "Act"). This Act was passed on December 2, 2021 and came into effect July 1, 2022. The Act supersedes the *Workers' Compensation Act* of Yukon and *Occupational Health and Safety Act* and regulations.

The Workers' Safety and Compensation Board - Yukon (the "Board") was continued under the Act. The Board's mandate is to administer the Act and regulations and provide compensation benefits to workers who sustain work-related injuries. Annual assessments, called insurance revenue on the Statement of Comprehensive Income, are levied on employers by applying their industry assessment rate to their actual or estimated payrolls for the year. Insurance and investment revenues pay for all insurance service and other general and administration expenses.

The Board's office is located at 401 Strickland Street, Whitehorse, Yukon, Canada, with operations exclusively within the Yukon. The Board is exempt from income tax and the goods and services tax.

2. Statement of Compliance and Basis of Preparation

These financial statements have been prepared by management in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). The Board of Directors approved and authorized for issue the 2025 financial statements on April 28, 2026.

Basis of measurement

These financial statements have been prepared on a historical cost basis, except for the following: investments classified as fair value through profit or loss that are measured at fair value, and the insurance contract liability, other provisions and employee benefits which are actuarially determined. The Fund's functional currency is the Canadian dollar, which is the currency of the primary economic environment in which the Fund operates and is also the presentation currency of the financial statements.

Critical Accounting Estimates and Judgements

The Board makes estimates and judgements in respect of certain key assets and liabilities of the Fund. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are:

- Note 7 Investments – valuation of financial instruments
- Note 11 Insurance Contract liability – determination of discount rates and other assumptions
- Note 11 Insurance Contract liability – determination of latent occupational disease provision

2. Statement of Compliance and Basis of Preparation (continued)

Critical Accounting Estimates and Judgements (continued)

The major areas of judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are:

- Note 4(j) Material Accounting Policy Information – Insurance contract liability – separation of components, aggregation of contracts, contract initial recognition date, determination of contract boundaries and determination of onerous contracts
- Note 4(j) Material Accounting Policy Information – Insurance contract liability, Note 16 Other General and Administration Expense – allocation of general and administration expenses to insurance activities
- Note 7 Investments – classification of financial instruments
- Note 8 Property and Equipment – the degree of componentization
- Note 9 Intangible Assets – the determination of development costs eligible for capitalization

3. Changes in Accounting Policies and Disclosures

New and revised IFRS issued but not yet effective

The Board reviewed new or revised standards that were issued but yet not effective for 2025 and concluded that there would be no significant impact on the Fund's financial statements in the future as a result of these new or revised standards, except as follows:

(a) IFRS 18 - Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and disclosure in financial statements was issued in April 2024 to replace IAS 1 Presentation of financial statements. IFRS 18 introduces new categories and subtotals in the Statement of Comprehensive Income. It also requires disclosure of management defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information. IFRS 18 requires retrospective application with specific transition provisions. The new standard is effective for annual periods beginning on or after January 1, 2027 and early adoption is allowed. The Board has not elected to early adopt this standard. The Board is still assessing the impact is of applying IFRS 18 and the impact on the Fund's financial statements is unknown at this time.

4. Material Accounting Policy Information

The Fund's material accounting policy information:

(a) Cash

For the purposes of the Statement of Financial Position and Statement of Cash Flows, cash includes cash on hand, bank balances, net of any bank overdrafts and cash held by investment custodians for investment purposes.

Foreign currency transactions incurred within operating activities are translated based on the exchange rate at the time of the transaction. Any cash balances remaining in foreign currency bank accounts at year end are translated at the exchange rate in effect as of December 31 of that year. Any gains or losses incurred as a result of translations are recorded in the Statement of Comprehensive Income.

(b) Insurance revenue

At the beginning of each year, the Fund levies assessments on employers by applying their industry assessment rate to their estimated payrolls for the year. The assessment levy is payable by instalments during the year. At year end, employers file a statement of actual assessable payroll and the difference between the estimated assessment and the actual assessment is recognized either as an increase in insurance revenue and recognized as a receivable, or as a decrease in insurance revenue and recognized as assessment refundable. When an employer does not provide estimated payroll, the Fund estimates, and levies assessments based on prior experience with the employer and industry.

Insurance revenue recognized for the period is the amount of expected assessment receipts allocated to the calendar year.

(c) Recoveries from third parties

Under section 129(1) of the *Act*, the Board is deemed to be an assignee of a cause of action in respect of a worker's injury that arose out of a work-related injury. If settled, or as a result of a Court decision, the legal costs and costs associated with the claim create the settlement. Out of the settlement are paid the legal costs, and legal disbursements, and all past, present and future costs. Any funds remaining are paid to the worker. The amount recovered for past, present and future costs is used to pay for future claims benefits, which were previously expensed in accordance with actuarial calculations, and which were previously incorporated in the insurance contract liability.

Recoveries from third parties are recognized when their receipt is virtually certain and the amount can be reliably measured. They are recorded as insurance revenue in the year they are recognized. No provision is made in the insurance contract liability for possible future third party recoveries because of their contingent nature.

4. Material Accounting Policy Information (continued)

(d) Financial instruments

Financial assets at fair value through profit or loss (FVTPL)
Financial assets that are held within a different business model than "hold to collect" or "hold to collect and sell" are categorized at FVTPL. Also, irrespective of the business model, financial assets whose contractual cash flows are not solely payment of principal and interest are accounted for at FVTPL. The Fund can also elect to classify assets at FVTPL if classifying them in another category would result in an accounting mismatch.

Assets in this category include the Fund's investment portfolio, including fixed income and equity investments.

These assets are measured at fair value with realized gains or losses as well as changes in unrealized gains and losses recognized in net income as investment income. The fair values of quoted investments are based on closing market prices. Transaction costs directly related to the fair value through profit or loss financial assets are expensed as incurred.

Financial assets at amortized cost
Financial assets are measured at amortized cost if the asset meets the following conditions:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payment of principal and interest on the principal amount outstanding.

These assets are recorded initially at fair value and subsequently measured at amortized cost using the effective interest rate method. Interest and realized gains or losses are included in net comprehensive income. Cash and accounts receivable fall into this category.

Receivables are recognized when owed pursuant to the terms of the related contract and are short-term; therefore, the net carrying value is considered to be a reasonable approximation of fair value.

Transaction costs are capitalized on initial recognition and are recognized in income using the effective interest rate method.

Investments
Investments are classified and measured at fair value through profit or loss. The fair value of publicly traded investments is the quoted market price which approximates the bid price at the end of the reporting period. Pooled fund units are valued at their year end net asset value, as determined by the fund manager. Purchases and sales of investments are recognized on the trade date.

4. Material Accounting Policy Information (continued)

(d) Financial instruments (continued)

Investments (continued)

Net investment income is comprised of realized gains and losses earned in the period arising on the sale of investments; unrealized gains and losses arising from fluctuations in fair value in the period; and dividends and interest earned in the period; net of investment management fees and transaction costs.

Investments denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the end of the year. Income from investments is translated at the rate in effect at the time it is earned. Exchange gains and losses resulting from the translation of foreign currency balances and transactions are recognized in net investment income in the period in which they arise.

The Board does not enter into any financial derivative instruments as part of managing the Fund's investment portfolio.

Financial liabilities

Accounts payable and accrued liabilities, and surplus distributions payable are measured at amortized cost. All are initially measured at fair value, and subsequently measured at amortized cost using the effective interest rate method. Due to the short-term nature of accounts payable and accrued liabilities, and surplus distributions payable, their carrying values approximate their fair values.

Fair value hierarchy

For determining and disclosing the fair value hierarchy of its financial instruments by valuation technique, the Board uses:

- Level 1 - quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2 - other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3 - techniques that use inputs which have a significant effect on the recorded fair value which are not based on observable market data.

Changes in valuation methods may result in transfers into or out of an instrument's assigned level. The Board's policy is to recognize transfers as of the date of the event or change in circumstances that cause the transfer. There were no such transfers between levels in 2025 (2024 – no transfers).

Impairment of financial assets

IFRS 9 - Financial Instruments (IFRS 9) impairment requirements use more forward-looking information to recognize expected credit losses – the expected credit loss ("ECL") model. Instruments within the scope of the requirements include financial assets measured at amortized cost.

4. Material Accounting Policy Information (continued)

(d) Financial instruments (continued)

Impairment of financial assets (continued)

The recognition of an impairment requires the Fund to consider a broad range of information when assessing credit risk and measuring expected credit losses including past events, current conditions and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. Accounts receivable include an estimate for the lifetime expected credit losses using the simplified method with a provision matrix in the expected credit loss accounts and are regularly reviewed to determine whether the account should be partially written-down or fully written-off. Accounts are written-off when there is no reasonable expectation of recovery.

Derecognition of financial assets and liabilities

A financial asset is derecognized when the contractual right to the cash flows from the asset expires or the financial asset and substantially all risk and rewards of ownership is transferred to another entity. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled, or expire.

(e) Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and accumulated impairment. Depreciation is calculated based on the straight-line method using rates based on the estimated useful lives of the assets:

- Buildings and fixtures 10 – 75 years
- Furniture and equipment 5 – 15 years
- Computer equipment 5 – 7 years

Where an item of property and equipment is comprised of significant components with different useful lives, the components are accounted for separately. The estimated useful life, residual value and depreciation method are reviewed at each year end and any change in estimate is made on a prospective basis.

(f) Intangible assets

Intangible assets are comprised of purchased software and internally developed software systems.

Research costs are expensed as incurred. Development costs of internally developed software systems are capitalized when the system is technically feasible, resources are available, costs can be measured reliably, management intends to use the asset, and future economic benefits are probable. The asset is derecognized on disposal or when no future economic benefit is expected from its use or disposal. Salaries, wages and benefits directly related to internally developed software systems are included in the asset's cost. When the asset is substantially complete and is available for use, development costs are transferred to the related asset category and amortized.

4. Material Accounting Policy Information (continued)

(f) Intangible assets (continued)

Intangible assets are recorded at cost less accumulated amortization and accumulated impairment. Amortization is calculated based on the straight-line method using rates based on the estimated useful lives of the assets:

- Systems and software 5 – 25 years

The estimated useful life and amortization period are reviewed at each year end and any change in estimate is made on a prospective basis.

(g) Impairment of non-financial assets

IAS 36 *Impairment of Assets* requires an entity to test assets for impairment if indicators of impairment exist. The impairment review must be conducted for an individual asset, an asset group, or the cash-generating unit level, which is the smallest identifiable group of assets that generates cash inflows independent of cash inflows from other assets or groups of assets.

Based on an analysis of cash flows, the Board has established that the appropriate cash generating unit for impairment review is the entity. The Board has statutory power under the Act to increase premiums and/or charge a premium surcharge to ensure full funding into the foreseeable future and, therefore, the likelihood of impairment at the entity level is remote.

Individual assets that may have experienced impairment due to loss, damage, obsolescence or curtailed service potential are reviewed and the estimated useful life, depreciation method and residual value adjusted.

The Board assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Board estimates the asset's recoverable amount. As at December 31, 2025, management conducted an impairment review at the entity level, which confirmed that there were no indicators of impairment – changes in the legislative, economic or business environment – that would have a material impact on the Board's ability to generate future economic benefits from its operating (non-financial) assets.

(h) Government grants

There are two types of government grants which include government grants related to expenses and government grants related to assets. Government grants related to expenses are recognized as income when there is reasonable assurance that the conditions attached to the grant will be complied with and the grant will be received. When the grant relates to an asset, it is recognized as deferred income and is released into income in equal amounts over the expected useful life of the related asset.

In 2005, the Government of Yukon approved the reinstatement of ongoing funding for the Mine Safety Program (the "Program") through an annual grant to the Fund. The Program, which was transferred to the Board in 1993, provides mine rescue training and support services as well as mine safety inspection services. The funding is to be reviewed by the Government, at a minimum, every five years.

4. Material Accounting Policy Information (continued)

(i) Other provisions

Other provisions relate to certain claims that occurred prior to 1993, were transferred to the Fund, and were prepaid by the Government of Yukon. Provisions for these claims are determined annually and represent the actuarial present value of all future benefits expected to be paid. Claimants receive fixed monthly payments that are indexed on an annual basis. The estimated duration over which payments will be made is set based on the life expectancy of the claimants. Assumptions required to calculate other provisions include estimates of future inflation, interest rates and mortality rates. Experience adjustments are recognized as net income as incurred.

(j) Insurance contract liability

Classification

Insurance contracts are contracts under which the Board accepts significant insurance risk from an employer, by agreeing to compensate the injured worker if a workplace injury occurs. The Board determines whether it has significant insurance risk by comparing benefits payable after an insured event with benefits payable if the insured event did not occur.

Separating components

The Board has assessed its insurance contracts to determine whether they contain distinct components which must be accounted for under another IFRS. The Board has recognized all insurance contracts as one component to be accounted for under IFRS 17 - Insurance Contracts (IFRS 17).

Level of aggregation

IFRS 17 requires the Board to determine the level of aggregation for applying its requirements. Groups of contracts with similar risks that are managed together are aggregated into portfolios. The Board has determined all insurance contracts issued in a fiscal year are a single portfolio. All of the Board's insurance contracts are issued at the same time annually or within the same annual coverage period; they share similar risks and are managed together. As a result, the insurance contract liabilities and assets are grouped together and presented as one amount on the Statement of Financial Position.

The single portfolio consists of individual insurance contracts to provide insurance benefits to injured workers. The portfolio of contracts must then be divided by profitability. Within each year, the portfolio of contracts must be divided into the following:

- group of insurance contracts that are onerous at initial recognition (if any);
- group of insurance contracts that at initial recognition have no significant possibility of becoming onerous subsequently (if any); and
- group of remaining insurance contracts within the portfolio (if any).

The Board performs an annual assessment of the profitability of its portfolio to determine the expected profitability. The Board has determined that all contracts within each annual portfolio fall within the same profitability grouping as a result of the Board's pricing and risk management strategies which are based on the collective risk of all insured employers.

4. Material Accounting Policy Information (continued)

(j) Insurance contract liability (continued)

Recognition

The Board recognizes groups of insurance contracts it issues from at the earliest of:

- the beginning of the coverage period of the group of insurance contracts;
- the date when the first payment is due from an employer or when the first payment is received; or
- for a group of onerous contracts, if facts and circumstances indicate that the group is onerous.

The Board's insurance contracts are recognized on a calendar basis with initial recognition generally being January 1, aside from new employers to the Board. The Board's contracts become effective on January 1 annually for existing employers which coincides with the beginning of the coverage period and when the premium rates are considered binding. New employers are added to the insurance contract portfolio when one of the above conditions are met.

Contract boundary

The contract boundary is used to determine the cash flows to be included in the groups of insurance contracts. A substantive obligation to provide insurance contract service ends when the Board has the ability to reassess risks of the employer and as a result can set a price that reflects those risks, or both of these criteria are satisfied:

- the Board has the ability to price the group of contracts so that the price reflects the reassessed risk of the group of insurance contracts, and
- the pricing of premiums related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

The Board has determined that the insurance contracts have annual terms that are guaranteed to be renewable each year; however, the Board has the ability to re-price the premiums based on risk, experience and historical information annually. As the substantive obligation to provide the employer with insurance coverage ends when the Board has the ability to reprice the risks of the employer, the contract boundary and related cash flows are those associated with that one year coverage period.

Measurement

The Board uses the Premium Allocation Approach (PAA) for all groups of insurance contracts that it issues to employers due to the fact that the coverage period of each insurance contract is one year or less, including insurance contract services arising from all premiums within the contract boundary.

4. Material Accounting Policy Information (continued)

(j) Insurance contract liability (continued)

Measurement (continued)

Initial measurement

For groups of insurance contracts that are not onerous at initial recognition, the Board measures the liability for remaining coverage at inception as the premiums, if any, received at initial recognition. The Board has elected to immediately expense any acquisition costs and does not incur any other cash flows prior to the contract commencement date; therefore, no other adjustments are made to the liability for remaining coverage at initial recognition. Where the contract boundary is one year, there is no adjustment required for accretion of interest on the liability for remaining coverage.

For insurance contracts that facts and circumstances indicate that the group of insurance contracts is onerous at initial recognition, the Board separately groups the onerous contracts from other contracts and recognizes a loss in the Statement of Comprehensive Income. The Board would also establish a loss component for the liability for remaining coverage for such onerous contracts on initial measurement.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Board requires for bearing the uncertainty about the amount and timing of the cash flow of insurance contracts. Although non-financial risks are inherent in the operations of the Board, due to the nature of operations, the Board does not seek compensation for the uncertainty around the amount and timing of cash flows that arise from the non-financial risks. As the Board generates sufficient premiums and income from investments to fully fund the operations of the insurance business and other administrative activities, there is no compensation required or earned by the Fund for such risk and as such, the risk adjustment was determined to be approximately nil or negligible.

The Board estimated the risk adjustment using a 50% confidence level, which is the probability that the actual outcome of future cash flows associated with the Funds claims and expenses will be less than the liability.

Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at the sum of a risk-free yield curve derived from Government of Canada bonds and an illiquidity premium derived from a reference portfolio. The bottom-up approach was applied in the determination of the discount rate using the Fiera Capital Corporation IFRS 17 reference curve.

4. Material Accounting Policy Information (continued)

(j) Insurance contract liability (continued)

Measurement (continued)

Fulfillment cash flows

Fulfillment cash flows comprise the probability-weighted estimates of future cash flows, discounted to reflect the time value of money and the associated financial risks, plus a risk adjustment for non-financial risk which is determined to be negligible. Fulfillment cash flows are comprised of direct expenditures related to insurance activities plus an allocation of indirect expenditures. Management has applied judgement as to the allocation of general and administrative expenses in the determination of the amounts attributable to insurance activities.

Subsequent measurement

Liability for remaining coverage

The Board measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period, plus premiums received in the period, and minus the amount recognized as insurance revenue for the services provided in the period.

Where the Board's insurance contracts all align to the Board's annual reporting period, the liability for remaining coverage at the end of each annual reporting period is $Nil.

Liability for incurred claims

The Board estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, reflect current estimates from the Board, and include an explicit adjustment for non-financial risk. The Board adjusts all future cash flows for the time value of money and the effect of financial risk.

The liability for incurred claims represents the present value of expected future payments in respect of claims arising from accidents that occurred prior to the end of the fiscal year as well as an allowance for all recognized latent occupational disease claims expected to arise in the future as a result of past exposures. Occupational diseases differ from other types of occupational injuries in that there can be a considerable time lag between the exposure, the manifestation of the disease and the identification of the ensuing disability as a claim. Further, it may be difficult to establish a link between an occupational disease and the workplace. A portion of the total liability is held based on the accumulated exposure up to the valuation date relative to total exposure before manifestation of the occupational disease. The liability for incurred claims also includes an allowance for future claims management costs.

4. Material Accounting Policy Information (continued)

(j) Insurance contract liability (continued)

Measurement (continued)

Subsequent measurement (continued)
Liability for incurred claims (continued)
The liability for incurred claims includes provision for all benefits provided by current legislation, policies, and administrative practices.

During the normal course of business, the Board will enter into agreements with other workers compensation boards or other parties as listed in section 9(1) of the Act. Under section 9.10 of the Interjurisdictional Agreement on Worker's Compensation Consolidation, the Adjudicating Board shall notify a Reimbursing Board of a potential reimbursement claim within two years of the date the claim is accepted by the Adjudicating Board.

As such, it is possible for the Fund to not be aware of liabilities for accidents that occurred in the Yukon but are adjudicated by another board at year-end.

Onerous contracts
If, during the contract period, facts and circumstances indicate that a group of insurance contracts is onerous, the Board recognizes a loss in comprehensive income for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Board for the liability for remaining coverage for the onerous group showing the losses recognized.

Under the PAA, contracts are not considered onerous unless indicated by certain facts and circumstances. A contract becomes onerous if it's expected to generate losses over its coverage period. The determination of whether a contract is onerous at initial recognition involves comparing the expected return from assessment premiums, less premium rate adjustments related to funding surpluses and deficits, and the present value of the expected benefit payments and administration costs.

Modification and derecognition
The Board derecognizes insurance contracts when the rights and obligations relating to the contract are extinguished or the contract is modified such that the modification results in a change in the measurement model, substantially changes the contract boundary or requires the modified contract to be included in a different group. As a result, the Board derecognizes the initial contract and recognizes the modified contract as a new contract. When a modification does not result in derecognition, the Board recognizes amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

4. Material Accounting Policy Information (continued)

(j) Insurance contract liability (continued)

Measurement (continued)

Insurance finance income or loss

Insurance finance income or loss comprise the change in the carrying amount of the insurance contracts arising from:

- the effect of the time value of money and changes in the time value of money; and
- the effect of financial risk and changes in financial risk.

The Board recognizes all insurance finance income or loss through total comprehensive income.

(k) Employee benefits

Short-term employee benefits

Employee benefits that are expected to be settled within twelve months of the reporting date are measured on an undiscounted basis. These benefits include annual vacation leave earned but not yet used.

Other long-term employee benefits

Benefits that are expected to be settled beyond twelve months are determined based on an actuarial valuation as the best estimate of future cash flows discounted to present value with actuarial gains and losses recognized in total comprehensive income as incurred. These benefits include long service vacation leave, sick leave and special leave benefits earned but not used.

Post-employment benefits

(i) Retirement and severance benefits

Retirement or severance benefits are available to employees who have completed five years of service with the Board. Payments are made upon retirement or termination, with benefits increasing with additional length of service. The benefit obligation is determined based on an actuarial valuation using estimates of future inflation and interest rates. Actuarial gains and losses are recognized in other comprehensive income as incurred. The obligation is calculated using the projected unit credit method prorated on service.

(ii) Public Service Pension Plan

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

4. Material Accounting Information Policy (continued)

(l) Funding policy surplus distributions

The Board may issue surplus distributions in accordance with its Funding Policy. These are recorded as an expense in the period in which they are approved by the Board of Directors. Surplus distributions that are approved but not issued are recorded as credit to eligible employers' assessments when an obligation exists, when the amount of such distributions can be reliably estimated, and when it is probable a payment will be issued in the future to settle the obligation.

5. Risk Management

The Fund has exposure to the following financial risks:

- (a) credit risk,
- (b) liquidity risk, and
- (c) market risk, which includes: (d) inflation risk, (e) interest rate risk, and (f) currency risk.

The Fund's exposure to these financial risks arises primarily in relation to its investment portfolio, but also in relation to its other financial assets and financial liabilities.

The Board's management is responsible for monitoring performance and recommending changes to the Investment Policy. The Board of Directors is ultimately responsible for governance and strategic direction of the investment portfolio through its review and approval of the Investment Policy and selection of investment managers. The investment managers' compliance with this Investment Policy is monitored on a regular basis. Quarterly, independent consultants benchmark the performance of the Fund's investment managers and advise on the appropriateness and effectiveness of the Fund's Investment Policy and practices.

There were no changes to these financial risks or the Board's objectives, policies and process for managing the financial risks during the year ended December 31, 2025. The following sections present information about the Fund's exposure to financial risks and the Board's objectives, policies and processes for measuring and managing these financial risks.

(a) Credit risk

Credit risk on financial instruments arises from the possibility that the issuer of a fixed-term instrument fails to meet its obligations. Short-term deposits are rated as R-1 (high). To manage credit risk, the Board, as prescribed in the Investment Policy, has determined that short-term investments must have a credit rating of at least R1L, and long-term investments require a rating of BBB or higher by the Dominion Bond Rating Service or the equivalent rating by Moody's, in order to be eligible for consideration as an investment. Diversification of credit risk is managed by limiting the exposure in a single private institution to 15% of the portfolio. The Board has stayed within these guidelines during the year.

5. Risk Management (continued)

(a) Credit risk (continued)

The Fund's fixed income bond credit ratings:

Ratings	AAA	AA	A	BBB	31-Dec-25	31-Dec-24
Fixed Income Securities	$ 50,435	$ 36,694	$ 29,944	$ 13,838	$130,911	$123,575

The Fund's exposure to credit risk associated with its receivables is the risk that an employer or a cost recovery customer (the "customer") will be unable to pay amounts due to the Fund. The Fund's maximum exposure to credit risk associated with its accounts receivable and insurance contract assets is $3,559,000 (2024 – $1,712,000).

The Fund's exposure to credit risk differs depending on whether it arises from financial assets or the insurance contract liability. IFRS 9 addresses credit risk associated with accounts receivable measured through expected credit loss. IFRS 17 addresses credit risk associated with insurance contract assets measured using current, market-based assumptions.

An estimated expected credit loss has been recorded for accounts receivable and insurance contract assets that may not be collectible as at the reporting date. The amounts disclosed on the Statement of Financial Position are net of these expected credit losses. At December 31, 2025, there were no significant accounts receivable or insurance contract assets that were past due but not impaired. The Board takes into consideration payment and collections history, and the current economic environment in which the Board operates to assess expected credit losses. The Board recognizes expected credit losses when management considers that the expected recovery is less than the carrying amount.

The Board believes that the credit risk associated with receivables is mitigated by:

- The employer base is dispersed across various industries, with government comprising a significant concentration. The non-government-based employers may be affected by any downturns due to prevailing economic conditions.
- As at December 31, 2025, approximately 80% (2024 – 75%) of accounts receivable and insurance contract assets were outstanding for less than 90 days. The Board does not require collateral or other security from employers or customers for accounts receivable.
- The Board has the power and remedies to enforce payment owing to the Fund.

5. Risk Management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Fund's operations are financed through a combination of the cash flows from operations and investments. One of management's primary goals is to maintain an optimal level of liquidity through active management of assets, liabilities and cash flows.

The Fund has access to the Government of Yukon's overall line of credit facility with the Government's banker; which provides the Fund with overdraft coverage of $10,000,000, if needed. The Fund has not used the overdraft coverage.

The Fund's accounts payable and accrued liabilities and surplus distributions payable had a carrying value of $3,266,000 (2024 – $7,969,000) and were all payable within a year. Liquidity risk related to the insurance contract liability is included in note 11(e).

(c) Market risk

The Fund is exposed to market risk which is the risk that the fair value or future cash flows of its investments will fluctuate in the future because of economic conditions. Market risk is managed through diversification between different asset classes and geographic locations, and by limiting the concentration in any single entity to 15 per cent or less of the fair value of the investment fund (note 7).

The Fund's investment target and actual asset mix at fair value:

	Target		Actual	
	Minimum	Maximum	31-Dec-25	31-Dec-24
Equities				
Canadian	0 %	25 %	19.0 %	18.6 %
United States	0 %	25 %	19.5 %	20.3 %
International	0 %	25 %	18.0 %	16.8 %
Fixed income				
Short-term investments	0 %	10 %	1.1 %	1.2 %
Bonds	35 %	85 %	42.4 %	43.1 %
			100.0 %	100.0 %

5. Risk Management (continued)

(c) Market risk

The effect on the investment portfolio of a material adverse change in the fair value of equities in the Fund's investments portfolio:

	31-Dec-25		31-Dec-24	
	-10%	-20%	-10%	-20%
Equities				
Canadian	$ (5,860)	$ (11,719)	$ (5,340)	$ (10,679)
United States	(6,011)	(12,022)	(5,843)	(11,685)
International	(5,570)	(11,141)	(4,831)	(9,662)
Total impact on investment portfolio	$ (17,441)	$ (34,882)	$ (16,014)	$ (32,026)

(d) Inflation risk

Inflation risk is the risk that a general increase in price level may result in loss of future purchasing power of current monetary assets. The Board manages inflation risk through its investment allocation between equities and fixed income investments.

(e) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial security will fluctuate due to changes in market interest rates. The Fund's investment portfolio is exposed to interest rate risk through its holdings of short- and long-term fixed income investments. Interest rate risk is minimized by actively managing the duration of the fixed income investments.

The effects on the investment portfolio of a 50 and 100 basis point ("bp")[1] adverse change in the market interest rate on the fair value of the bonds portfolio:

	31-Dec-25		31-Dec-24	
Positive bp change in market interest rate	+50bp	+100bp	+50bp	+100bp
Bonds	$ (4,492)	$ (8,984)	$ (4,479)	$ (8,957)
Total impact on the investment portfolio	$ (4,492)	$ (8,984)	$ (4,479)	$ (8,957)

(1) One basis point (bp) equals 1/100 of 1%; 50 bps = 50/100 of 1%, or 0.5%.

In the event the market interest rates decrease by 50 and 100 basis points, the impact will be equal and opposite to the above stated values.

5. Risk Management (continued)

The remaining terms to maturity at fair value, along with the average effective yields for each maturity, for fixed income investments exposed to inflation and interest rate risk:

	Remaining term to maturity [1]					
	< 1 year	1 - 5 years	5 - 10 years	> 10 years	31-Dec-25	31-Dec-24
Bonds	$ 3,259	$ 54,842	$ 35,548	$ 37,262	$130,911	$123,575
Average effective yield	2.75%	3.49%	3.51%	4.22%	3.68%	4.95%

(1) Maturity is defined as the earliest a bond can be redeemed without penalty by the bond issuer.

The Fund is also exposed to the financial risk that interest rate movements may materially impact the value of its insurance contract liability (note 11(d)).

(f) Currency risk

Currency risk is the risk that the fair value or future cash flows of financial assets and financial liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates relative to the Canadian dollar. The Fund is exposed to exchange rate volatility that is managed by the contracted fund managers. The Board does not undertake long-term hedging strategies for the currency risk of foreign investments. The Fund's most significant exposure is to the US Dollar, Euro, British Pound, Swiss Franc, Japanese Yen and Hong Kong Dollar.

At fair value, the Fund held foreign currency denominated holdings:

Currency	31-Dec-25	31-Dec-24
US Dollar	$ 65,232	$ 65,412
Euro	$ 22,988	$ 18,304
British Pound	$ 14,342	$ 10,845
Japanese Yen	$ 5,526	$ 5,466
Swiss Franc	$ 5,636	$ 5,964
Hong Kong Dollar	$ 940	$ 1,256

The sensitivity analysis presents the effect on fair value of the investment portfolio of a 10 per cent appreciation in the Canadian dollar as compared to the Fund's most significant currencies:

Currency	31-Dec-25	31-Dec-24
US Dollar	$ (5,930)	$ (5,947)
Euro	$ (2,090)	$ (1,664)
British Pound	$ (1,304)	$ (986)
Swiss Franc	$ (512)	$ (542)
Japanese Yen	$ (502)	$ (497)
Hong Kong Dollar	$ (85)	$ (114)

In the event there is a 10 per cent depreciation in the Canadian dollar, the impact will be equal and opposite to the above stated values.

6. Accounts Receivable

	31-Dec-25	31-Dec-24
Accounts receivable		
Other receivables and recoveries	$ 555	$ 194
Expected credit loss	(116)	(96)
Total accounts receivable	$ 439	$ 98

Reconciliation of expected credit loss

The provision for potential credit losses and amounts are subsequently written off once reasonable collection efforts have been made.

The movement in the expected credit loss:

	31-Dec-25	31-Dec-24
Expected credit loss, balance beginning of year	$ 96	$ 34
Allowance written off	(6)	(3)
Recoveries and other adjustments	(18)	(8)
Current year provision	44	73
Expected credit loss, balance end of year	$ 116	$ 96

7. Investments

	31-Dec-25 Fair Value	31-Dec-24 Fair Value
Fixed-term securities:		
Corporate bonds	$ 48,179	$ 45,559
Federal bonds	46,157	39,948
Provincial bonds	33,765	36,487
Municipal bonds	2,810	1,581
	130,911	123,575
Equities and pooled funds:[1]		
United States	60,112	58,426
Canadian	58,597	53,396
International	55,704	48,312
	174,413	160,134
Other investments:		
Short-term investments	3,382	3,571
Accrued interest receivable	1,054	851
	4,436	4,422
Total investments	$ 309,760	$ 288,131

(1) Pooled funds are exclusively comprised of equity investments.

7. Investments (continued)

The total funds held by investment custodians is $309,976,000 (2024 – $288,323,000) which includes the investments above and cash on account of $216,000 (2024 – $192,000).

Net investment income:

	31-Dec-25	31-Dec-24
Interest revenue calculated using the fair value through profit and loss	$ 4,647	$ 4,025
Other interest and similar income	3,471	3,241
Net fair value gains on financial assets at fair value through profit and loss	12,550	12,580
Net fair value gains on derecognition of financial assets at fair value through profit and loss	1,985	18,200
Investment fees	(899)	(835)
Total net investment income	$ 21,754	$ 37,211

Fair value hierarchy

The Fund's investments are categorized into the fair value hierarchy based, on type, frequency and visibility of pricing, source of pricing and liquidity. There are three levels of classification:

- Level 1 - reflects public daily market or quote pricing in active markets.
- Level 2 - is used when pricing is:
  - a) model or matrix based (using observable inputs and/or market information);
  - b) based on closely-related securities;
  - c) derived pricing (when no public quote exists); or
  - d) from a broker quote on less active markets.
- Level 3 - is used when a security has no public pricing and poor to non-existent liquidity.

As at December 31, 2025, the Fund held financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
Short-term investments	$ 3,382	$ -	$ -	$ 3,382
Bonds	15,400	116,336	-	131,736
Equities	78,672	-	-	78,672
Pooled funds	-	95,970	-	95,970
Total investments	$ 97,454	$ 212,306	$ -	$ 309,760

As at December 31, 2024, the Fund held financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
Short-term investments	$ 3,571	$ -	$ -	$ 3,571
Bonds	12,524	111,804	-	124,328
Equities	75,237	-	-	75,237
Pooled funds	-	84,995	-	84,995
Total investments	$ 91,332	$ 196,799	$ -	$ 288,131

7. Investments (continued)

In the current year, the Fund included accrued interest with the related investment rather than disclosing the accrued interest separately as had been done in the past. The comparative information has therefore been reclassified to conform to the current year's disclosure approach. The reclassification did not impact the main statements or any other note disclosures. The impacts on the December 31, 2024 comparative figures of the levels of classification:

	Previously Reported	Change	Reclassified
Accrued interest, net of investment fee accrual - Level 1	$ 851	(851)	$ -
Equities - Level 1	$ 75,139	98	$ 75,237
Total investments - Level 1	$ 92,085	(753)	$ 91,332
Bonds - Level 2	$ 111,051	753	$ 111,804
Total investments - Level 2	$ 196,046	753	$ 196,799
Bonds - Total	$ 123,575	753	$ 124,328

8. Property and Equipment

For the year-ended December 31, 2025, a reconciliation of the changes in property and equipment:

	Land	Buildings & Fixtures	Furniture & Equipment	Computer Equipment	Assets Under Construction	Total
Cost						
At January 1, 2025	$ 1,804	$11,056	$ 1,715	$ 1,808	$ 5,098	$21,481
Additions	-	216	262	134	627	1,239
Disposals	-	(139)	(173)	(32)	-	(344)
Transfers	-	5,586	-	-	(5,586)	-
At December 31, 2025	$ 1,804	$16,719	$ 1,804	$ 1,910	$ 139	$22,376
Depreciation						
At January 1, 2025	$ -	$ 4,237	$ 1,263	$ 1,386	$ -	$ 6,886
Depreciation	-	328	98	195	-	621
Disposals	-	(138)	(117)	(32)	-	(287)
At December 31, 2025	$ -	$ 4,427	$ 1,244	$ 1,549	$ -	$ 7,220
Net Book Value						
At December 31, 2025	$ 1,804	$12,292	$ 560	$ 361	$ 139	$15,156

8. Property and Equipment (continued)

For the year-ended December 31, 2024, a reconciliation of the changes in property and equipment:

	Land	Buildings & Fixtures	Furniture & Equipment	Computer Equipment	Assets Under Construction	Total
Cost						
At January 1, 2024	$ 1,804	$11,056	$ 1,638	$ 1,765	$ 2,349	$18,612
Additions	-	-	133	123	2,749	3,005
Disposals	-	-	(56)	(80)	-	(136)
At December 31, 2024	$ 1,804	$11,056	$ 1,715	$ 1,808	$ 5,098	$21,481
Depreciation						
At January 1, 2024	$ -	$ 3,974	$ 1,245	$ 1,252	$ -	$ 6,471
Depreciation	-	263	73	207	-	543
Disposals	-	-	(55)	(73)	-	(128)
At December 31, 2024	$ -	$ 4,237	$ 1,263	$ 1,386	$ -	$ 6,886
Net Book Value						
At December 31, 2024	$ 1,804	$ 6,819	$ 452	$ 422	$ 5,098	$14,595

9. Intangible Assets

For the year-ended December 31, 2025, a reconciliation of the changes in intangible assets:

	Internal Software Development Costs[(1)]	Software Systems Under Development	Software Costs	Total
Cost				
At January 1, 2025	$ 11,339	$ 1,130	$ 1,516	$ 13,985
Additions	768	284	55	1,107
Disposals	(1,165)	(71)	-	(1,236)
Transfers	952	(952)	-	-
At December 31, 2025	$ 11,894	$ 391	$ 1,571	$ 13,856
Amortization				
At January 1, 2025	$ 9,306	$ -	$ 1,413	$ 10,719
Amortization	848	-	113	961
Disposals	(1,165)	-	-	(1,165)
At December 31, 2025	$ 8,989	$ -	$ 1,526	$ 10,515
Net Book Value				
At December 31, 2025	$ 2,905	$ 391	$ 45	$ 3,341

9. Intangible Assets (continued)

For the year-ended December 31, 2024, a reconciliation of the changes in intangible assets:

	Internal Software Development Costs[1]	Software Systems Under Development	Software Costs	Total
Cost				
At January 1, 2024	$ 11,261	$ 272	$ 1,445	$ 12,978
Additions	78	858	71	1,007
At December 31, 2024	$ 11,339	$ 1,130	$ 1,516	$ 13,985
Amortization				
At January 1, 2024	$ 8,683	$ -	$ 1,308	$ 9,991
Amortization	623	-	105	728
At December 31, 2024	$ 9,306	$ -	$ 1,413	$ 10,719
Net Book Value				
At December 31, 2024	$ 2,033	$ 1,130	$ 103	$ 3,266

[1] Included in internal software development costs is the claims management system which has a net book value of $736,000 (2024 – $981,000) and a remaining amortization period of 2 years.

System research and analysis costs expensed in 2025 were $574,000 (2024 – $Nil).

10. Other Provisions

Prior to 1993, the Government of Yukon did not pay assessment fees and prepaid certain claims. The amount prepaid was equal to the estimated lifetime cost of the claims. The claimants receive fixed monthly payments that are indexed on an annual basis. The estimated duration over which payments will be made is set based on the life expectancy of the claimants.

	31-Dec-25
Other provisions, balance beginning of year	$ 1,163
Amount charged against the provision during the year	52
Effect of discounting	(72)
Other provisions, balance end of year	$ 1,143

The net change in other provisions of $(20,000) is recognized in Government grants and miscellaneous income on the Statement of Comprehensive income.

11. Insurance Contract Liability

For the year-ended December 31, 2025, a reconciliation of the net asset or liability for insurance contracts issued, which shows the liabilities for remaining coverage and the liabilities for incurred claims:

	Liabilities for remaining coverage		Liabilities for incurred claims	
	Excluding loss component	Loss component	Present value of future cash flows	2025 Total
Insurance contract liabilities, balance January 1, 2025	$ 3,894	$ -	$ 218,596	$ 222,490
Insurance contract assets, balance January 1, 2025	(1,615)	-	-	(1,615)
Net insurance contract liability, balance January 1, 2025	$ 2,279	$ -	$ 218,596	$ 220,875
Insurance revenue	$ (39,305)	$ -	$ -	$ (39,305)
Insurance service expenses:				
Insurance administrative expenses	-	-	17,497	17,497
Incurred claims expenses	-	-	17,015	17,015
Losses on onerous contracts	-	1,304	-	1,304
Reversal of losses on onerous contracts	-	(1,304)	-	(1,304)
Changes to liabilities for incurred claims	-	-	(21,727)	(21,727)
Total insurance service expenses	-	-	12,785	12,785
Insurance service result	(39,305)	-	12,785	(26,520)
Insurance finance (income) loss	-	-	7,207	7,207
Total changes in the Statement of Comprehensive Income	$ (39,305)	$ -	$ 19,992	$ (19,313)

	Liabilities for remaining coverage		Liabilities for incurred claims	
	Excluding loss component	Loss component	Present value of future cash flows	2025 Total
Cash flows:				
Insurance revenue received	$ 32,709	$ -	$ -	$ 32,709
Insurance service payments	-	-	(32,626)	(32,626)
Net cash flows before non-cash adjustments	$ 32,709	$ -	$ (32,626)	$ 83
Adjustments for non-cash surplus distribution applied	5,060	-	-	5,060
Adjustments for non-cash insurance administration	-	-	(1,886)	(1,886)
Closing insurance contract liabilities, balance December 31	$ 3,864	$ -	$ 204,076	$ 207,940
Closing insurance contract assets, balance December 31	(3,120)	-	-	(3,120)
Net insurance contract liability, as at December 31	$ 744	$ -	$ 204,076	$ 204,820

11. Insurance Contract Liability (continued)

For the year-ended December 31, 2024, a reconciliation of the net asset or liability for insurance contracts issued, which shows the liabilities for remaining coverage and the liabilities for incurred claims:

	Liabilities for remaining coverage		Liabilities for incurred claims	
	Excluding loss component	Loss component	Present value of future cash flows	2024 Total
Insurance contract liabilities, balance January 1, 2024	$ 3,411	$ -	$ 199,324	$ 202,735
Insurance contract assets, balance January 1, 2024	(2,871)	-	-	(2,871)
Net insurance contract liability, balance January 1, 2024	$ 540	$ -	$ 199,324	$ 199,864
Insurance revenue	$ (38,762)	$ -	$ -	$ (38,762)
Insurance service expenses:				
Insurance administrative expenses	-	-	16,564	16,564
Incurred claims expenses	-	-	19,084	19,084
Changes to liabilities for incurred claims	-	-	12,362	12,362
Total insurance service expenses	-	-	48,010	48,010
Insurance service result	(38,762)	-	48,010	9,248
Insurance finance (income) loss	-	-	6,910	6,910
Total changes in the Statement of Comprehensive Income	$ (38,762)	$ -	$ 54,920	$ 16,158

	Liabilities for remaining coverage		Liabilities for incurred claims	
	Excluding loss component	Loss component	Present value of future cash flows	2024 Total
Cash flows:				
Insurance revenue received	$ 38,809	$ -	$ -	$ 38,809
Insurance service payments	-	-	(34,548)	(34,548)
Net cash flows before non-cash adjustments	$ 38,809	$ -	$ (34,548)	$ 4,261
Adjustments for non-cash surplus distribution applied	1,692	-	-	1,692
Adjustment for non-cash insurance administration	-	-	(1,100)	(1,100)
Closing insurance contract liabilities, balance December 31	$ 3,894	$ -	$ 218,596	$ 222,490
Closing insurance contract assets, balance December 31	(1,615)	-	-	(1,615)
Net insurance contract liability, as at December 31	$ 2,279	$ -	$ 218,596	$ 220,875

11. Insurance Contract Liability (continued)

(a) Objectives in managing risks arising from insurance contracts and policies for mitigating those risks

The Board has an objective to control insurance risk, thus reducing the volatility of operating results. In addition, due to the inherent uncertainty of insurance risk, which can lead to significant variability in the loss experience, operating results from the Fund's workers' compensation business are affected by market factors, particularly movements in asset values. Short-term variability is, to some extent, a feature of the workers' compensation business.

Key aspects of processes established to mitigate insurance risks include:

- The maintenance and use of management information systems, which provides data on the risks that the Fund is exposed to at any point in time;
- Actuarial models, using information from the management information system, are used to monitor claims patterns and calculate assessment premiums. Past experience and statistical methods are used as part of the process; and
- The asset mix of the Fund investments is driven by the nature and term of insurance liabilities. The management of assets and liabilities is closely monitored to attempt to match maturity dates of assets with the expected pattern of claim payments.

(b) Terms and conditions of the Act

The terms and conditions attaching to the Act affect the level of insurance risk accepted by the Fund. All workers' compensation coverage entered into is subject to substantially the same terms and conditions under the Act.

(c) Development of claims

There is a possibility that changes may occur in the estimate of the Fund's obligations over time. The tables in part (i) of this note show the estimates of total net and gross claims outstanding for each underwriting year at successive year ends.

(d) Market risk - Interest rate risk

The Fund is exposed to market risk, more specifically to the risk that movements in interest rates may impact the discount rate selected to perform the valuation of the insurance contract liability. A small change in the discount rate can cause a material impact in the valuation of the insurance contract liability as disclosed in part (g) of this note.

(e) Liquidity risk

The Fund's exposure to liquidity risk is set out in note 5.

The following table estimates the expected amounts and timing of future benefit payments for the provision of outstanding claims. The expected timing of payments from the provision for outstanding claims involves considerable uncertainty. The projections presented below do not include a provision for future administration expenses or latent occupational diseases.

11. Insurance Contract Liability (continued)

(e) Liquidity risk (continued)

Expected timing of future payments for outstanding claims:

	31-Dec-25	31-Dec-24
Up to 1 year	5 %	5 %
Over 1 year and up to 5 years	15 %	15 %
Over 5 years and up to 10 years	18 %	18 %
Over 10 years	62 %	62 %
	100 %	100 %

(f) Actuarial assumptions and methods

The insurance contract liability was determined using accepted actuarial practice in accordance with standards established by the Canadian Institute of Actuaries. The actuarial present value of future benefits reflects management's and the actuary's best estimates of long-term economic and actuarial assumptions.

The overall valuation approach is designed to reflect emerging trends without placing too much emphasis on temporary fluctuations. The factors used in the valuation have been developed on a best-estimate basis by taking the Board's historical experience into consideration along with recent trends in that experience. The general philosophy is to avoid reacting too strongly to temporary fluctuations until there is sufficient evidence that a change in assumption is required.

The degree to which the valuation reflects trends is partly impacted by formulas intended to place the appropriate amount of weight on observed experience for each recent year and partly affected by professional judgement based on observation of payment and claiming trends, including discussions with the Board's staff about the underlying factors that might be causing an observed trend.

The economic assumptions used in the valuation of the insurance contract liability are: discount rate 5.08% (2024 – 4.87%), long-term inflation rate for compensation 2.25% (2024 – 2.25%), and inflation rate for medical benefits 4.50% (2024 – 4.50%). The discount rate net of inflation is used to calculate the present value of expected future payments.

The administration rate represents the present value of the expected future costs required to provide administrative services for the continuation of claims management and maintenance of existing claims. The administration rate applied at December 31, 2025 is 17% (2024 – 17%).

As these assumptions may change over time to reflect underlying economic or legislated conditions, it is possible that such changes could cause a material change to the actuarial present value of the insurance contract liability.

11. Insurance Contract Liability (continued)

(g) Liability sensitivity

The most significant assumption in the determination of the insurance contract liability is the net discount rate. The net discount rate is the assumed rate of return in excess of the assumed inflation rate. A reduction in the net discount rate would increase the actuarial present value of the insurance contract liability resulting in an increase in the insurance service expense and insurance contract liability. An increase in the discount rate would decrease the actuarial present value, resulting in a decrease in the insurance service expense and insurance contract liability.

Medical benefits represent approximately 14% (2024 – 13%) of the insurance contract liability.

A change in the assumed excess medical inflation rate (above the assumed inflation rate) and the net discount rate would result in a change in insurance service expense and the insurance contract liability:

	31-Dec-25		31-Dec-24	
Percentage change in assumed rates	**+1%**	**-1%**	**+1%**	**-1%**
Increase (decrease) from change in net discount rate	$ (17,572)	$ 20,993	$ (18,176)	$ 21,703
Increase (decrease) from change in general inflation	$ 20,179	$ (17,114)	$ 20,039	$ (17,031)
Increase (decrease) from change in excess medical inflation rate	$ 3,309	$ (2,755)	$ 3,027	$ (2,530)

11. Insurance Contract Liability (continued)

(h) Claims development

The development of claims cost estimates for the nine most recent injury years:

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Estimate of Ultimate Claim Payments:											
At end of accident year	18,600	21,347	25,921	21,877	21,869	28,488	26,858	28,616	33,332	34,010	
One year later	25,298	21,507	26,159	23,627	20,864	29,145	27,867	29,564	31,298		
Two years later	25,960	21,396	26,454	24,671	21,429	30,071	30,683	26,948			
Three years later	25,536	21,396	27,147	24,900	24,293	32,991	29,095				
Four years later	25,446	21,578	27,060	22,255	23,591	29,874					
Five years later	26,207	24,240	27,106	26,614	20,987						
Six years later	29,758	23,868	30,854	18,446							
Seven years later	29,921	23,325	27,971								
Eight years later	28,765	22,083									
Nine years later	27,547										
Current Estimate of Ultimate Claims Payments	27,547	22,083	27,971	18,446	20,987	29,874	29,095	26,948	31,298	34,010	268,259
Cumulative Payments:											
At end of accident year	3,879	4,129	4,094	3,821	3,319	4,226	4,827	4,178	4,551	3,992	
One year later	6,673	6,654	6,662	6,323	5,256	7,127	8,453	6,804	7,552		
Two years later	7,856	7,717	7,959	7,614	6,107	8,757	10,260	7,892			
Three years later	8,478	8,332	8,644	8,164	6,770	9,878	11,148				
Four years later	9,340	8,843	9,364	8,822	7,163	10,448					
Five years later	9,971	9,451	9,874	9,073	7,530						
Six years later	10,468	9,945	10,301	9,708							
Seven years later	10,963	10,362	10,738								
Eight years later	11,493	10,685									
Nine years later	12,008										
Total Cumulative Payments	12,008	10,685	10,738	9,708	7,530	10,448	11,148	7,892	7,552	3,992	91,701
Estimate of Future Payments	15,539	11,398	17,233	8,738	13,457	19,426	17,947	19,056	23,746	30,018	176,558
2015 and prior claims											110,320
Effect of Discounting											(133,913)
Effect of Admin Expenses											23,187
Effect of Occupational Disease Liability											27,744
Effect of Occupational Disease Liability for Other Provisional											180
Liability for Incurred Claims											$ 204,076

During the year ended December 31, 2025, the Investigations Unit continued to monitor ongoing investigations. The outcome of the investigations is not determinable at this time and therefore, the potential future effect of these claims is not reflected in the insurance contract liability.

12. Employee Benefits

	31-Dec-25	31-Dec-24
Short-term employee benefits	$ 659	$ 691
Other long-term employee benefits (a)	1,310	1,252
Post-employment benefits (b)	2,108	2,130
	$ 4,077	$ 4,073

Short-term benefits included in the above amounts are expected to be paid within the next 12 months.

(a) Other long-term employee benefits

Long service vacation leave is an additional five days of vacation leave available to employees who have completed five years of continuous service with the Board and on each five year anniversary date thereafter. Employees receive six days of special leave credits for each year of service up to a maximum of 30 days. Unused special leave is not payable upon termination or retirement. Unused sick leave credits accumulate and are carried forward to a maximum of 180 days. A retiring employee may convert up to one third as pre-retirement leave.

Balance in other long-term employee benefits:

	31-Dec-25	31-Dec-24
Long service vacation benefits	$ 51	$ 49
Accumulating sick and special leave benefits	1,259	1,203
	$ 1,310	$ 1,252

Movement in other long-term employee benefits:

	31-Dec-25	31-Dec-24
Other long-term employee benefits, beginning of year	$ 1,252	$ 1,163
Current service cost	122	94
Payments made during the year	(102)	(273)
Interest cost	56	49
Other changes	36	169
Actuarial (gain) loss	(54)	50
Other long-term employee benefits, end of year	$ 1,310	$ 1,252

Actuarial (gain) loss remeasurements:

	31-Dec-25	31-Dec-24
Effect of changes in financial assumptions	$ (3)	$ 25
Effect of changes in demographic assumptions	(51)	25
Remeasurement in (gain) loss in net income before other comprehensive (gain) loss	$ (54)	$ 50

12. Employee Benefits (continued)

(b) Post-employment benefits

(i) Retirement and severance benefits

Retirement or severance benefits are available to employees who have completed five years of service with the Board. Retirement benefits are one week of pay for each year of service. Severance benefits are half a week of pay for each year of service to a maximum of twenty-eight weeks.

Beginning January 1, 2020, management employees are no longer eligible to receive any further accruals related to severance payable on resignation or retirement. Severance entitlements accrued up to December 31, 2019, are payable upon resignation or retirement.

Movement in post-employment benefits:

	31-Dec-25	31-Dec-24
Post-employment benefits, beginning of year	$ 2,130	$ 1,904
Current service cost	121	96
Payments made during the year	(252)	(143)
Interest cost	94	89
Other changes	4	142
Actuarial loss	11	42
Post-employment benefits, end of year	$ 2,108	$ 2,130

Actuarial loss remeasurements:

	31-Dec-25	31-Dec-24
Effect of changes in financial assumptions	$ (5)	$ 42
Effect of changes in demographic assumptions	16	-
Remeasurement loss in other comprehensive (gain) loss	$ 11	$ 42

The Plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. The risk of default is low as the Fund is in a strong financial position.

The key assumptions used to calculate the retirement and severance benefit are the discount rate and the wage inflation rate. The discount rate of 4.40% (2024 – 4.40%) is selected by reference to a spot curve at the valuation date of high-quality corporate and provincial debt instruments with cash flows that match the timing and amount of the expected benefit payments. The annual rate of general escalation in wages for the bargaining unit is 3.00% for 2025 (2024 - 3.00%) and 2.25% for 2026 and beyond (2024 – 3.00% for 2025 and 2.25% for 2026 beyond) based on management's best estimate. The annual rate of general escalation in wages for the management group is 1.50% for 2025 (2024 – 4.75%) and 2.25% for 2026 and beyond (2024 – 1.50% for 2025 and 2.25% for 2026 and beyond) based on management's best estimate.

The expected Fund contributions for retirement and severance for the next year are $700,000 (2024 – $687,000). The weighted average duration of the retirement and severance benefit is 7.0 years (2024 – 6.9 years).

12. Employee Benefits (continued)

(b) Post-employment benefits (continued)

(ii) Retirement and severance benefit risks and sensitivity

The retirement and severance benefit is indirectly exposed to measurement risk from assumptions based on economic factors and uncertainty of future economic conditions, such as discount rates affected by volatile bond markets and inflation risk due to payment timing uncertainty. Demographic factors such as workforce average age and earnings levels, attrition and retirement rates affect current and future benefit costs due to the amount and timing of expected payments.

A change in the key assumptions used to calculate these benefits would result in a change in the obligation and benefit expense:

	31-Dec-25		31-Dec-24	
Percentage change in assumed rates	+1%	-1%	+1%	-1%
Increase (decrease) from change in discount rate	$ (111)	$ 227	$ (112)	$ 128
Increase (decrease) from change in wage inflation rate	$ 126	$ (112)	$ 127	$ (114)

The above sensitivity analysis is based on a change in an assumption while keeping all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. The same method of calculation has been applied to the sensitivity analysis as to the calculation of the retirement and severance benefit obligation, the projected unit credit method, and did not change compared to the prior year.

(iii) Public Service Pension Plan

Substantially all of the employees of the Board are covered by the Public Service Pension Plan (the "Plan"), a multi-employer contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both employees and the Fund. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution.

Employer contribution rates effective for the year:

	31-Dec-25		31-Dec-24	
	Up to	Above	Up to	Above
Contribution rate for the year	Maximum	Maximum	Maximum	Maximum
For employees eligible before January 1, 2013	1.01	5.09	1.02	4.63
For employees eligible after January 1, 2013	1.00	5.09	1.00	4.63
Maximum salary limit	$ 210,200	No limit	$ 202,000	No limit

12. Employee Benefits (continued)

(b) Post-employment benefits (continued)

(iii) Public Service Pension Plan (continued)

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of two per cent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation. For employees joining the plan after January 1, 2013, the normal retirement age has been raised from age 60 to age 65.

Contributions made to the Plan for the year:

	31-Dec-25	31-Dec-24
Employees' contributions	$ 906	$ 953
Fund contributions	$ 908	$ 963

The expected contributions to the Plan for the next year are $908,000 (2024 – $921,000) employee contributions and $912,000 (2024 – $955,000) Fund contributions.

(c) Benefit expense

Benefit expense recognized in salaries and benefits within other general and administration expenses (Note 16) in the Statement of Comprehensive Income for other long-term employee benefits and post-employment benefits was $1,341,000 (2024 – $1,602,000).

13. Capital Management and Surplus Distributions

(a) Capital management

The Workers' Safety and Compensation Act establishes that one of the purposes of the Act is to maintain a solvent Compensation Fund managed in the interest of workers and employers. To ensure that the Fund is able to meet its financial obligations, premiums charged to employers over time must be sufficient to cover current and future costs of all claims incurred by injured workers. These insurance revenues, combined with investment returns, are designed to provide the foundation for the Fund to meet all current and future obligations for injured workers.

The Board of Directors uses the Funding Policy to manage capital, which is the net difference between assets and liabilities or equity. The Funding Policy provides guidance to maintain a financially sustainable system. The Policy directs the Board to ensure sufficient equity is maintained in the Fund to stabilize the effect of fluctuations in the employer assessment rates and investment returns. The Fund is considered fully funded when there are sufficient funds for the payment of all present and future compensation, and other liabilities, including the cost of administration.

13. Capital Management and Surplus Distributions (continued)

(b) Surplus distributions

In order to bring the funding ratio closer to target, the Board of Directors approved a surplus distribution of $Nil (2024 – $10,041,000), which was credited to eligible employers and deducted from eligible employers' assessments. Surplus distributions were conditional upon employers being compliant with the Act.

Surplus distribution payable at the end of 2024 represented the balance in customer accounts that relate to the surplus distribution that was not utilized in 2024 and was applied to the eligible employers' 2025 assessment.

Surplus distribution payable at the end of 2025 represent amounts held in customer accounts for distribution to employers.

Reconciliation of surplus distributions payable:

	31-Dec-25	31-Dec-24
Surplus distributions payable, balance beginning of year	$ 5,365	$ -
Current year surplus distributions approved	-	10,041
Current year surplus distributions paid out	-	(4,676)
Prior year surplus distributions applied	(5,061)	-
Surplus distributions payable, balance end of year	$ 304	$ 5,365

14. Related Party Transactions

(a) Government of Yukon

The Board is a territorial entity with delegated powers on behalf of the Government of Yukon (the "Government") and is related to its departments, agencies and corporations by virtue of common control by the Government. The Board enters into transactions with the Government and its related entities in the normal course of business, and the transactions are recorded at fair value. The Board has elected to take a partial exemption under IAS 24, *Related Party Disclosures*, which allows government related entities to limit the extent of disclosures about related party transactions with government or other government related entities.

Insurance revenue from the Government and its related entities was $11,661,000 (2024 – $11,613,000). The Fund reimbursed the Government for payroll costs of $12,930,000 (2024 – $11,915,000).

The Workers' Advocate Office operates independently from the Board and assists workers or dependants of workers in respect of claims for compensation. The approved budget of the Workers' Advocate is paid by the Fund. The Fund reimbursed the Government $411,000 (2024 – $373,000) for the Workers' Advocate Office expenses.

14. Related Party Transactions (continued)

(b) Key management personnel

The remuneration of key management personnel, which includes the members of the Board of Directors and the senior management team, recognized as an expense:

	31-Dec-25	31-Dec-24
Short-term employee compensation and benefits	$ 1,953	$ 1,847
Other long-term employee benefits	60	69
Post employment benefits	171	232
Total remuneration	$ 2,184	$ 2,148

Contributions made to the Plan by the Fund for key management personnel were $147,000 (2024 – $139,000) and are included in post employment benefits.

As at the reporting date, there were no business relationships, outstanding amounts or transactions other than compensation between the Fund and its key management personnel.

15. Commitments

As of December 31, 2025, the Fund had entered into the following contractual commitments for the next five years:

	Contribution agreements	Computer systems support	Professional services	Building maintenance	Other	Total
2026	$ 1,243	$ 651	$ 955	$ 288	$ 74	$ 3,211
2027	746	-	583	41	66	1,436
2028	-	-	179	-	13	192
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
Total	$ 1,989	$ 651	$ 1,717	$ 329	$ 153	$ 4,839

16. Other General and Administration Expenses

Expenditures by type:

	31-Dec-25	31-Dec-24
Salaries and benefits	$ 12,631	$ 12,081
Computer systems support and licences	2,028	1,338
Consulting and professional	1,516	1,782
Prevention	1,100	856
Amortization - intangible assets	961	728
Statutory funding obligations	746	690
Depreciation - property and equipment	621	543
Building maintenance	521	491
General administration	319	439
Automobile and travel	272	249
Communications	228	225
Staff and recruitment	133	148
Board expenses	91	90
Other provisions	52	87
Furniture and equipment	52	35
Printing and publications	49	84
Supplies and stationery	32	45
	$ 21,352	$ 19,911
less allocation to insurance administrative expenses (Note 17)	(17,497)	(16,564)
Other general and administration expenses	$ 3,855	$ 3,347

Expenditures by program cost center:

	31-Dec-25	31-Dec-24
Administration	$16,125	$ 14,793
Occupational health and safety	3,244	3,040
Prevention	1,100	856
Workers' advocate	411	373
Appeal tribunal	335	364
Act and regulation amendments	65	273
Other provisions	52	87
Employer advisor	20	125
	$ 21,352	$19,911
less allocation to insurance administrative expenses (Note 17)	(17,497)	(16,564)
Other general and administration expenses	$ 3,855	$ 3,347

17. Insurance Service Expense and Insurance Finance Loss

Breakdown of insurance service expense:

	31-Dec-25	31-Dec-24
Incurrred claim expenses	$ 17,015	$ 19,084
Insurance administrative expenses (Note 16)	17,497	16,564
Incurred claims and other expenses	$ 34,512	$ 35,648
Loss on onerous contracts	1,304	-
Reversal of losses on onerous contracts	(1,304)	-
Change to liability for incurred claims	(21,727)	12,362
Insurance service expense	$ 12,785	$ 48,010

Breakdown of insurance finance loss:

	31-Dec-25	31-Dec-24
Insurance finance income (loss) from insurance contracts issued:		
Interest accreted to insurance contracts using current financial assumptions	$ (10,109)	$ (9,082)
Due to changes in discount rate	3,186	331
Due to changes in other financial assumptions	(284)	1,841
Total insurance finance loss from insurance contracts issued	$ (7,207)	$ (6,910)

18. Contingencies

Due to the nature of the Board's operations, various legal matters are pending. In the opinion of management, these matters are not expected to have a material effect on the Fund's financial position or results of operations. These various legal matters include certain confidentiality clauses; to avoid prejudicing these claims, no further information is disclosed.

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Yukon