



**Yukon**

**Yukon Public Accounts**

2021–22



YUKON PUBLIC ACCOUNTS  
for the year ended March 31, 2022



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October 27, 2022

The Honourable Angélique Bernard  
Commissioner of Yukon

I have the honour to submit herewith the Yukon Public Accounts for the fiscal year ended  
March 31, 2022.

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Sandy Silver  
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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GOVERNMENT OF YUKON  
**Consolidated Financial Statement Discussion and Analysis**  
**for the year ended March 31, 2022**

**Introduction**

The Yukon Public Accounts is a key element of the Government of Yukon's ("the Government") commitment to transparency and accountability in financial reporting. The purpose of the Financial Statement Discussion and Analysis is to expand upon and further explain 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. To do this effectively, this report presents a highlights summary, comparative financial information and analysis, and a summary of risks and mitigation. The Yukon Public Accounts, produced annually, provides clarity and transparency for Yukoners by comparing the financial results for the 2021–22 fiscal year against the 2021-22 Main Estimates (Budget) and against the previous year's financial results as published in the 2020-21 Public Accounts. The Government is responsible for the accuracy, objectivity and integrity of this information. Responsibility for the preparation of this discussion and analysis rests with the Office of the Comptroller.

The 2021-22 Main Estimates (Budget) were tabled in the Legislative Assembly in March 2021. Consideration of the Budget was interrupted by a general election which occurred on April 12, 2021. Following the election, the Budget was retabled in the Legislative Assembly with some modifications to the version tabled in March. During the intervening period, special warrants were approved by the Commissioner which provided interim spending authority until the 2021-22 Main Estimates were subsequently passed in the Legislative Assembly in May 2021.

**2021-22 Highlight Summary**

**Financial Results**

(thousands of dollars)

	2022		2021	Change from	
	Budget	Actual	Actual	Budget	2021 Actual
Revenues	1,707,494	1,767,827	1,653,849	60,333	113,978
Expenses <sup>1</sup>	1,686,250	1,712,730	1,611,441	26,480	101,289
<b>Surplus / (Deficit)</b>	<b>21,244</b>	<b>55,097</b>	<b>42,408</b>	<b>33,853</b>	<b>12,689</b>
<b>Accumulated Surplus</b>		<b>1,955,790</b>	<b>1,893,210</b>		<b>62,580</b>
<b>Net Financial Assets</b>		<b>163,477</b>	<b>182,745</b>		<b>(19,268)</b>

<sup>1</sup> Expenses shown net of Recovery of Prior Years' Expenses

The Government is reporting an annual surplus of \$55.1 million on a spending and revenue base of approximately \$1.7 billion.

The \$33.9 million difference between the \$55.1 million surplus and the expected \$21.2 million surplus presented in the 2021-22 budget is due to higher revenues (\$60.3 million, or 3.5%), offset by higher than anticipated expenses (\$26.4 million, or 1.6%).

Revenues were higher than budgeted largely due to higher than expected transfers from the Government of Canada and higher tax revenue; while funding and service level agreements with other parties resulted in less revenue than expected.

Expenses were higher than budgeted, and the functions with the largest increases compared to the 2021-22 budget were general government and natural resources.

The surplus of \$55.1 million is \$12.7 million higher than the \$42.4 million surplus in 2020-21. Total revenues compared to the previous year increased by \$114.0 million (6.9%), while total expenses increased by \$101.3 million (6.3%).

The increases in revenue were driven by a \$84.1 million increase in funding from the Government of Canada while more than half (61.0%) of the year-over-year increase in expenses was in the natural resources function.

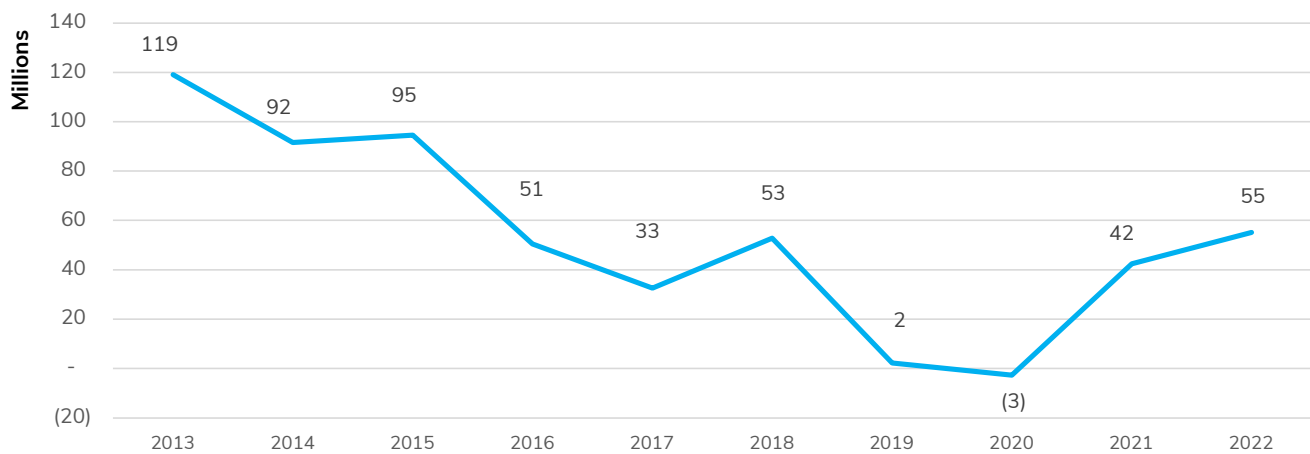
The Government continues to be in a net financial asset position and net financial assets decreased during 2021-22 to a balance of \$163.5 million at March 31, 2022 (\$182.7 million at March 31, 2021).

## Highlights

### Surplus (Deficit)

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

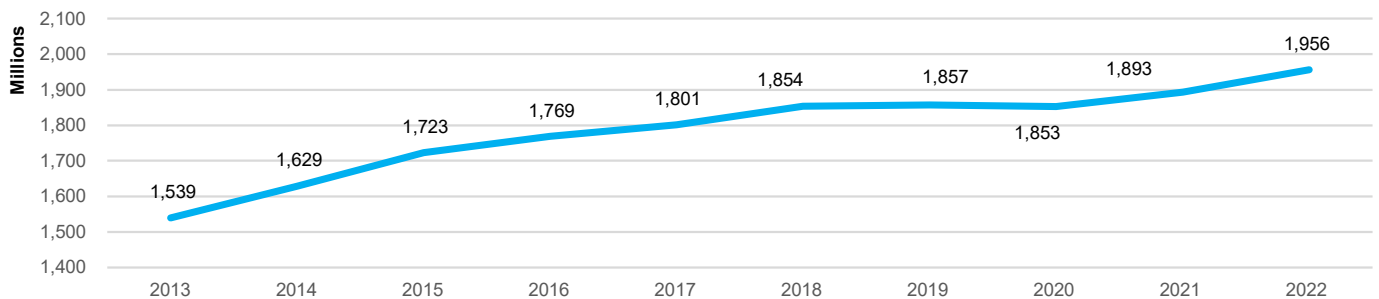
#### Surplus (Deficit)



The surplus of \$55.1 million for the year was \$12.7 million higher than the previous year's surplus of \$42.4 million, and \$33.9 million higher than the budgeted surplus of \$21.2 million. A surplus is driven by two factors - revenues and expenses. Revenue is largely made up of the formula financing grant from the Government of Canada and tends to be stable over time. Expenses are a result of direct government spending and transfers to service territorial needs. Compared to 2020-21, the current year increase in surplus is largely due to increased revenues in the form of transfers from the Government of Canada offset to a degree by increased expenses, particularly in the natural resources function. Much of this expense increase was related to the recording of estimated environmental liabilities.

#### 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.



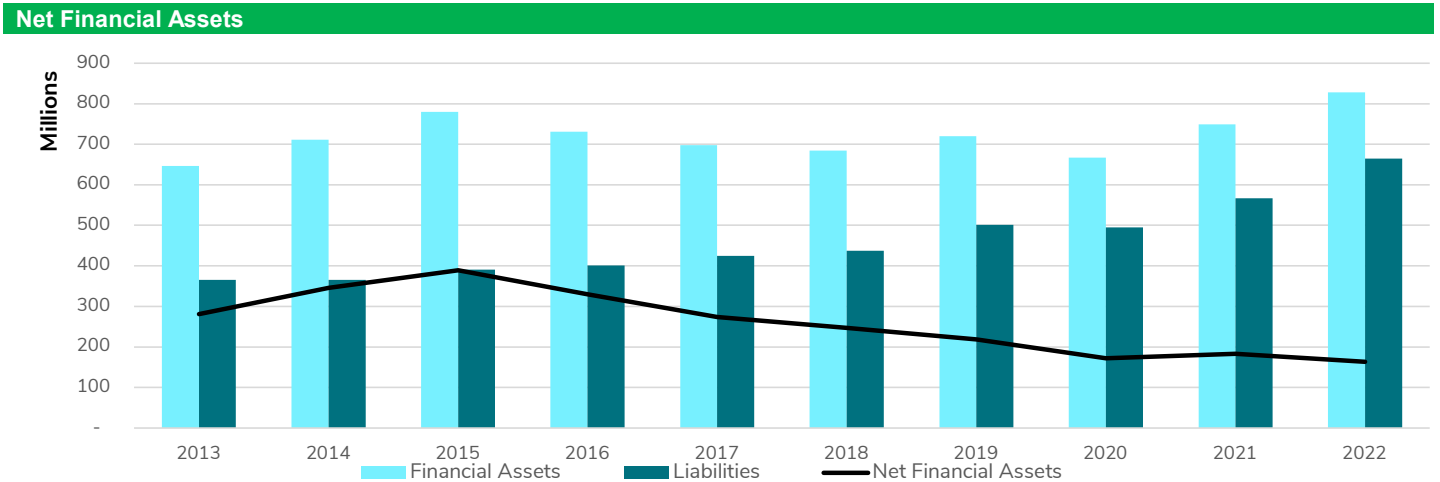
As of March 31, 2022, the Government is reporting an accumulated surplus of \$1.956 billion which is an increase of \$62.6 million from the previous year's accumulated surplus of \$1.893 billion. The increase in accumulated surplus during 2021-22 is due to the current year's annual surplus of \$55.1 million, plus \$7.5 million from other comprehensive gains of government business enterprises.

## Highlights

Accumulated Surplus consists of net financial assets and non-financial assets. Net financial assets are the Government's financial assets less liabilities as per the Statement of Financial Position. Non-financial assets are predominately tangible capital assets.

## Net Financial Assets

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



The net financial assets of the Government is calculated as:

- The financial assets consisting of cash and cash equivalents, temporary and portfolio investments, due from Government of Canada, accounts receivable, advances to government business enterprises, loans receivable, inventories for resale, retirement benefit assets, and investment in government business enterprises; offset by
- The liabilities consisting of due to Government of Canada, accounts payable and accrued liabilities, environmental liabilities, unearned revenues, post-employment benefits and compensated absences, retirement benefit liabilities, borrowings and liabilities for leased tangible capital assets.

The net financial assets reported as of March 31, 2022 is \$163.5 million. The year-over-year decrease is primarily a result of the increase in accrued liabilities and environmental liabilities outstripping the increase in due from Government of Canada and investment in government business enterprises.

The table below provides more information on the financial assets, liabilities, and the resulting net financial assets for each of the last ten years.

( Millions )	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Financial Assets</b>	646,624	711,245	780,119	731,248	698,324	684,562	720,000	667,475	749,698	828,914
<b>Liabilities</b>	365,512	365,556	391,031	401,239	424,272	436,931	501,550	495,587	566,953	665,437
<b>Net Financial Assets</b>	281,112	345,689	389,088	330,009	274,052	247,631	218,450	171,888	182,745	163,477

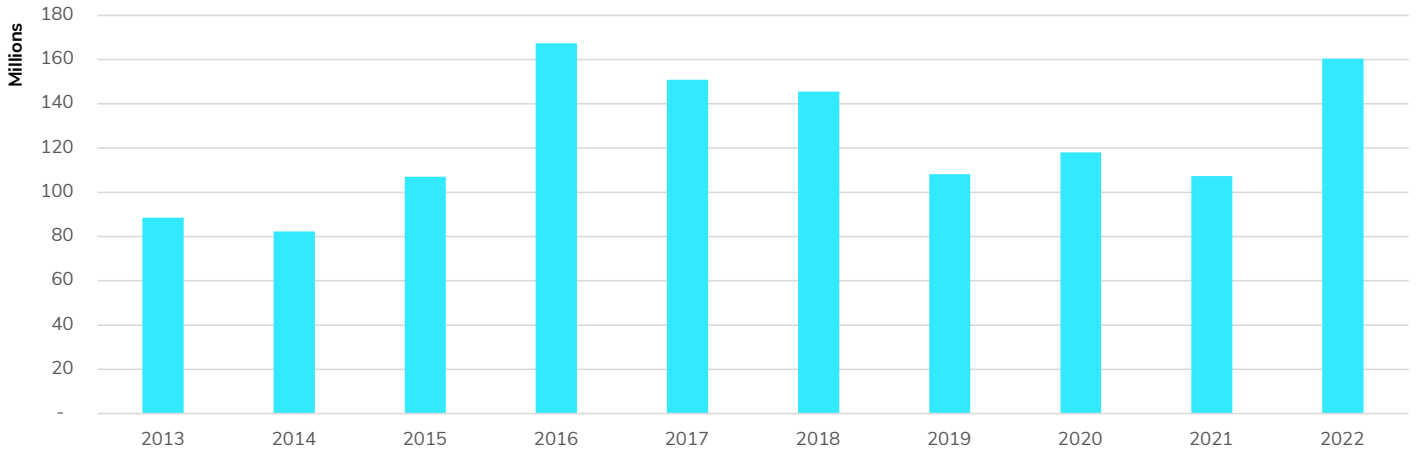
## Highlights

### Investment in Tangible Capital Assets

The Government invests in government owned capital, also known as tangible capital assets.

The Government's total annual capital spending consists of investments in tangible capital assets and the amounts the Government transfers to third parties (i.e. municipalities, First Nations) for capital purposes.

### Investment in Tangible Capital Assets



In 2021-22, the Government recorded tangible capital asset additions of \$160.4 million for the acquisition and development of assets such as buildings and transportation infrastructure, IT assets, equipment and vehicles, compared to \$107.3 million in 2020-21.

Expenditures in 2021-22 on multi-year capital projects included: \$16.8 million was expended on the Dempster Fibre project, \$5.7 million on the Old Crow Health Centre, \$4.1 million on the Old Crow 10 Plex, \$5.7 million on the Pelly Crossing Pool Facility, \$9.8 million on the Whitehorse Mixed-Use Housing project, \$5.2 million on Community Housing projects, \$2.8 million on the Whistlebend School and \$2.7 million on modular trailers at Robert Service School. Also in 2021-22, the Government's construction work on various road and highways cost over \$28.9 million, while bridge work on the Alaska, Klondike, and Robert Campbell highways cost in excess of \$15.7 million.

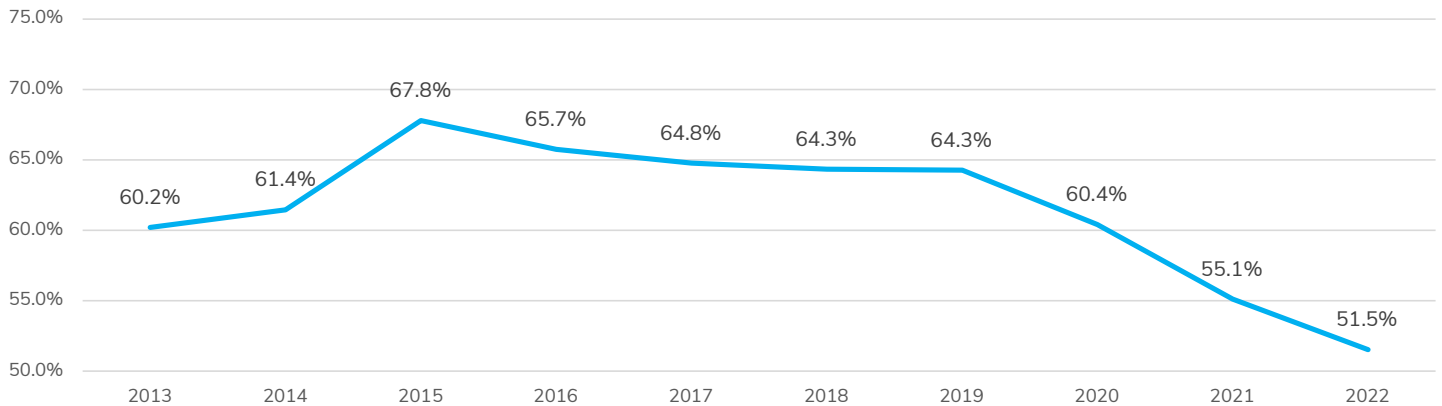
## Assessment of Fiscal Health

### 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 GDP

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



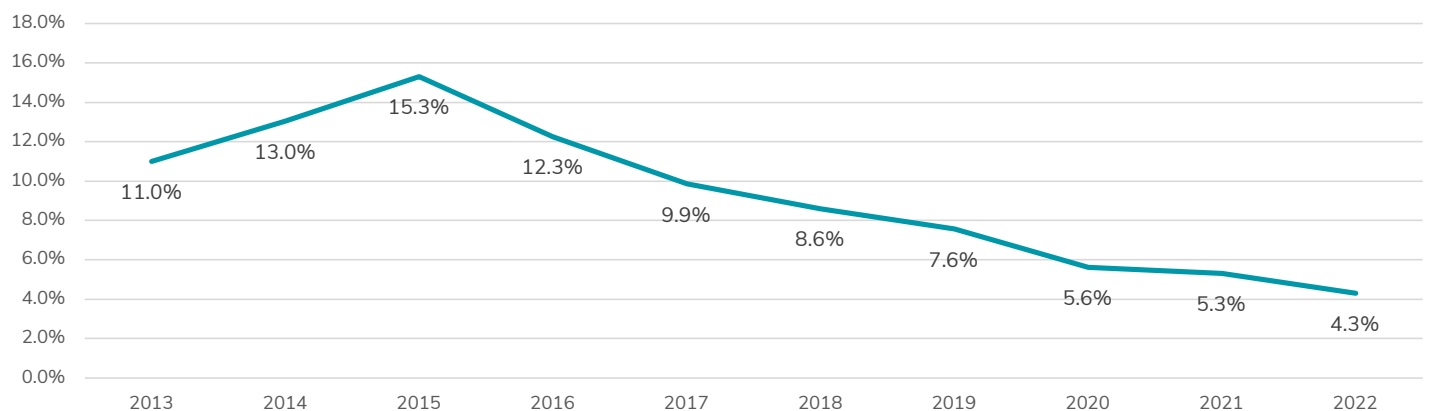
\* Forecasted GDP: Nominal - 2020-\$3,067 million; 2021-\$3,435 million; 2022-\$3,795 million

The accumulated surplus measures the sum of all current and prior years' operating results. Gross Domestic Product (GDP) is a measure of the value of the goods and services produced during a year, indicating the size of the Territory's economy. This indicator provides a measure of whether the accumulated surplus is growing faster or slower than the economy.

This trend highlights that the accumulated surplus, while still growing, is declining in relation to the Territory's GDP.

#### Net Financial Assets to the Territory's Nominal GDP

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



\* Forecasted GDP: Nominal - 2020-\$3,067 million; 2021-\$3,435 million; 2022-\$3,795 million

The net financial assets to GDP ratio indicates the financial demands placed on the economy by the Government's policies such as taxation. A low ratio indicates the Government has not placed excessive demands on the economy.

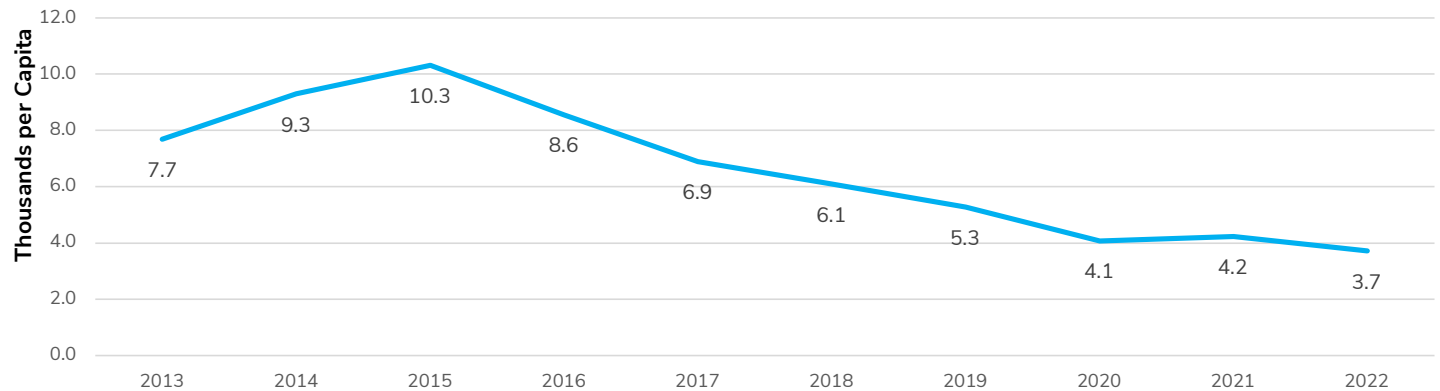
The downward trend implies there is room for the introduction of further revenue sources for the government without causing severe hardship in the economy.

## Assessment of Fiscal Health

### Sustainability (continued)

#### Net Financial Assets per Capita\*

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

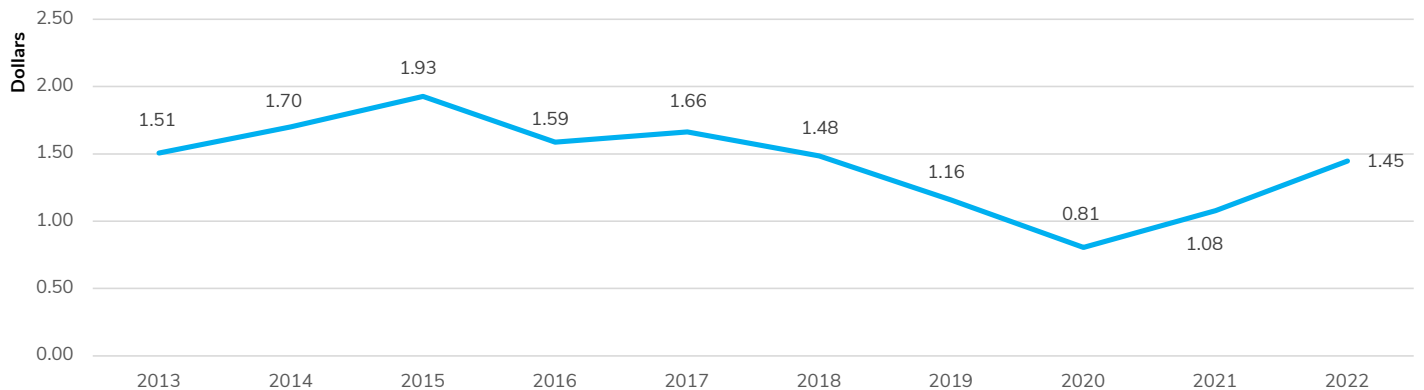


\* Forecast 2022 population

The downward trend of the ratio has re-emerged after last year's slight increase.

#### Liquidity Ratio - Current Assets to Total Debt

In this graph, current assets consists of cash and cash equivalents, temporary investments, due from Government of Canada and accounts receivable. The total debt is as defined in Note 17 to the Consolidated Financial Statements using the Yukon Borrowing Limits Regulations which includes debt of all entities of the government.



Liquidity ratio is intended to show the Government's ability to meet its financial obligations. A higher ratio is desirable as it shows that the Government has sufficient financial resources to discharge its long term obligations without having to use further financing. The 2021-22 ratio indicates that the Government had \$1.45 in current assets for each \$1.00 of total debt.

On March 31, 2022, as per Note 17 to the Consolidated Financial Statements; the government has total debt of \$216.4 million (2021 - \$235.2 million) which is 27.0% (2021 - 29.4%) of the limit allowed.

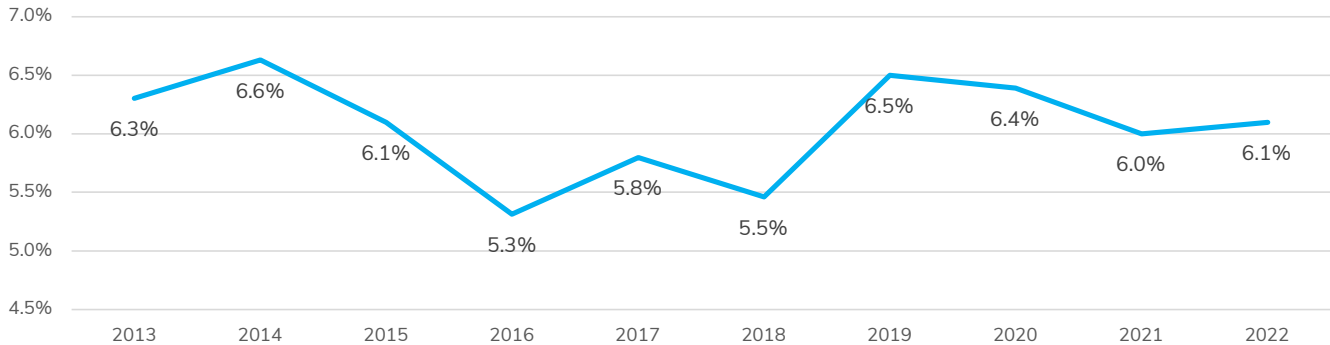
## Assessment of Fiscal Health

### 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 compared against the Yukon Territory's GDP.



\* Forecasted GDP: Nominal - 2020-\$3,067 million; 2021-\$3,435 million; 2022-\$3,795 million

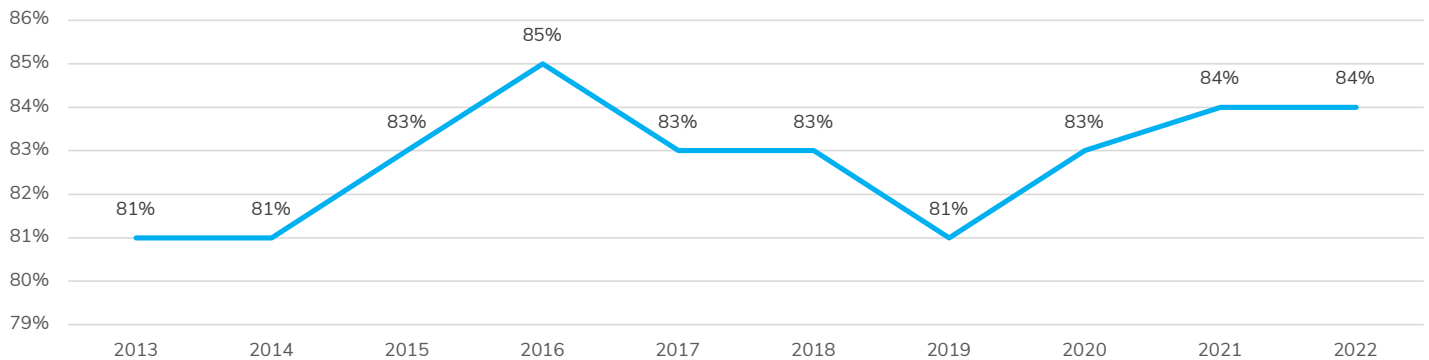
This ratio indicates to what extent the Government is taking economic resources out of the territory's economy through user fees or taxation. This ratio is relatively constant over time indicating that the Government has not changed its demands on the economy. The ratio is also relatively low compared to other Canadian jurisdictions and indicates that the Government has some flexibility in increasing taxes and other fees without causing a severe impact on the economy.

### 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 2021-22, the Government again received 84% of its revenue from the Government of Canada which was within the range of 81% to 85% that has occurred 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 which poses a risk, it also represents a relatively stable source of revenue from the Government of Canada, a senior level of government.



## Indicators of Financial and Economic Conditions

### Credit Ratings -July 2022\*

Jurisdiction	Rating Agency Standard & Poor's
Yukon	AA
British Columbia	AA+
Alberta	A+
Saskatchewan	AA
Manitoba	A+
Ontario	A+
Quebec	AA-
New Brunswick	A+
Nova Scotia	AA-
Prince Edward Island	A
Newfoundland & Labrador	A(neg)
Canada	AAA

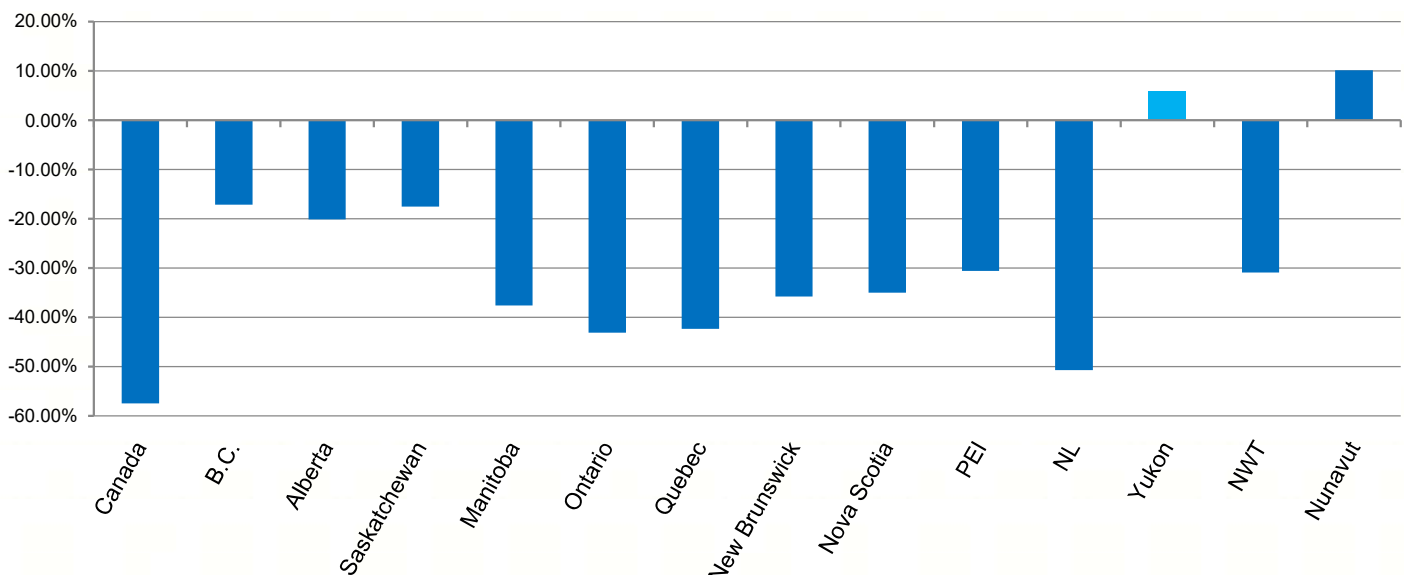
\*Ratings reflect the latest credit ratings as per Government of Nova Scotia Public Accounts 2021-22

On July 13, 2022, Standard & Poor's Rating Services affirmed its 'AA' long-term issuer credit rating of Yukon Territory. In its S&P Global Ratings summary, the rating agency states its expectation that "Steady revenue growth will help to stabilize budgetary performance despite rising capital expenditures" and that in the next two years, "Cash levels could decline as capital spending increases but liquidity should remain sufficient to meet debt service requirements." The rating agency also stated that the Yukon's "extremely predictable and supportive institutional framework supports creditworthiness".

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

The bar graph below shows a Canadian jurisdictional comparison of net financial assets (net debt) to GDP ratio. Yukon and Nunavut are the only jurisdictions that have a positive 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 2021



Statistics Canada. Table 379-0030 - Gross domestic product (GDP) at basic prices, by North American Industry Classification System (NAICS), provinces and territories, annual (dollars)

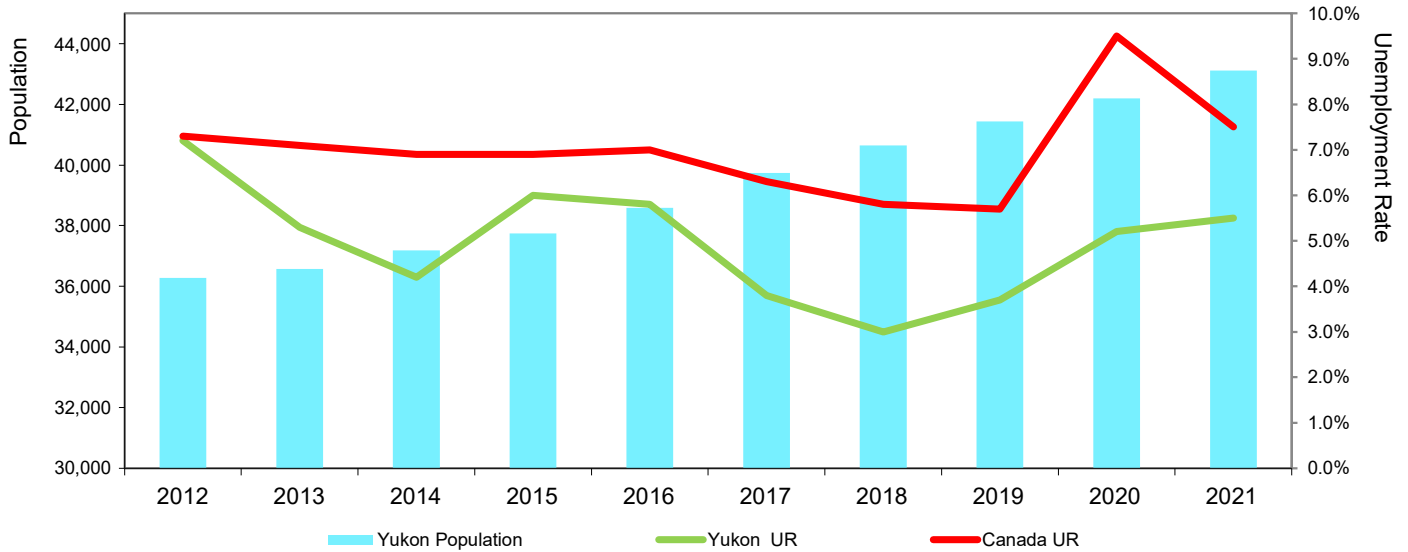
## Indicators of Financial and Economic Conditions

### Population and Unemployment rate (Calendar Year 2021)

Yukon's population has posted annual gains averaging 2% over 18 consecutive years. In 2022, total population is forecast to reach 44,000.

Yukon's unemployment rate (UR) averaged 5.5% in 2021 which was below the national average of 7.5%; both of which reflected a slow recovery from the impact of COVID-19. As noted in the chart below, since 2013, Yukon's unemployment rate has consistently been below the Canadian average.

### Population and Unemployment Rate



**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.

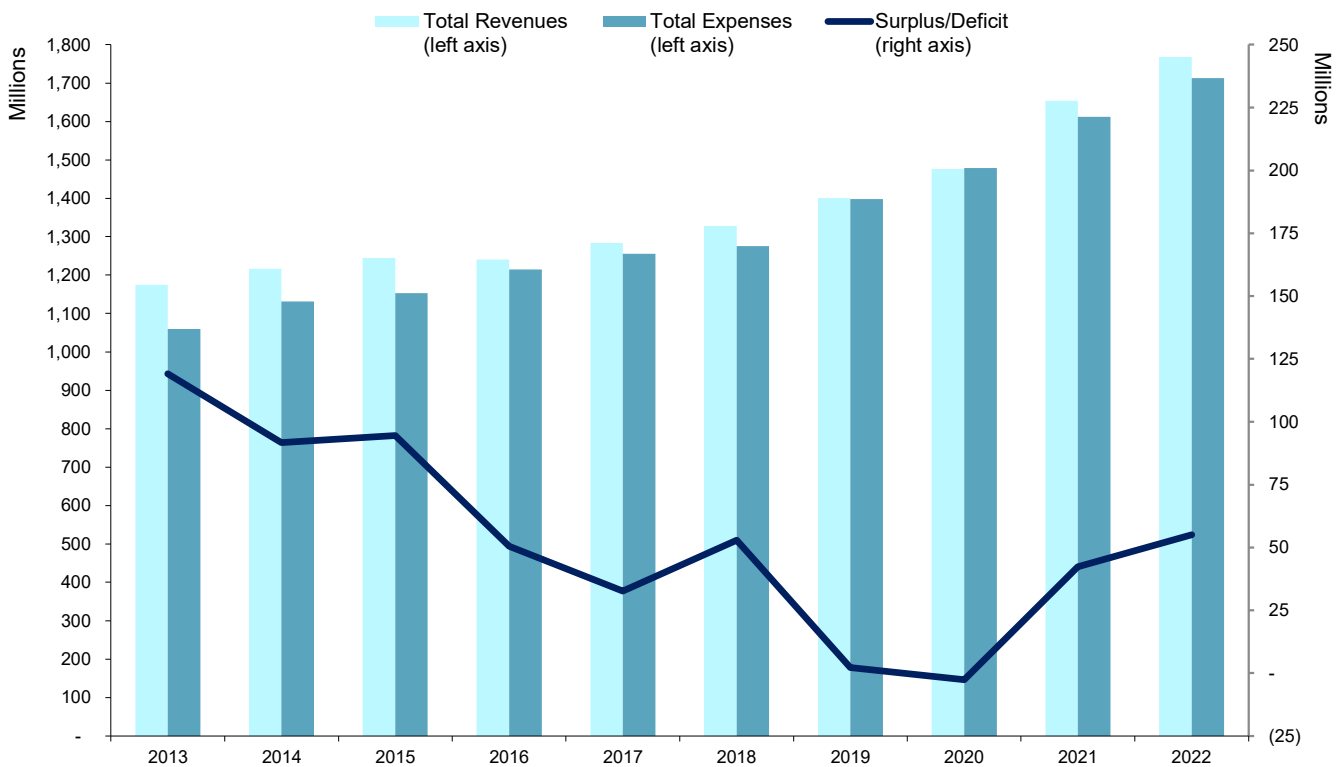
The surplus of \$55.1 million for the year was an increase of \$12.7 million from the previous year's surplus of \$42.4 million and \$33.9 million higher than the budgeted surplus of \$21.2 million. Revenues increased by \$114.0 million from the previous year's actual and were \$60.3 million higher than budgeted. Expenses (net of prior years' expense recoveries) of \$1.713 billion for the year were higher than the initially budgeted amount of \$1.686 billion.

Major revenue variances between the current and prior year include a \$62.7 million (5.9%) increase in the formula financing grant, \$34.8 million (36.4%) increase in income tax revenues and a \$25.6 million (13.3%) increase in contributions and service agreements revenues from the Government of Canada. These were offset somewhat by less revenue in the following areas: sale of land decreased \$27.7 million (77.7%), other grants decreased \$4.2 million (2.8%) and service agreements with other parties decreased by \$1.5 million (4.7%) from the previous year.

Expenses increased year-over-year by \$101.3 million (6.3%) with expenditures for natural resources contributing \$61.5 million (60.8%) of the increase. Health and social services and general government also had significant increases compared to prior year expenditures.

The chart below illustrates the trend between revenues and expenses over the last ten years. The amounts are taken directly from the respective year's Public Accounts, without reflecting restatements or other changes in accounting policies over the years presented.

**Revenues and expenses**



## Details

### Carbon Price Rebate Program

The Parliament of Canada passed the *Greenhouse Gas Pollution Pricing Act* (Canada) in 2018. In response to this, the Yukon Legislature passed the *Yukon Government Carbon Price Rebate Act* (Yukon), which outlines how the government will rebate all amounts received from the Government of Canada for greenhouse gas pollution pricing. The intent of this Act is to ensure that all carbon levy funds received are treated as pass-through funding to Yukoners with no funds being retained by the Government and there being no impact on its surplus (deficit).

The *Yukon Government Carbon Price Rebate Act* (Yukon) created a restricted fund. The purposes of the Carbon Price Rebate Revolving 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. There are four main eligible groups: businesses, individuals, municipal governments and Yukon First Nation governments. During fiscal 2019-20, the first amounts were received from the Government of Canada and shortly thereafter rebates began to be distributed.

The following is a summary of each year's activity and the status of the revolving fund as of March 31, 2022.

### Revolving Fund Balance

(thousands of dollars)

	<u>Cumulative to March 31, 2022</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
<b>Opening Liability</b>	-	6,919	2,783	-
<b>Carbon amounts received from the Government of Canada</b>				
Business Allocation	19,900	11,470	6,210	2,220
Individuals Allocation	17,559	10,121	5,479	1,959
Municipal Governments Allocation	1,171	675	365	131
First Nations Governments Allocation	390	224	122	44
Subtotals	<u>39,020</u>	<u>22,490</u>	<u>12,176</u>	<u>4,354</u>
<b>Rebates distributed to eligible groups</b>				
Business	4,101	3,003	980	118
Individuals	15,148	6,932	6,807	1,409
Municipal Governments	496	365	131	-
First Nations Governments	390	224	122	44
Subtotals	<u>20,135</u>	<u>10,524</u>	<u>8,040</u>	<u>1,571</u>
<b>Closing Liability</b>	<u>18,885</u>	<u>18,885</u>	<u>6,919</u>	<u>2,783</u>
<b>Liability by eligible group</b>				
Business Allocation	15,799	8,467	5,230	2,102
Individuals Allocation	2,411	3,189	(1,328)	550
Municipal Governments Allocation	675	310	234	131
First Nations Governments Allocation	-	-	-	-
Annual Net Activity	<u>-</u>	<u>11,966</u>	<u>4,136</u>	<u>2,783</u>
Total Liability	<u><u>18,885</u></u>			

## Details

### Impact of COVID-19

The impact of the COVID-19 pandemic was most severe during fiscal 2020-21. While diminished in fiscal 2021-22, it is still significant, as the Government continues to provide several programs aimed at supporting individuals, businesses and the economy in general. Some of these programs are ongoing in 2022-23.

### Revenues

In 2021-22, the Government's total revenues increased compared to the previous year by \$114.0 million (6.9%) to \$1.768 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 2021-22, the Government received \$1,117.7 million from the formula financing grant, an increase of \$62.7 million (5.9%) from the previous year. The Canada Health Transfer was \$48.5 million and the Canada Social Transfer was \$17.4 million. These transfers increased from the previous year by a total of \$2.0 million (3.2%). The Government received \$31.1 million in COVID-19 funding, \$25.0 million for climate change priorities, as well as \$22.5 million of carbon levies, from the Government of Canada.

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. Contributions and service agreements from Canada increased from the previous year by \$25.6 million (13.3%).

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 \$25.4 million (12.3%) to \$231.5 million. This was largely due to a \$34.7 million increase in income taxes and a \$9.2 million increase in resource revenue offset by a \$27.7 million decrease in revenue from the sale of land.

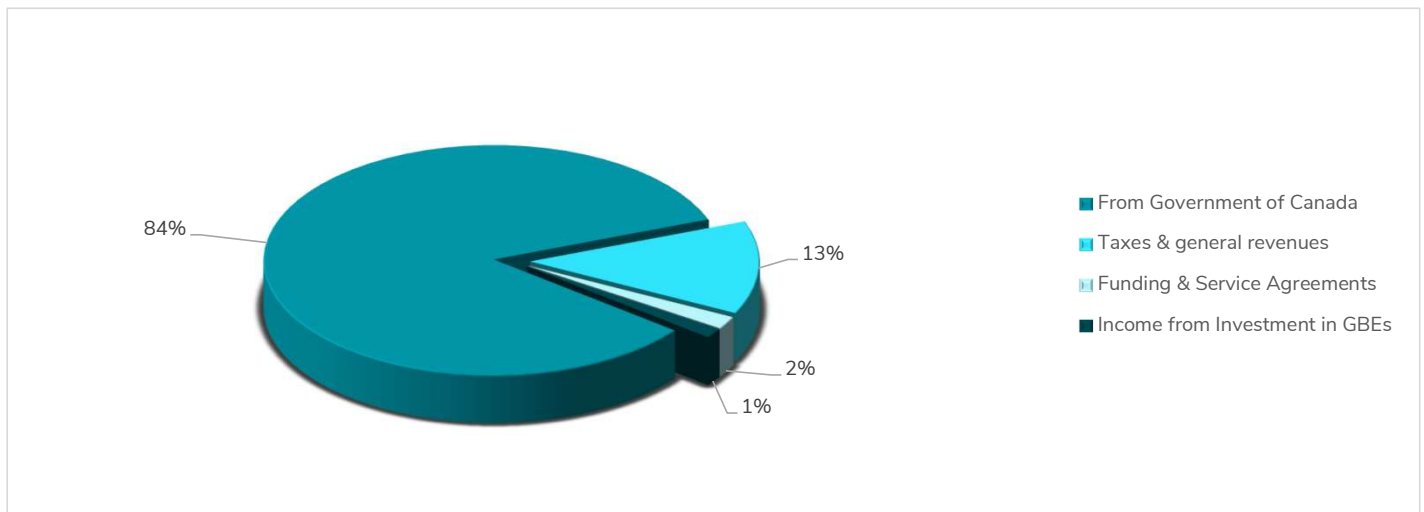
Funding and service agreements with other parties decreased from the previous year by \$1.5 million (4.7%) to \$31.4 million.

The income from investment in government business enterprises reported as revenue in the financial statements represents the surpluses 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 \$8.3 million while the income from YDC was \$16.0 million.

Revenues were higher than budgeted by \$60.3 million. This was primarily due to higher revenues from the Government of Canada, taxes and general revenues and income from investment in GBEs, offset by lower revenues from funding and service agreements with other parties.

In 2021-22, the composition between different types of revenue remained consistent with previous years.

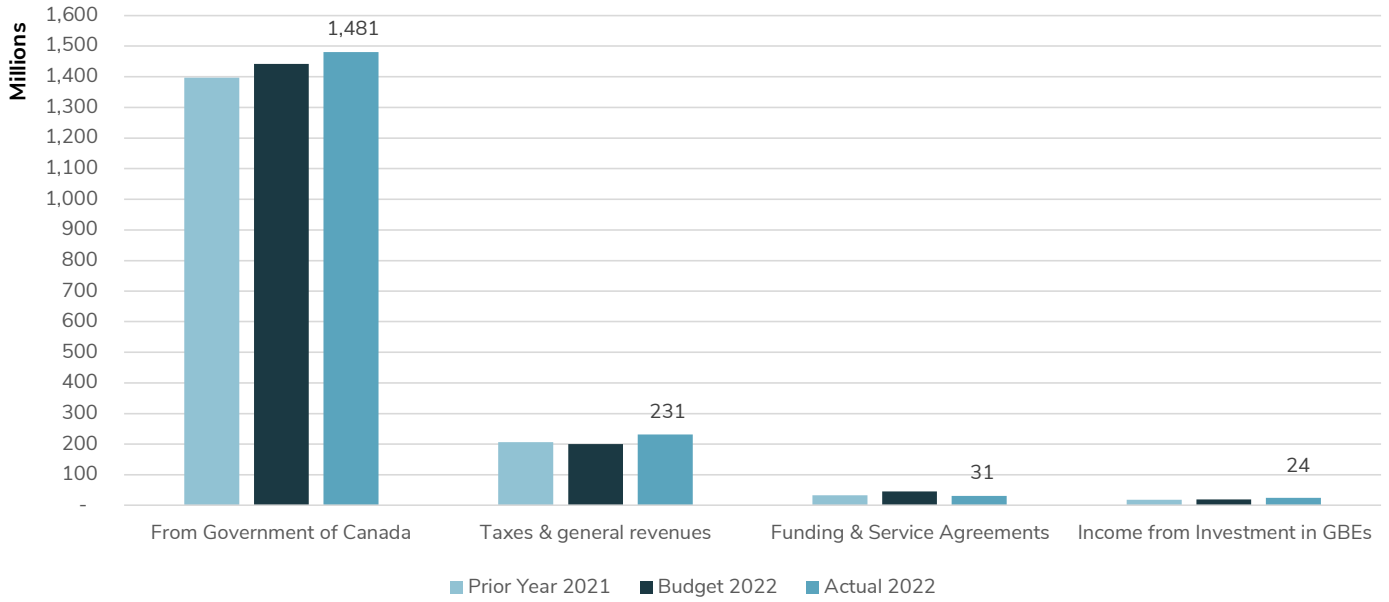
### Revenue by source percentages



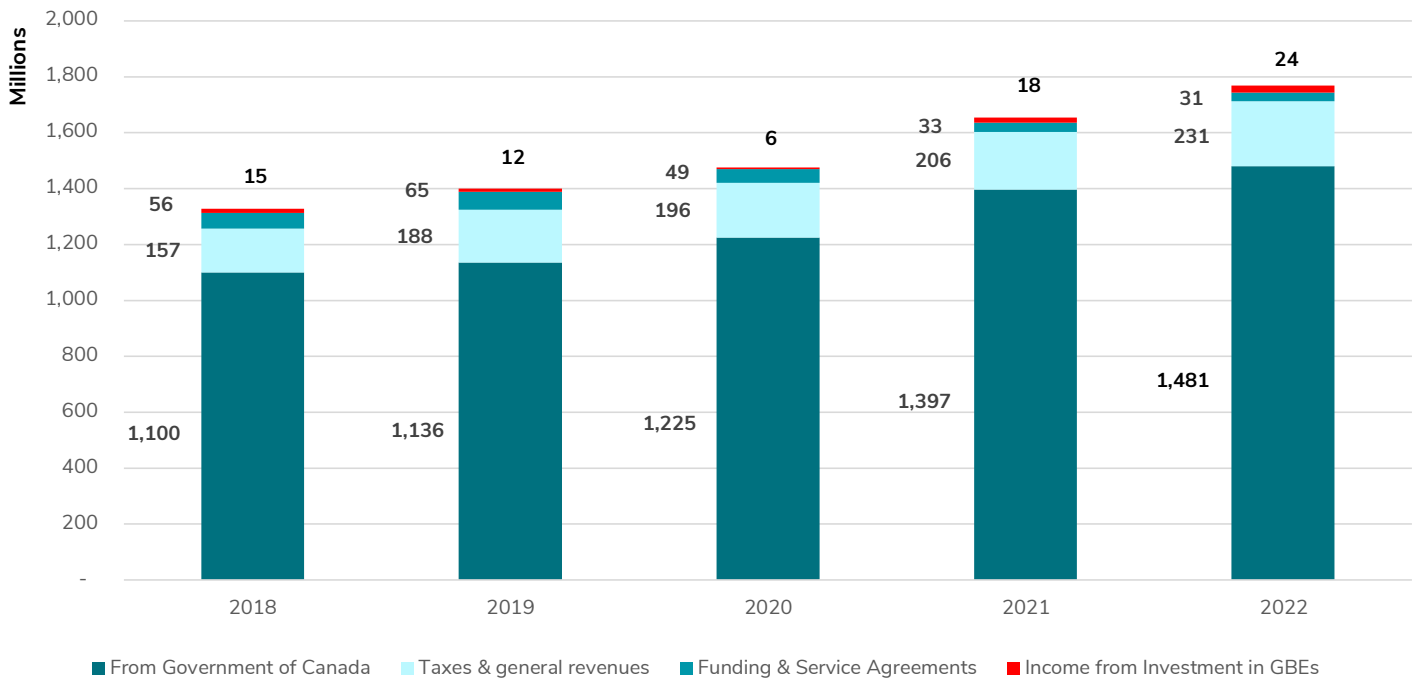
Details

Revenues continued

Revenue by source - comparison to budget and prior year



Revenue by source five year trend comparison

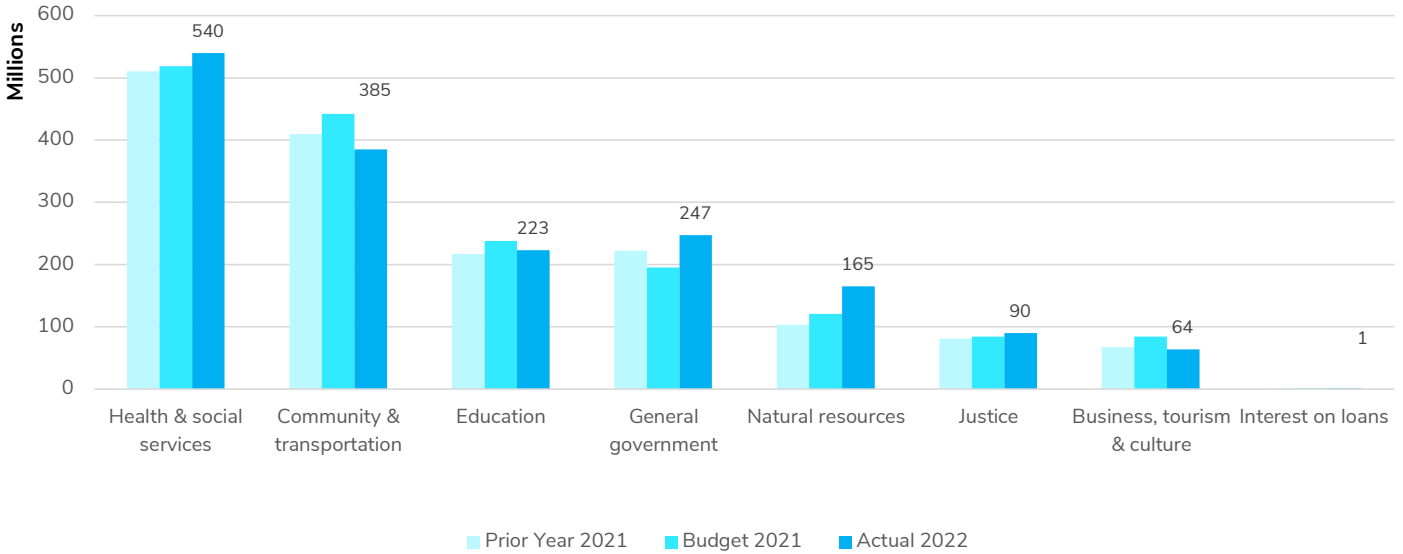


Details

Expenses

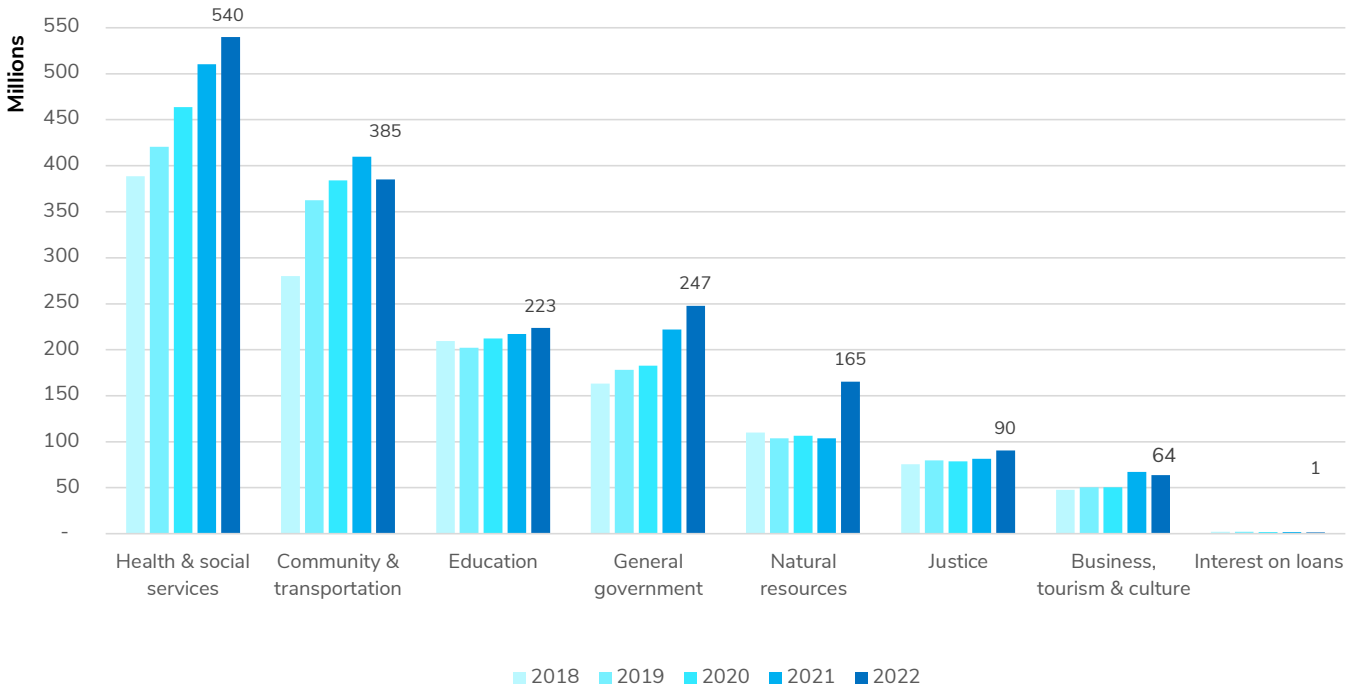
In 2021-22, the Government's expenses increased compared to the previous year by \$103.9 million (6.4%) to \$1.716 billion.

Expenses by function comparison



Five functions had 2021-22 expenses that exceeded the previous year's expenses while three had decreases. The largest increase was in the natural resources function, with an increase of \$61.5 million (59.5%), followed by a \$29.5 million (5.8%) increase in health and social services, a \$25.6 million (11.5%) increase in general government, a \$9.1 million (11.2%) increase in justice and a \$6.3 million (2.9%) increase in education. Community and transportation decreased by \$24.5 million (6.0%) while business, tourism and culture decreased \$3.5 million (5.3%) and interest on loans decreased \$0.2 million (9.7%).

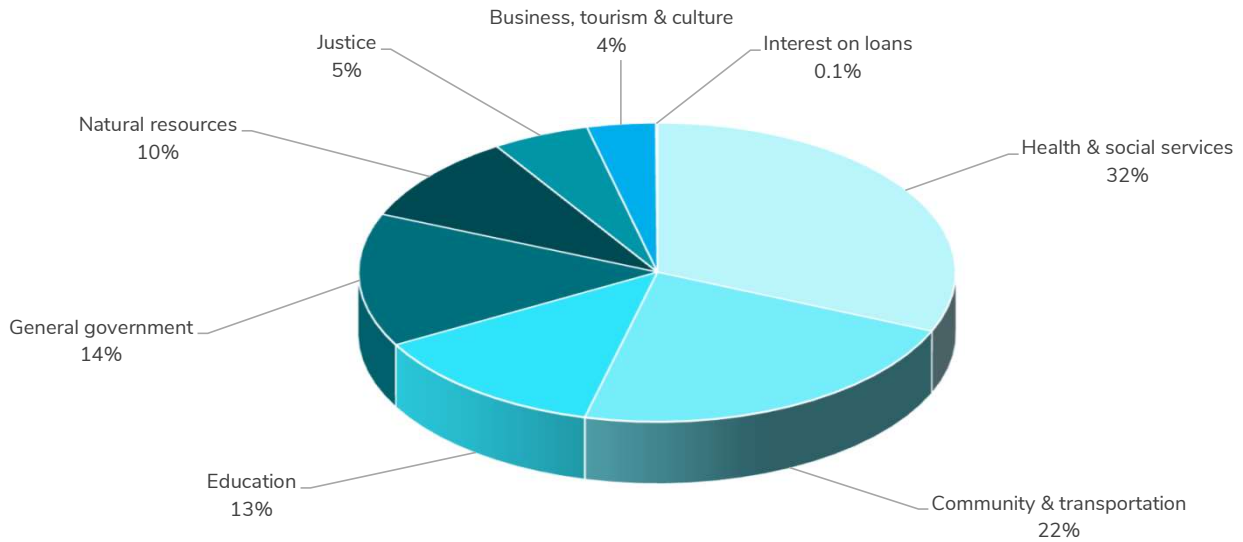
Expenses by function five year trend comparison



Details

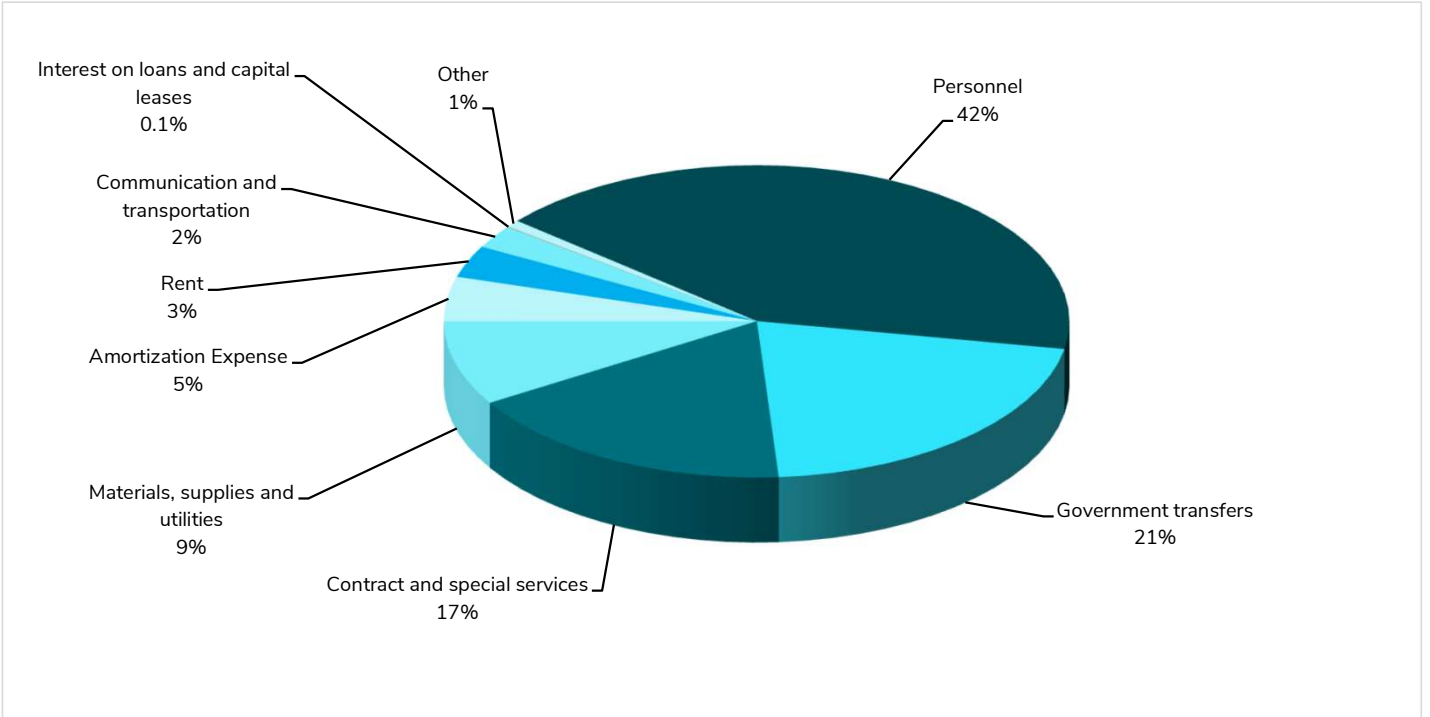
Expenses continued

Expense by function percentages



In 2021-22, the composition of expenses by function remained similar with the previous year, with health and social services and community and transportation representing the largest areas of spending and general government and education representing the next highest level of spending while natural resources has moved higher than justice and business, tourism and culture in the lower areas of expenses. Interest on loans remains at a nominal value.

Expenses by object percentages



As for the type of expenses (as detailed in Note 21 to the Consolidated Financial Statements), the highest increase was \$48.3 million (19.3%) for contract and special services, followed by \$24.4 million (3.5%) for personnel costs, \$10.6 million (3.0%) for government transfer payments, \$9.4 million (19.7%) for rent expenses, \$5.9 million (4.1%) for materials, supplies and utilities, \$5.2 million (14.6%) for communication and transportation, and \$1.2 million (10.5%) for other expenses. Amortization expense and loan and capital lease interest had nominal decreases.



## Details

### Net Financial Assets and Accumulated Surplus

At March 31, 2022, the Government's financial assets exceeded its liabilities, resulting in net financial assets of \$163.5 million (\$182.7 million at March 31, 2021). This important indicator shows that the Government has financial assets on hand to finance future operations.

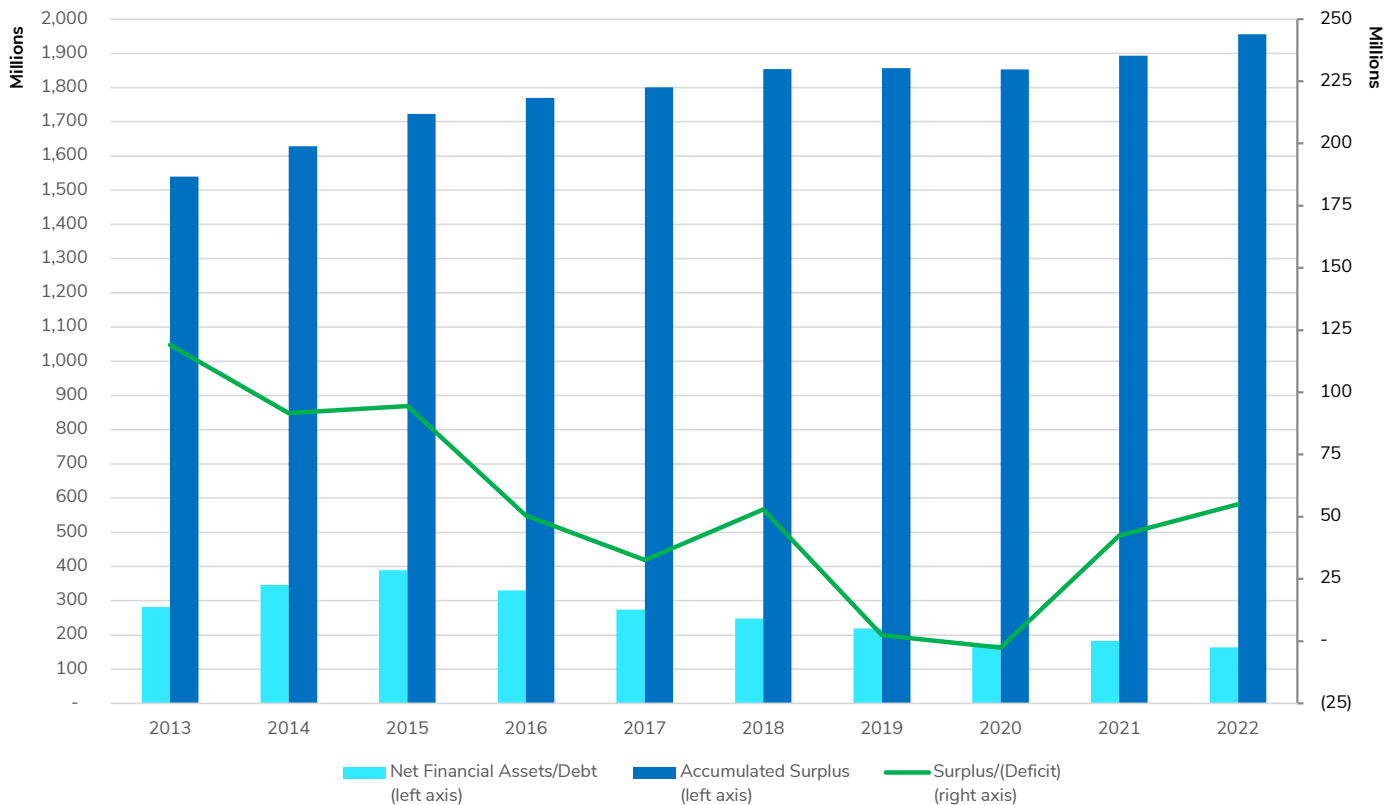
The Government's net financial assets decreased by \$19.3 million in 2021-22. This decrease was due to the increase of \$79.2 million in financial assets offset by the increase in liabilities of \$98.5 million.

The largest changes in financial assets were increases in due from Government of Canada of \$41.3 million, investment in government business enterprises of \$22.9 million and accounts receivable of \$13.1 million with an offsetting decrease of \$13.1 million in loans receivable.

The Government's liabilities increase was largely due to the increase of \$51.4 million in environmental liabilities, \$35.5 million in accounts payable and accrued liabilities and \$10.4 million in retirement benefit liabilities.

Accumulated surplus consists of net financial assets and non-financial assets such as tangible capital assets. The accumulated surplus of the Government at March 31, 2022 was \$1.956 billion (\$1.893 billion at March 31, 2021). The \$19.3 million decrease in net financial assets and the \$81.8 million increase in non-financial assets result in the \$62.5 million increase in accumulated surplus.

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



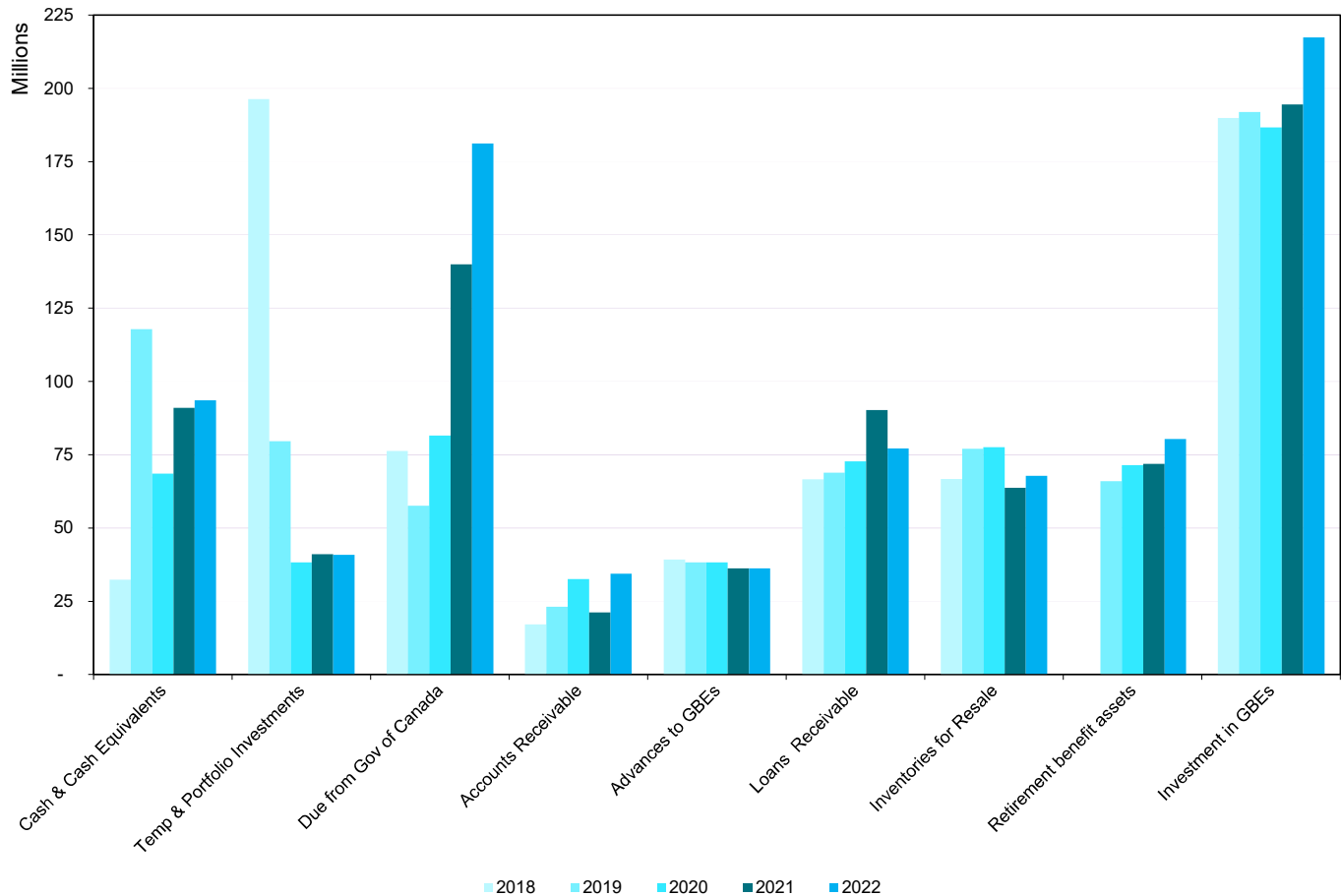
## Details

### Financial Assets

Financial assets consist of assets available to discharge existing liabilities or to fund future activities. At March 31, 2022, the value of total financial assets was \$828.9 million, which is an increase of \$79.2 million from the previous year. Within financial assets, due from the Government of Canada increased by \$41.3 million from the previous year while investments in government business enterprises increased by \$22.9 million, accounts receivable increased by \$13.1 million and loans receivable decreased by \$13.1 million.

In 2021-22, cash and cash equivalents and temporary investments accounted for \$97.6 million, or 11.8% of the total financial assets compared with 2020-21 when they accounted for \$92.6 million or 12.4%.

### Financial Assets by type



(Note: In 2018-19 the Government reclassified its retirement benefit plans to present Retirement benefit assets and Retirement benefit liabilities separately).

## Details

### Financial Assets (continued)

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, 2022, the Government held \$93.5 million in cash and cash equivalents, which is an increase of \$2.5 million from the previous year.

#### Temporary investments

Temporary investments 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.

At March 31, 2022, the Government held \$4.1 million in temporary investments compared to \$1.6 million the previous year.

#### Due from Government of Canada

At March 31, 2022, the Government had receivables from the Government of Canada in the amount of \$181.2 million, most of which were outstanding claims on cost-sharing agreements and projects delivered on behalf of the federal government. This was an increase of \$41.3 million from the prior year.

#### Accounts receivable

Accounts receivable increased to \$34.3 million at March 31, 2022 from \$21.2 million at March 31, 2021.

#### Portfolio investments

Portfolio investments are investments that are expected to be realized or have terms to maturity of greater than one year from the date of acquisition. Portfolio investments include floating rate notes and funds that include bonds and equities.

As at March 31, 2022, the Government held \$36.7 million in portfolio investments compared to \$39.4 million in the previous year.

As of March 31, 2022, \$30.6 million of the portfolio investments were specifically designated (\$34.6 million at March 31, 2021) 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).

#### Advances to government business enterprises

As of March 31, 2022, the Government has an outstanding balance of \$36.2 million (\$36.2 million at March 31, 2021) on advances made to the government business enterprises.

#### Loans receivable

The Government has loans receivable of \$77.2 million, of which \$31.8 million, or 41.2%, were Yukon Housing Corporation mortgages receivable, followed by \$25.2 million, or 32.7%, in land sale related loans receivable that are also administered by the Yukon Housing Corporation.

#### Inventories for resale

Inventories for resale totaled \$67.8 million as of March 31, 2022. This was an increase of \$4.1 million (6.4%) from the previous year. The inventories largely consist of lots that were developed by the Government for sale to the public.

#### Retirement benefit assets

Retirement benefit assets totaling \$80.4 million at March 31, 2022 (\$71.9 million at March 31, 2021) 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.

## Details

### Financial Assets (continued)

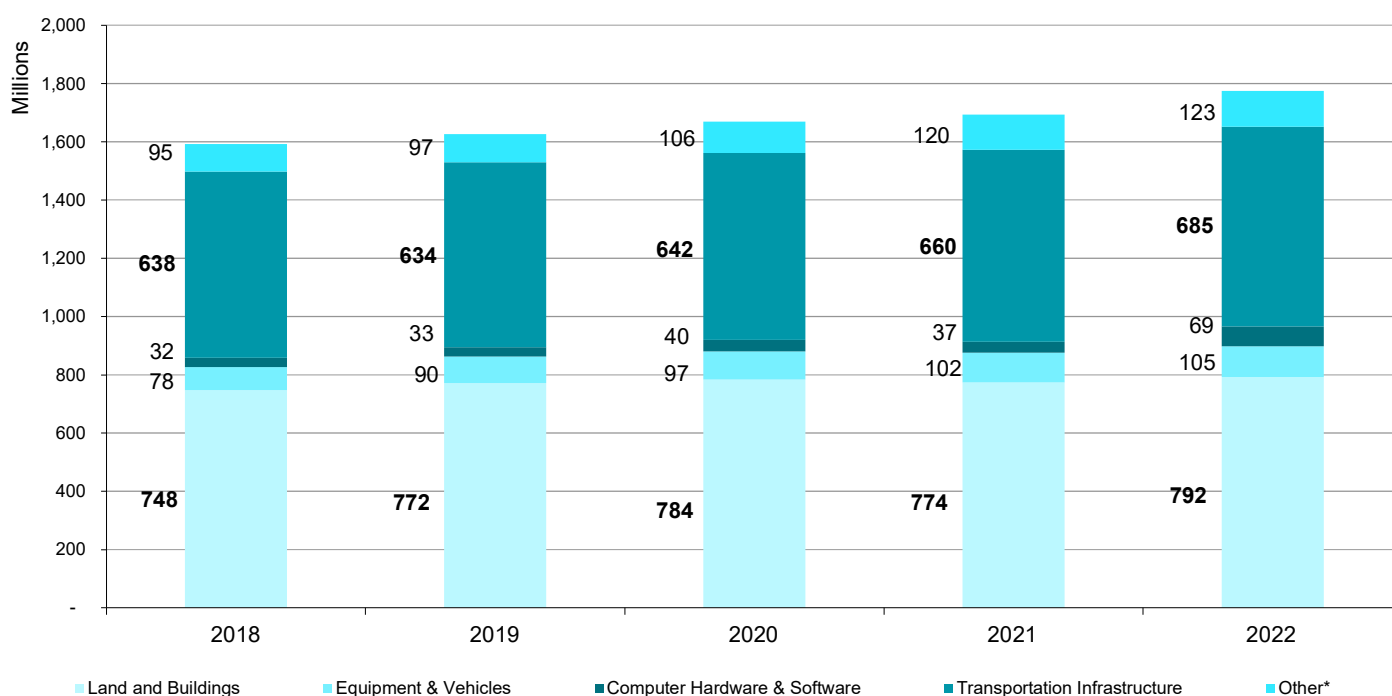
#### Investment in government business enterprises

Investment 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 \$215.2 million at March 31, 2022 (2021 - \$191.9 million), and YLC had equity of \$2.2 million at March 31, 2022 (2021 - \$2.6 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.

#### Net Book Value of Tangible Capital Assets



\*For additional detail see schedule C to the Consolidated Financial Statements

In 2021-22, the Government made the following investment in tangible capital assets:

Opening balance at April 1, 2021	\$	1,693	million
Additions during the year		160	million
Less: Amortization and other adjustments		(79)	million
Balance at March 31, 2022	\$	<u>1,774</u>	million

The Government's \$160.4 million investment was largely spent on buildings, transportation infrastructure, computer hardware and software and equipment and vehicles.

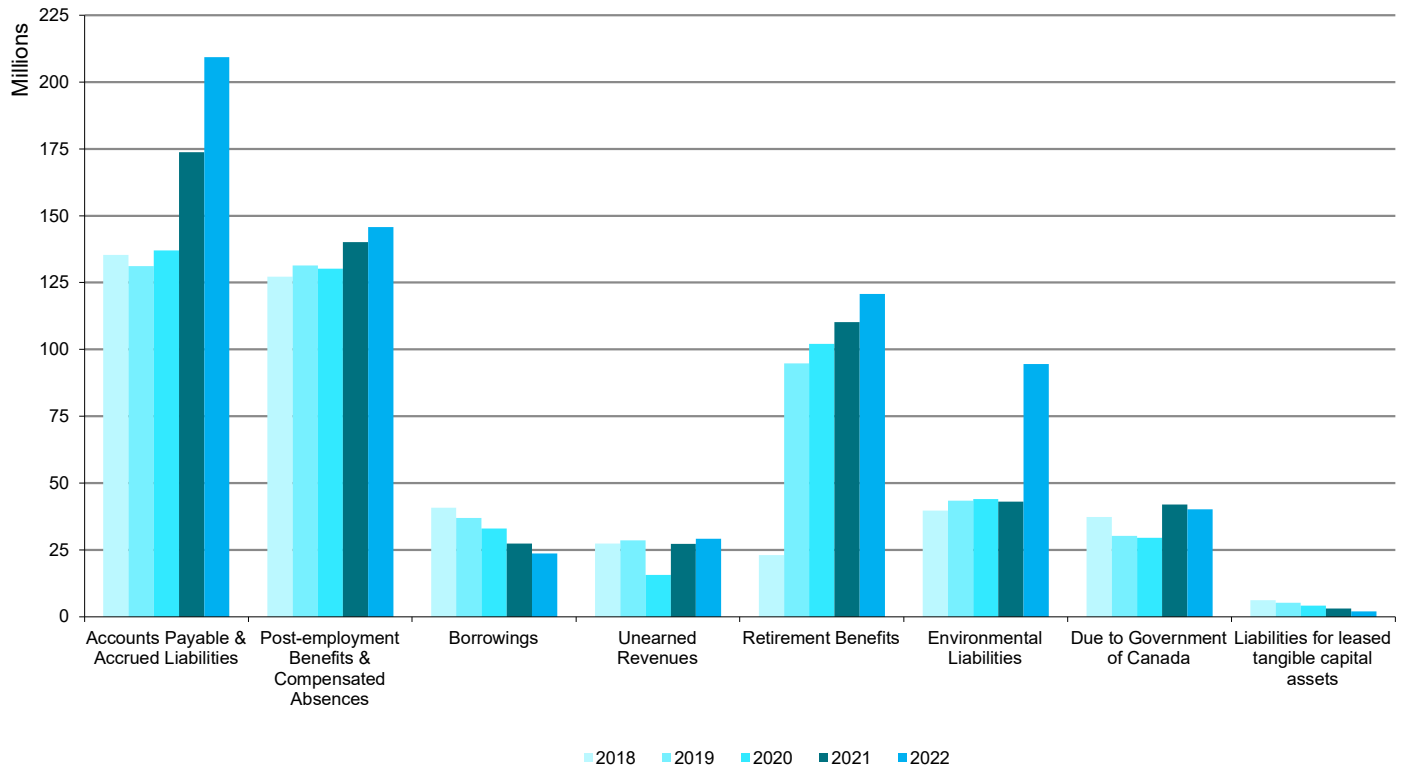
In accordance with the recommendations of the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, the value of transferred Crown land is not reported as a tangible capital asset.

## Details

### Liabilities

At March 31, 2022, the liabilities of the Government totaled \$665.4 million (\$566.9 million at March 31, 2021), which is equivalent to 80.3% of the financial assets of the Government. A five-year comparison of the Government's liabilities by category is illustrated below:

### Liabilities



(Note: Prior year amounts are shown as reported in the respective year's Public Accounts. In 2018-19 the Government reclassified its retirement benefit plans to present Retirement benefit assets and Retirement benefit liabilities separately).

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

#### Due to Government of Canada

Amounts due to the Government of Canada at March 31, 2022 were \$40.2 million (\$42.0 million at March 31, 2021). These amounts consist primarily of funds due under various agreements for Income Taxes and Public Service Pension Plan contributions payable for the month of March 2022.

#### Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are amounts that are generally paid within a year. The balance of \$209.3 million at March 31, 2022 is an increase of 20.4% from the previous year's balance of \$173.8 million.

Included in this total is the outstanding balance of the Carbon Price Rebate liability of \$18.9 million (2021 - \$6.9 million).

## Details

### Liabilities (continued)

#### Environmental liabilities

At March 31, 2022, the Government has recorded \$94.6 million (\$43.1 million at March 31, 2021) 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, \$39.0 million (41.3%) is related to the Wolverine mine site, \$15.5 million (16.4%) is for the Wellgreen site, \$11.3 million (12.0%) is for highway maintenance camps and airports and \$12.3 million (13.0%) is for landfills that the Government is responsible for maintaining.

#### Unearned revenues

Unearned revenues of \$29.2 million reported as of March 31, 2022 (\$27.2 million at March 31, 2021) are mostly comprised of funding received from the Government of Canada that has not yet been expended in accordance with funding agreements.

#### Post-employment benefits and compensated absences

The Government's second largest liability, after accounts payable and accrued liabilities, is 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, 2022 were \$145.8 million (\$140.1 million at March 31, 2021).

#### Retirement benefits liabilities

Retirement benefits liabilities totaled \$120.7 million at March 31, 2022 (\$110.3 million at March 31, 2021) 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.

#### Borrowings

The largest portion of the \$23.7 million reported as borrowings relates to the Yukon Hospital Corporation's demand term installment loans totaling \$22.6 million (\$26.3 million at March 31, 2021). The Yukon Hospital Corporation used the loans to finance the costs of the new staff residence/medical service building in Whitehorse, renovations to an extended care facility in Whitehorse, and new hospitals in Watson Lake and Dawson City. During 2021-22 the Yukon Hospital Corporation paid down these loans by \$3.7 million.

Mortgages and loans payable by the Yukon Housing Corporation (Housing) represent a further \$1.3 million (\$1.7 million at March 31, 2021) of the Government's long term debt. These debts are with the Canada Mortgage and Housing Corporation (CMHC) so are included as due to the Government of Canada amounts in the Consolidated Statement of Financial Position.

In Note 17 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 as well as capital lease obligations. When all relevant items are taken into account the total debt is \$216.4 million at March 31, 2022 (\$235.2 million at March 31, 2021).

The Government of Canada on September 20, 2020 issued OIC P.C. 2020-0663 setting Yukon's borrowing limit at \$800 million pursuant to subsection 23(2) of the *Yukon Act* (Canada).

## Risks and Mitigations

### Government of Yukon's Operating Environment

The Government's financial results are subject to risks and uncertainties that arise from variables over which the Government has no direct control, or limited control. These risks and uncertainties include:

- The lingering effects of COVID-19 on the Yukon's revenues, expenses and overall fiscal position;
- Economic factors, including economic growth or decline, commodity prices, private sector investment decisions, inflation, interest rates, population/demographics, and personal income;
- Revenue changes, especially taxation revenues, or changes in transfers expected from the federal government, causing the total actual revenue results to deviate 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;
- Natural disasters, such as floods, wildfires, extreme weather events, or other events that may impede the safe delivery of goods and services;
- Geopolitical events causing repercussions on economic or fiscal parameters;
- Malicious behaviour (i.e. 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 of environmental liabilities;
- Changes in pension liability due to external factors such as interest rates or asset market values; and
- Changes in accounting standards.

While Yukon's revenues are mainly stable due to the level of federal transfers, the Government's fiscal health nevertheless relies on revenue from economic activity. As this activity can be volatile in an economy that is significantly tied to mining and exploration activities, the Government takes a cautious and prudent approach to revenue forecasting and fiscal planning. Commodity prices and mining exploration and development plans are closely 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.

On the expense side, the Department of Finance's Management Board Secretariat closely monitors the spending of Departments and the effect on the fiscal plan so that supplementary estimates can be tabled in the Legislature to address unanticipated spending or savings.

Changes to Canadian accounting standards issued by the Public Sector Accounting Board can have an impact on the Government's budgets, estimates and actual results. The Office of the Comptroller reviews proposed changes and provides input towards the goal of having processes that reflect sound policy decision-making, transparency and accountability.

## Risks and Mitigations

### Emerging Issues

#### **New Accounting Standards**

The Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA) is the body responsible for maintaining the Public Sector Accounting Standards (PSAS) that all public sector organizations are required to follow. For further clarity, the Government of Yukon is legislated to follow these reporting standards as per *Yukon Act* (Canada) s33 and *Taxpayer Protection Act* (Yukon) s4(2).

As business practices evolve and modernize, so must accounting practices, hence PSAB is continuously reviewing and updating the PSAS. Below are a number of new or amended PSAS that the Government is required to adopt on their effective date.

#### **PSAS 3280 - Asset Retirement Obligations (ARO) (effective April 1, 2022)**

PSAS 3280 applies to all tangible capital assets owned or controlled by the Government; it requires that where there is a legal obligation to perform retirement activities for a tangible capital asset these retirement costs must be recognized at the time of acquiring the asset, or as soon as the costs can be estimated. Work is on-going to revise relevant policies, establish estimation and recording procedures, and to quantify the impact on financial position. Beginning in 2022-23 there will be a new non-cash expense that will record the annual change in the existing ARO liabilities. The magnitude of these costs are unknown as the costing model of the underlying obligations has not been completed, approved and audited.

#### **PSAS 3450 - Financial Instruments (effective April 1, 2022)**

This PSAS establishes new guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives.

The Government expects negligible impact on its financial position resulting from the adoption of this new standard beyond the changes in presentation.

#### **PSAS 3041 - Portfolio Investments (effective April 1, 2022)**

PSAS 3041 replaces existing PSAS 3040 with revised guidance on the accounting for, and presentation and disclosure of, portfolio investments.

Due to the nature of its portfolio investments, the Government expects nominal impact resulting from the adoption of this new standard.

#### **PSAS 2601 - Foreign Currency Translation (effective April 1, 2022)**

PSAS 2601 replaces existing PSAS 2600 with revised guidance on the recognition, presentation and disclosure of transactions that are denominated in a foreign currency.

Due to the low volume of foreign currency transactions, the Government expects negligible impact resulting from the adoption of this new standard.

#### **PSAS 1201 - Financial Statement Presentation (effective April 1, 2022)**

PSAS 1201 replaces existing PSAS 1200 with revised general reporting principles and standards of presentation and disclosure in government financial statements. These changes are required to incorporate the changes stemming from the new PSAS 3450, PSAS 3041 and PSAS 2601.

The Government expects negligible impact resulting from the adoption of this new standard.

#### **PSAS 3400 - Revenue (effective April 1, 2023)**

This new PSAS establishes new guidance on the recognition, measurement, presentation and disclosure of revenue.

The Government is assessing the impact resulting from the adoption of this new standard.

#### **PSAS 3160 - Public Private Partnerships (effective April 1, 2023)**

This new PSAS establishes new guidance on the recognition, measurement and disclosure of public private partnership arrangements.

The Government currently does not have any public private partnership arrangements that fall under this new PSAS so is expecting no impact from its implementation. If public private partnership arrangements are entered into, the Government will evaluate and report them in accordance with this standard.



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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 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 financial assets 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, to ensure 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.



D. Scott Thompson  
Deputy Minister of Finance

October 21, 2022

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## 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 31 March 2022, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net financial assets 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 31 March 2022, and the consolidated results of its operations, consolidated changes in its net financial assets, 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 2021-22 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance 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.

A handwritten signature in black ink, appearing to read "Karen Hogan". The signature is fluid and cursive, with the first name "Karen" and the last name "Hogan" clearly distinguishable.

Karen Hogan, FCPA, FCA  
Auditor General of Canada

Ottawa, Canada  
21 October 2022

GOVERNMENT OF YUKON

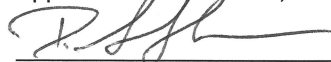
Consolidated Statement of Financial Position  
as at March 31, 2022

	2022	2021
	(thousands of dollars)	
<b>Financial assets</b>		
Cash and cash equivalents (Note 3)	\$ 93,513	\$ 91,012
Temporary investments (Note 4)	4,122	1,619
Due from Government of Canada (Note 5)	181,199	139,919
Accounts receivable (Note 6)	34,322	21,221
Portfolio investments (Note 7)	36,748	39,404
Advances to government business enterprises (Note 11(b)(c))	36,200	36,200
Loans receivable (Note 9)	77,167	90,217
Inventories for resale (Note 10)	67,793	63,721
Retirement benefit assets (Note 16)	80,416	71,868
Investment in government business enterprises (Note 11(a))	217,434	194,517
	<u>828,914</u>	<u>749,698</u>
<b>Liabilities</b>		
Due to Government of Canada (Note 5)	40,159	41,970
Accounts payable and accrued liabilities (Note 12)	209,287	173,811
Environmental liabilities (Note 13)	94,552	43,103
Unearned revenues (Note 14)	29,226	27,176
Post-employment benefits and compensated absences (Note 15)	145,803	140,147
Retirement benefit liabilities (Note 16)	120,737	110,298
Borrowings (Note 17)	23,691	27,352
Liabilities for leased tangible capital assets (Note 18)	1,982	3,096
	<u>665,437</u>	<u>566,953</u>
<b>Net financial assets</b>	<u>163,477</u>	<u>182,745</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 20)	1,773,959	1,693,017
Inventories of supplies	10,619	9,960
Prepaid expenses	7,735	7,488
	<u>1,792,313</u>	<u>1,710,465</u>
<b>Accumulated surplus</b>	<u>\$ 1,955,790</u>	<u>\$ 1,893,210</u>

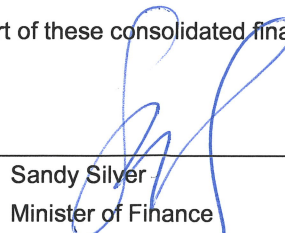
Contingencies, contractual rights and obligations, commitments and guarantees  
(Notes 11(d)(e), 13, 16(d)(e), 23, 24, 26, 27, and 28)

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

Approved on October 21, 2022:



D. Scott Thompson  
Deputy Minister of Finance



Sandy Silver  
Minister of Finance

GOVERNMENT OF YUKON

**Consolidated Statement of Operations and Accumulated Surplus  
for the year ended March 31, 2022**

	2022		2021
	Budget (Note 1(b))	Actual	Actual
	(thousands of dollars)		
Revenues (Schedule A)			
From Government of Canada	\$ 1,442,280	\$ 1,480,702	\$ 1,396,610
Taxes and general revenues	200,480	231,461	206,109
Funding and service agreements with other parties	45,534	31,409	32,947
Income from investment in government business enterprises (Note 11(a))	19,200	24,255	18,183
	<u>1,707,494</u>	<u>1,767,827</u>	<u>1,653,849</u>
Expenses (Schedule B)			
Health and social services	518,611	539,870	510,359
Community and transportation	442,228	385,217	409,696
Education	238,091	223,469	217,129
General government	204,564	247,462	221,910
Natural resources	120,852	165,036	103,494
Justice	84,623	90,189	81,107
Business, tourism and culture	84,793	63,724	67,264
Interest on loans	1,308	1,425	1,578
Adjustments	(8,820)	-	-
	<u>1,686,250</u>	<u>1,716,392</u>	<u>1,612,537</u>
Recovery of prior years' expenses	-	3,662	1,096
Surplus (deficit) for the year	<u>\$ 21,244</u>	<u>55,097</u>	<u>42,408</u>
Accumulated surplus at beginning of year		1,893,210	1,852,971
Other comprehensive gain (loss) of government business enterprises (Note 11(a))		7,483	(2,169)
Accumulated surplus at end of year		<u>\$ 1,955,790</u>	<u>\$ 1,893,210</u>

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

GOVERNMENT OF YUKON

**Consolidated Statement of Change in Net Financial Assets  
for the year ended March 31, 2022**

	2022		2021
	Budget (Note 1(b))	Actual	Actual
	(thousands of dollars)		
Surplus (deficit) for the year	\$ 21,244	\$ 55,097	\$ 42,408
Effect of change in tangible capital assets			
Acquisitions	(182,009)	(160,429)	(107,341)
Amortization of tangible capital assets	77,662	79,191	80,061
Loss (gain) on disposal of tangible capital assets	-	277	479
Proceeds on disposal of tangible capital assets	-	-	-
Write-down of tangible capital assets	-	19	2,163
Adjustments	8,552	-	-
	<u>(95,795)</u>	<u>(80,942)</u>	<u>(24,638)</u>
Effect of change in other non-financial assets			
Acquisition of inventories of supplies	-	(15,584)	(18,328)
Consumption of inventories of supplies	-	14,925	17,841
(Increase) decrease in prepaid expenses	-	(247)	(4,257)
	<u>-</u>	<u>(906)</u>	<u>(4,744)</u>
Increase (decrease) in net financial assets	<u>\$ (74,551)</u>	<u>(26,751)</u>	<u>13,026</u>
Net financial assets at beginning of year		182,745	171,888
Other comprehensive gain (loss) of government business enterprises (Note 11(a))		<u>7,483</u>	<u>(2,169)</u>
Net financial assets at end of year		<u>\$ 163,477</u>	<u>\$ 182,745</u>

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

GOVERNMENT OF YUKON

**Consolidated Statement of Cash Flow  
for the year ended March 31, 2022**

	2022	2021
	(thousands of dollars)	
<b>Operating transactions</b>		
Surplus (deficit) for the year	\$ 55,097	\$ 42,408
Non-cash items included in surplus (deficit) for the year:		
Amortization of tangible capital assets	79,191	80,061
Loans receivable valuation adjustment	(335)	196
Bad debt expense	157	110
Write-down of tangible capital assets	19	2,163
Loss (gain) on sale of land inventory	68	(2,017)
Loss (gain) on disposal of tangible capital assets	277	479
Contributed tangible capital assets	(669)	-
Surplus of government business enterprises (Note 11(a))	(24,255)	(18,183)
Change in non-cash assets and liabilities	37,473	26,505
Amounts remitted from government business enterprises	8,343	8,193
Cash provided by (used for) operating transactions	<u>155,366</u>	<u>139,915</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	<u>(155,661)</u>	<u>(107,341)</u>
Cash provided by (used for) capital transactions	<u>(155,661)</u>	<u>(107,341)</u>
<b>Investing transactions</b>		
Net proceeds from (acquisitions of) temporary investments	(2,503)	461
Proceeds from portfolio investments	19,050	33,021
Acquisition of portfolio investments	(16,394)	(38,492)
Repayment of advances to government business enterprises	-	2,000
Repayments of loans receivable	29,441	20,872
Issuance of loans receivable	(9,830)	(7,017)
Investment in land inventory	(12,193)	(15,665)
Cash provided by (used for) investing transactions	<u>7,571</u>	<u>(4,820)</u>
<b>Financing transactions</b>		
Repayment of borrowings	(3,661)	(4,272)
Repayment of liabilities for leased tangible capital assets	(1,114)	(1,047)
Cash provided by (used for) financing transactions	<u>(4,775)</u>	<u>(5,319)</u>
<b>Cash and cash equivalents increase (decrease)</b>	<b>2,501</b>	<b>22,435</b>
Cash and cash equivalents at beginning of year	<u>91,012</u>	<u>68,577</u>
<b>Cash and cash equivalents at end of year (Note 3)</b>	<b>\$ 93,513</b>	<b>\$ 91,012</b>
Interest received in the year	\$ 5,451	\$ 7,266
Interest paid in the year	\$ 1,564	\$ 1,754

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

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements  
March 31, 2022**

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 2021-22 as approved in the Legislative Assembly in May 2021. Due to the election in April 2021, special warrants provided interim spending authority until the budget was approved. Adjustments include estimated lapses and unallocated budget estimates.

(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 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 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.

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements  
March 31, 2022**

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, categorized by the consolidation method, and their specific operating authority are as follows:

Full consolidation:

Government of Yukon departments  
Yukon Hospital Corporation  
Yukon Housing Corporation  
Yukon University

Authority for operations:

*Financial Administration Act*  
*Hospital Act*  
*Housing Corporation Act*  
*Yukon University Act*

Modified equity:

Yukon Development Corporation  
Yukon Liquor Corporation

*Yukon Development Corporation Act*  
*Liquor Act*  
*Cannabis Control and Regulation Act*

(b) Specific accounting policies

Revenues

Revenues are recorded on an accrual basis.

Grants from the Government of Canada are recognized as revenues when entitlement for the transfer occurs. The Government receives a Formula Financing grant and the Canada health and the Canada social transfers from the Government of Canada in accordance with the *Federal-Provincial Fiscal Arrangements Act* (Canada) which expires on March 31, 2024. The Formula Financing grant is principle-based and the Canada health transfer and the Canada social transfer are simple equal cash per capita grants. Adjustments for health and social transfers are made in the year they are known.

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

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements  
March 31, 2022**

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

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

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

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.

Temporary investments include treasury bills, 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. When the fair value of temporary investments has declined below the carrying value, they are carried at fair value.

Portfolio investments are accounted for by the cost method and include funds that include bonds and equities. These investments are expected to be realized or have terms to maturity greater than one year from the date of acquisition. When there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss.



## GOVERNMENT OF YUKON

### Notes to Consolidated Financial Statements March 31, 2022

Loans receivable are stated at the lower of principal amounts and net recoverable value. Valuation allowances, which are recorded to reduce loans receivable to their net recoverable amount, are based on historical experience, current conditions and all circumstances known at the date of the preparation of the financial statements. The loan receivable is reduced by the amount of a loss when the amount is known with sufficient precision, and there is no realistic prospect of recovery. Interest revenue is recognized on an accrual basis until such time that the 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 recoverable value to recognize the loss. Supplies held for sale are recorded at the lower of cost and net realizable value.

#### Non-financial assets

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

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

#### Liabilities

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

Unearned revenues are cash received for which goods and services have not been provided by year-end and are primarily comprised of motor vehicle licence fees for the following fiscal years, 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 and is quantifiable, an estimated liability is accrued. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed.

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements  
March 31, 2022**

Tangible capital assets

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

The value of works of art, historical treasures, all intangibles, and items inherited by right of the Crown, such as Crown lands, forests, water, and mineral resources are not recorded as tangible capital assets. Historical treasures and works of art are expensed when they are acquired.

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

<u>Asset category</u>	<u>Estimated useful life</u>
Land	N/A
Buildings	
Buildings	40 - 50 years
Leasehold improvements	Shorter of the lease term or useful economic life
Equipment and vehicles	
Heavy equipment	7 - 30 years
Operating equipment	5 - 25 years
Vehicles	6 - 20 years
Computer hardware and software	
Computer hardware	5 years
Computer software	Expected usage of the system before overhaul
Transportation infrastructure	
Forestry access roads	10 years
Highways	up to 75 years
Pavement/surfaces	up to 75 years
Bridges	up to 75 years
Airport runways	up to 75 years
Other	
Portable classrooms/housing trailers	25 years
Land improvements and fixtures	up to 50 years
Sewage and water systems	up to 50 years
Mobile radio system infrastructure	15 years

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

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements**  
**March 31, 2022**

Post-employment benefits and compensated absences

Post-employment benefits are expected to be provided after employment but before retirement to employees. These benefits include severance benefits, accumulated sick and vacation leave benefits that are paid in cash when employment is terminated. Compensated absences are benefits such as sick leave and vacation 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 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 value.

Environmental liabilities

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

Landfill liabilities are recognized on a net present value basis for the total estimated expenditures for closure and post-closure care as the landfill site's capacity is used.

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements**  
**March 31, 2022**

Measurement uncertainty

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

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

The provision for environmental liabilities is subject to a high degree of measurement uncertainty because the existence and extent of contamination, the responsibility for, and the timing and cost of remediation cannot be reliably estimated in all circumstances. The degree of measurement uncertainty resulting from the estimation of the provision cannot be reasonably determined.

3. **Cash and cash equivalents**

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Bank balances	\$ 89,593	\$ 82,893
Short-term investments	3,847	8,049
Cash on hand	<u>73</u>	<u>70</u>
	<u>\$ 93,513</u>	<u>\$ 91,012</u>

4. **Temporary investments**

	<u>2022</u>		<u>2021</u>	
	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>
	(thousands of dollars)			
Term Deposits and GICs	\$ -	\$ -	\$ 819	\$ 819
Other	<u>4,122</u>	<u>4,122</u>	<u>800</u>	<u>800</u>
	<u>\$ 4,122</u>	<u>\$ 4,122</u>	<u>\$ 1,619</u>	<u>\$ 1,619</u>

The temporary investments had a weighted average effective yield of 0.19% (2021 – 1.54%) per annum.

GOVERNMENT OF YUKON

Notes to Consolidated Financial Statements  
March 31, 2022

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

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Due from Government of Canada		
Cost-sharing agreements and projects delivered on behalf of the Government of Canada	\$ 176,593	\$ 135,070
Income tax	4,258	4,492
Other	<u>348</u>	<u>357</u>
	<u>\$ 181,199</u>	<u>\$ 139,919</u>
Due to Government of Canada		
Payroll taxes	\$ 12,352	\$ 11,599
Public Service Pension Plan contribution	7,873	8,232
Program funding liable for claw back	3,798	7,901
RCMP	10,957	7,599
Type II mine sites	809	1,848
CMHC mortgages and loans	1,255	1,713
Other	<u>3,115</u>	<u>3,078</u>
	<u>\$40,159</u>	<u>\$ 41,970</u>

Amounts due from and due to the Government of Canada are payable on demand and are non-interest bearing with the exception of mortgages and loans due to CMHC (Note 17). 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**

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Taxes, interest, other revenue and recovery receivables	\$ 34,917	\$ 20,656
Less valuation allowances	<u>(3,465)</u>	<u>(3,275)</u>
	31,452	17,381
Due from government business enterprises that are not fully consolidated	<u>2,870</u>	<u>3,840</u>
	<u>\$ 34,322</u>	<u>\$ 21,221</u>

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements  
March 31, 2022**

7. **Portfolio investments**

	2022		2021	
	Fair Value	Carrying Value	Fair Value	Carrying Value
	(thousands of dollars)			
Marketable securities	\$ 37,646	\$ 36,748	\$ 39,360	\$ 39,404

Marketable securities include investments held by Yukon University as well as designated investments (Note 8) set aside within the Consolidated Revenue Fund for use in meeting certain post-employment and retirement benefit obligations for Members of the Legislative Assembly. The investments are managed by a third party. During the year 2020-21, following a review of the third-party management, the securities transitioned to a new third party manager.

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 are included in cash and cash equivalents, temporary investments and portfolio investments as follows:

	2022	2021
	(thousands of dollars)	
Cash and cash equivalents	\$ -	\$ 4
Temporary investments (fair value \$4,122,000; 2021 – \$800,000)	4,122	800
Portfolio investments – marketable securities (fair value \$31,495,000; 2021 – \$34,545,000)	30,597	34,589
	\$ 34,719	\$ 35,393

GOVERNMENT OF YUKON

Notes to Consolidated Financial Statements  
March 31, 2022

9. **Loans receivable**

	<u>2022</u>	<u>2021</u>
	(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 2029 (2021 – 2029) bearing interest rates ranging from 0% to 4.95% (2021 – 0% to 4.95%), net of allowance for subsidies and valuation of \$210,000 (2021 – \$452,000) and discount in the amount of \$491,000 (2021 – \$619,000) for loans with concessionary terms.	\$ 31,778	\$ 37,556
Agreements for sale of land, due in varying annual amounts over a three, or five, year term to the year 2026 (2021 – 2026) bearing interest at 5% (2021 – 5.00%).	25,249	36,035
Regional Relief and Recovery Fund loans providing assistance to businesses to recover from COVID-19 pandemic, due with forgivable terms, bearing interest rate ranging from 0.00% to 5.00%	3,160	-
Local improvement loans, due in varying annual amounts to the year 2040 (2021 – 2040), bearing interest rates ranging from 0.50% to 5.25% (2021 – 0.50% to 5.25%).	9,073	8,443
Debenture loans to municipalities, due in varying annual amounts to the year 2034 (2021 – 2034), bearing interest rates ranging from 2.72% to 6.38% (2021 – 2.72% to 6.38%).	2,344	2,627
Other, net of allowance for doubtful accounts of \$322,000 (2021 – \$322,000).	5,563	5,556
	<u>\$77,167</u>	<u>\$ 90,217</u>

The Government received non-cash consideration for sale of land of \$7,959,000 (2021 - \$35,648,000) in the form of loans receivable.

10. **Inventories for resale**

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Land		
Undeveloped land	\$ 603	\$ 603
Land under development	41,750	40,447
Developed land	<u>25,358</u>	<u>22,495</u>
	67,711	63,545
Other	82	176
	<u>\$ 67,793</u>	<u>\$ 63,721</u>

GOVERNMENT OF YUKON

Notes to Consolidated Financial Statements  
March 31, 2022

11. **Investment in government business enterprises**

(a) Summary 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 has a fiscal year-end of December 31, but the Government uses their unaudited interim financial statements for the consolidation. The summary financial statements are prepared in accordance with International Financial Reporting Standards.

	Yukon Development Corporation	Yukon Liquor Corporation	2022 Total	2021 Total
	(thousands of dollars)			
<b>Assets</b>				
Current	\$ 35,698	\$ 6,690	\$ 42,388	\$ 39,914
Capital assets	485,915	1,626	487,541	480,651
Regulatory deferral (Note 11(f))	25,465	-	25,465	32,862
Right of use of assets	-	657	657	1,004
Other	20,681	83	20,764	17,761
	<u>\$ 567,759</u>	<u>\$ 9,056</u>	<u>\$ 576,815</u>	<u>\$ 572,192</u>
<b>Liabilities</b>				
Current	\$ 22,505	\$ 4,699	\$ 27,204	\$ 46,218
Long-term debt	206,330	-	206,330	203,438
Regulatory deferral (Note 11(f))	9,025	-	9,025	9,112
Contributions in aid of construction	95,865	-	95,865	87,979
Lease liabilities	-	360	360	675
Other	18,796	1,801	20,597	30,253
Equity	<u>215,238</u>	<u>2,196</u>	<u>217,434</u>	<u>194,517</u>
	<u>\$ 567,759</u>	<u>\$ 9,056</u>	<u>\$ 576,815</u>	<u>\$ 572,192</u>
Revenues	\$ 101,320	\$ 19,678 <sup>1</sup>	\$ 120,998	108,820
Expenses	<u>75,658</u>	<u>11,413</u>	<u>87,071</u>	<u>87,312</u>
Surplus (deficit) before the following:	25,662	8,265	33,927	21,508
Net movement in regulatory deferral (Note 11(f))	<u>(9,672)</u>	<u>-</u>	<u>(9,672)</u>	<u>(3,325)</u>
Surplus (deficit)	<u>\$ 15,990</u>	<u>\$ 8,265</u>	<u>\$ 24,255</u>	<u>\$ 18,183</u>

<sup>1</sup> Yukon Liquor Corporation revenue is shown as net of cost of goods sold of \$29.497 million (2021 - \$28.183 million).



GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements  
March 31, 2022**

	Yukon Development Corporation	Yukon Liquor Corporation (thousands of dollars)	2022 Total	2021 Total
Equity, beginning of year	\$ 191,882	\$ 2,635	\$ 194,517	\$ 186,696
Surplus (deficit)	15,990	8,265	24,255	18,183
Other comprehensive gain (loss)	7,367	116	7,483	(2,169)
Profit to be remitted to the Government	<u>-</u>	<u>(8,821)</u>	<u>(8,821)</u>	<u>(8,193)</u>
Equity, end of year	<u>\$ 215,239</u>	<u>\$ 2,195</u>	<u>\$ 217,434</u>	<u>\$ 194,517</u>

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

(b) Inter-entity balances and transactions

	Yukon Development Corporation	Yukon Liquor Corporation (thousands of dollars)	2022 Total	2021 Total
Government of Yukon:				
Accounts receivable from	\$ 535	\$ 2,335	\$ 2,870	\$ 2,629
Advance receivable from	36,200	-	36,200	36,200
Accounts payable to	12,112	498	12,610	17,668
Long-term obligations to	85	-	85	85
Revenues from	-	8,821	8,821	8,193
Expenses to	36,855 <sup>1</sup>	-	36,855	40,565

<sup>1</sup> Includes cost of electricity of \$15.343 million (2021 – \$17.238 million) 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

The Government advanced \$39,200,000 to the Yukon Development Corporation ("YDC") in order to assist in 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, 2023 and pursuant to the agreement, the loan may be extended for two additional five year terms upon mutual consent of the parties. The per annum interest rate was based off the one-year

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indicative swap rate plus a 0.4% premium increase. In prior years, the per annum interest rate was set based on one-year CDOR plus 40 basis points in effect on April 1 each year. The change was due to the CDOR ceasing to exist. The rate of interest effective on March 31, 2022 is 2.82% (2021 - 0.81%). The loan agreement requires principal repayments of \$1 million 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, 2022 from YDC was received in April 2022.

(d) Commitments

Yukon Development Corporation

In June 2010, the Yukon Development Corporation ("YDC") issued 30-year bonds in the amount of \$100 million at a fixed coupon rate of 5.0% per annum in part to finance the grant from the Yukon Development Corporation Fund and ratepayers' future contributions towards the construction of the Mayo B hydro enhancement and the Carmacks-Stewart transmission phase II projects. In the Memorandum of Understanding ("the MOU") between the Government and YDC dated March 10, 2011, the Government agreed to provide YDC with financial assistance to a maximum of \$2,625,000 annually from April 1, 2011, to March 31, 2042, based on a prescribed formula where, depending on the annual financial results of YDC, the Government funding will be reduced or eliminated. In 2021/2022, the Government paid \$2,625,000 (2021 – \$2,625,000) to YDC based on the MOU.

The Government authorized the continuation of the Interim Electrical Rebate program to March 31, 2022. This rebate program provides subsidies to non-government residential customers. It was initially implemented in 2009 as an interim replacement of the Rate Stabilization Fund. During the fiscal year 2021/2022, the Government provided \$3,354,000 (2021 – \$3,429,000) to YDC for this purpose. The Government is committed to fund up to \$3,500,000 in the fiscal year 2022/2023.

As at March 31, 2022, the Yukon Energy Corporation ("YEC"), the wholly-owned subsidiary of YDC, had contractual obligations for future purchases of products or services in the amount of \$24,564,000 (2021 – \$31,850,000).

The Yukon Water Board had issued a water use license for the Aishihik Lake facility that was valid until December 31, 2019. In addition to maintaining a minimum and maximum water level, the license commits YEC to meet a number of future requirements including annual fish monitoring programs.

Due to outstanding issues with affected stakeholders, YEC was unable to secure a long-term renewal of the license prior to expiry. During 2019, a two-month extension was granted, and then, in order to ensure continued generation of electricity from the Aishihik Lake facility, YEC applied for and received a three-year renewal of the existing license. The renewal is effective from March 1, 2020 to December 31, 2022. There are additional monitoring and potential operational adjustments, which will be charged to the fiscal year in which they occur. YEC continues to work with affected parties with the objective of securing a longer term license agreement prior to the expiry of the renewal.

Fish monitoring programs are also required under an authorization provided by the Federal Government, Department of Fisheries and Oceans. The costs of meeting these requirements will be accounted for as water license costs in the year they are paid.

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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, 2022 for future years are \$1,677,000 (2021 – \$2,569,000).

(e) Contingencies

Yukon Development Corporation

At March 31, 2016, the Yukon Energy Corporation (“YEC”), Yukon Development Corporation’s wholly owned subsidiary, had a claim from a contractor in the amount of \$4,000,000 plus interest and legal costs. During 2017, the Yukon Supreme Court issued an award in favour of the contractor. YEC successfully appealed the award in 2018. A re-trial was held in April 2020 with the decision of the judge being received in February 2021. The trial resulted in a net award in favour of YEC in the amount of \$487,000. Legal costs and interest are still to be adjudicated. The outcome of the adjudication is not determinable at this time and no estimate of a settlement has been recognized in the financial statements.

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.

(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 in regulatory deferral account balances as it collects or refunds amounts through future customer rates. Any adjustments to these regulatory deferral accounts are recognized in the net movement in 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 included in income from investment in government business enterprises in the Government’s consolidated statement of operations and accumulated surplus.

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12. **Accounts payable and accrued liabilities**

	2022	2021
	(thousands of dollars)	
Accounts payable	\$ 78,745	\$ 76,407
Accrued liabilities	99,523	69,601
Contractors' holdbacks and security deposits	17,711	9,630
Due to government business enterprises (Note 11(b))	12,610	17,668
Other	698	505
	\$ 209,287	\$ 173,811

13. **Environmental liabilities**

(a) Contaminated sites and other environmental liabilities

The Government has recorded environmental liabilities for contaminated sites of \$77,512,000 (2021 – \$26,447,000). 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, 2022, the Government was aware of 100 sites (2021 – 99 sites) where the Government is obligated or is likely obligated to incur such costs. During the year remediation work was undertaken at 11 sites.

One of the 100 sites, Marwell Tar Pit, has been formally designated as contaminated under the *Environment Act* (Yukon) and the *Contaminated Sites Regulation*. The Government is not a "responsible party" as defined by the *Environment Act* (Yukon) and determined by the *Contaminated Sites Regulation*. The Government of Canada was the landowner when the contamination occurred. In September 2010, the Government and the Government of Canada entered into an agreement to remediate the site over 11 years with a total estimated cost of \$6,800,000, of which the Government is to fund 30% or \$2,040,000 and the Government of Canada \$4,760,000. As at March 31, 2022, \$106,000 (2021 – \$106,000) was recorded as the remaining liability for this site, and is part of the \$77,512,000 noted above.

A site known as Wellgreen ceased operations in the 1970's. The Government of Canada approved the tailings dam and resulting pond built at that time as meeting required specifications; however, concerns regarding the level of water in the pond were raised. Initial assessment confirmed that further remediation of the site is required. Negotiations with the previous owner and the Government of Canada are underway to establish final levels of responsibility and liability. Remediation has been estimated at \$15,501,000, which reflects the Government's potential exposure before any potential recoveries from the other parties, and has been included in Environmental Liabilities for Contaminated Sites (2021 - \$4,803,000).

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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 of \$35,548,000 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. Government staff have estimated that the development of an actionable closure and remediation plan will cost \$3,500,000. Hence the government has included \$39,048,000 as an initial estimated liability as disclosed in the chart below.

(b) Landfill sites

There are 28 active, decommissioned or abandoned landfill sites that are outside incorporated communities and, therefore, are the responsibility of the Government. The Government is the sole operator of the active landfills. 23 of these sites are subject to the *Environment Act* (Yukon) – *Solid Waste Regulations* which includes requirements for closure and abandonment of a dump. The remaining 5 sites are old abandoned dumps which are not subject to the *Solid Waste Regulations*.

A liability is recognized as the landfill site's capacity is used with usage measured on a volumetric basis. As at March 31, 2022, the net present value of total expenditures for closure and post-closure care is estimated to be \$14,462,000 (2021 – \$14,057,000) and a liability in the amount of \$12,283,000 (2021 – \$11,854,000) has been recorded for these sites. The amount remaining to be recognized in the future is \$2,179,000 (2021 – \$2,203,000). No assets are designated for settling these liabilities.

In calculation of the above liability, the remaining landfill life was estimated to be from 0 to 50 years. Solid waste permits issued under the *Solid Waste Regulations* specify 25 years of post-closure monitoring; therefore, 25 years is used as an estimated length of time needed for post-closure care. A discount rate of 2.58% (2021 – 2.58%) was used for the net present value calculation for active and closed landfill sites.

(c) 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 Ketzra 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 Ketzra 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 \$4,757,000 (2021 - \$4,802,000) and remediation costs, if any, which are the Government's responsibility, are currently undeterminable. No assets are designated for settling these liabilities.

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The following table presents the total estimated amounts of these liabilities as at March 31, 2022.

	2022		2021	
	Number of sites	Estimated Liability	Number of sites	Estimated Liability
	(thousands of dollars)			
Liabilities for contaminated sites <sup>1</sup>				
Highway maintenance camps and airports	35	\$ 11,329	36	\$ 10,835
Other storage tanks and buildings	52	9,078	52	8,653
Marwell Tar Pit	1	106	1	106
Wellgreen	1	15,501	1	4,803
Wolverine	1	39,048	-	-
Other	10	2,450	9	2,050
	100	77,512	99	26,447
Landfill sites	28	12,283	28	11,854
Type II sites	1	4,757	1	4,802
	129	\$ 94,552	128	\$ 43,103

<sup>1</sup> Contamination primarily includes petroleum hydrocarbons, salts and/or occasionally metals.

14. **Unearned revenues**

	2022	2021
	(thousands of dollars)	
Liability portion of government transfers	\$ 13,001	\$ 17,735
Motor vehicle fees for future years	3,008	2,554
Prepaid lease payments	4,000	-
Other	9,217	6,887
	\$ 29,226	\$ 27,176

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

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15. **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 January 31, 2020. March 31, 2022 amounts are based on an extrapolation of the January 31, 2020 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 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.

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, 2022 is based on an extrapolation of an actuarial valuation that was performed as at March 31, 2021. The Government has designated a portion of its assets for the purpose of meeting this obligation (Note 8).

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(b) Yukon University

Yukon University's 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, 2022.

Yukon 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.

The accrued liabilities for the above benefits as of March 31, 2022 were as follows:

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Post-employment benefits and compensated absences liability		
Government of Yukon employees	\$ 128,875	\$ 124,108
Members of Yukon Legislative Assembly	917	891
Yukon Hospital Corporation	2,868	2,945
Yukon Housing Corporation	2,509	2,173
Yukon University	<u>10,634</u>	<u>10,030</u>
(Schedule D)	<u>\$ 145,803</u>	<u>\$ 140,147</u>

16. **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.



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In the calendar year 2021, 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 \$181,600 the Government contributed \$3.59 for every dollar contributed by both groups of plan members.

In the calendar year 2022, the Government contributes \$1.02 for every dollar contributed by the old group of plan members and \$1.00 for the new group of plan members. For the portion of the employee's salary above \$191,300 the Government contributes \$5.91 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 \$42,118,000 (2021 – \$41,002,000).

(b) Legislative Assembly Retirement Allowances Plan

The Legislative Assembly Retirement Allowances Plan is a contributory defined benefit pension plan. These benefits are based on service and earnings. The Members' Services Board of the Legislative Assembly is responsible, pursuant to the *Legislative Assembly Retirement Allowances Act* (Yukon), for the administration of the Plan.

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

The *Legislative Assembly Retirement Allowances Act* stipulates that actuarial valuations for funding purposes must be performed at least triennially. An actuarial valuation is based on a number of assumptions about future events, such as inflation rates, interest rates, salary increases and member turnover and mortality. The assumptions used in a valuation for funding purposes are based on the actuary's best estimates with margins for conservatism. The last actuarial valuation for funding purposes was performed as of March 31, 2021. The accrued benefit obligation as at March 31, 2022 is based on an actuarial valuation performed for accounting purposes using the membership data as of March 31, 2021.

(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).

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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.

Actuarial valuations for the Territorial Court Judiciary Pension Plan for accounting and funding purposes were conducted using the membership data as at March 31, 2020.

(d) Yukon University Employees' Pension Plan

The Yukon University ("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 accounting purposes was performed as at March 31, 2022 following Canadian public sector accounting standards. An actuarial valuation for funding purposes was performed as at June 30, 2021, which established Yukon University's required contributions as 101.7% (June 30, 2020 – 100.4 %) of employee contributions.

The actuarial valuation for funding purposes as at June 30, 2021 indicates the University had an actuarial surplus of \$20,340,800 (June 30, 2020 – \$16,006,000) at the measurement date on a going-concern basis and a surplus of \$2,207,300 (June 30, 2020 – \$21,014,000 deficit) if valued on the basis that the pension plan was to be terminated/wound up as at June 30, 2021. The solvency ratio of the plan was 100% at June 30, 2021 (86.3% at June 30, 2020).

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 Yukon 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. This guarantee remains in effect until December 31, 2022. The maximum amount of letters of credit to which this guarantee applies will be \$23,007,220 (2021 – \$21,357,000).

(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.

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An actuarial valuation for funding purposes was performed at December 31, 2021, which established the Corporation's required contribution as 112% (2020 – 113%) of employee contributions. This valuation reported that, as at December 31, 2021, the pension plan had a surplus of \$50,432,000 (2020 – \$45,866,000) on a going concern basis, and a deficit of \$16,294,000 (2020 – \$43,308,000) if valued on the basis that the pension plan was to be terminated/wound up. The solvency ratio of the plan at December 31, 2021 is 93% (82% at December 31, 2020).

In accordance with the *Pension Benefits Standards Act, 1985* (Canada), the Corporation is required to make special payments to eliminate the solvency shortfall. The payments have been actuarially determined as \$3,767,000 over the 2022 calendar year (2021 - \$6,904,000). The Corporation is permitted to cover up to a specified maximum of 15% of the solvency liability with a conforming letter of credit. During the fiscal year, the Corporation entered into letters of credit totaling \$33,810,000 (2021 – \$26,907,000) related to solvency deficiency payments. 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 Corporation 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. This guarantee was in effect from June 30, 2021 to June 30, 2022 and the maximum amount of letters of credit to which this guarantee applied was \$35,464,000 (2021 - \$26,508,000). In July 2022, this guarantee was renewed to a maximum of \$35,128,000 for the June 30, 2022 to June 30, 2023 period. There is an overlap between the letters of credit time periods and the fiscal years.

An actuarial valuation for accounting purposes was performed as at March 31, 2022 following Canadian public sector accounting standards.

(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. They are both non-pension defined benefit plans. The extended health care plan is self-insured. The accrued benefit obligation as at March 31, 2022 is based on an extrapolation of an actuarial valuation conducted as at January 31, 2020. Extended health care and life insurance retirement benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Effective for all employees retiring after January 1, 2019 the cost sharing arrangement for extended health benefits was revised. Existing retirees and those retiring prior to January 1, 2019 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.

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The accrued benefit liability (asset) for the above retirement benefits as of March 31, 2022 was as follows:

	2022	2021
	(thousands of dollars)	
Accrued benefit asset		
Yukon Hospital Corporation Employees' Pension Plan	\$ (56,073)	\$ (51,339)
Yukon University Employees' Pension Plan	(24,343)	(20,529)
	(80,416)	(71,868)
Accrued benefit liability		
Extended health care retirement benefit	\$ 75,792	\$ 69,608
Legislative Assembly Retirement Allowances Plan	31,220	28,726
Life insurance retirement benefit	3,809	3,465
Territorial Court Judiciary Pension Plan	9,916	8,499
	\$ 120,737	\$ 110,298
 Total net benefit liability (Schedule E)	 \$ 40,321	 \$ 38,430

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17. **Borrowings**

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Yukon Hospital Corporation – loans with a chartered bank. (see below)	\$ 22,610	\$ 26,271
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 \$2,042,000 (2021 – \$2,259,000), repayable in blended monthly payments with maturities up to the year 2028, bearing fixed interest rates ranging from 1.99% to 2.81%.	733	1,089
Yukon University – non-interest bearing loan repayable on demand within 90 days.	996	996
Yukon Housing Corporation – loans payable to chartered banks and CMHC, repayable in blended periodic instalments with maturities up to the year 2028, bearing fixed interest rates ranging from 7.50% to 9.50%.	522	624
Yukon Hospital Corporation – flexible term note payable to the Yukon Development Corporation, bearing interest rate at 7.50% repayable in annual instalments, based on the annual energy savings realized, secured by a general security agreement on building improvements with a net book value of \$30,000 (2021 – \$60,000).	85	85
	<u>\$ 24,946</u>	<u>\$ 29,065</u>
Less: Amounts included in Due to Canada (Note 5)	<u>(1,255)</u>	<u>(1,713)</u>
	<u>\$ 23,691</u>	<u>\$ 27,352</u>

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

	(thousands of dollars)
2023	\$ 5,338
2024	4,179
2025	4,258
2026	4,423
2027	3,976
Thereafter	<u>2,772</u>
	<u>\$ 24,946</u>

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Yukon Hospital Corporation – loans with a chartered bank

	<u>2022</u>	<u>2021</u>
	(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.	\$ 8,062	\$ 9,521
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.	7,300	8,500
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.	7,248	8,250
	<u>\$ 22,610</u>	<u>\$ 26,271</u>

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements  
March 31, 2022**

Borrowing Limit

The *Yukon Borrowing Limits Regulations* prescribe what constitutes borrowing, the entities whose borrowing must be taken into account, and the manner in which the value of a borrowing is determined.

An Order in Council (P.C. 2020-0663) came into force on September 20, 2020. These regulations pursuant to subsection 23(2) of the *Yukon Act (Canada)* provided authority to the Government and its entities to borrow in aggregate to a maximum of \$800 million.

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Authorized borrowing limit	\$ 800,000	\$ 800,000
Loans of money by government reporting entity:		
Government business enterprises		
Yukon Development Corporation, bonds	100,000	100,000
Yukon Development Corporation, other long-term debt	<u>73,423</u>	<u>68,577</u>
	<u>173,423</u>	<u>168,577</u>
Fully consolidated entities		
Yukon Hospital Corporation, bank loans	22,610	26,271
Yukon Housing Corporation, mortgages payable	733	1,089
Yukon University, loan payable	996	996
Yukon Housing Corporation, loans payable	<u>522</u>	<u>624</u>
	<u>24,861</u>	<u>28,980</u>
Accrued interest payable	1,886	1,263
Credit facilities used	14,222	33,314
Capital lease obligation	<u>1,982</u>	<u>3,096</u>
Total debt	<u>216,374</u>	<u>235,230</u>
Available borrowing capacity	<u>\$ 583,626</u>	<u>\$ 564,770</u>

GOVERNMENT OF YUKON

Notes to Consolidated Financial Statements  
March 31, 2022

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

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Building lease obligation payable monthly until the year 2023, with imputed interest rate of 3.7%.	\$ 686	\$ 1,348
Building lease obligation payable monthly until the year 2025, with imputed interest rate of 3.7%.	814	1,062
Building lease obligation payable monthly until the year 2025, with imputed interest rate of 3.3%.	482	686
	<u>\$ 1,982</u>	<u>\$ 3,096</u>

Interest expense related to liabilities for leased tangible capital assets for the year was \$135,000 (2021 – \$174,000) at an imputed average interest rate of 3.6% (2021 – 3.6%).

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

	(thousands of dollars)
2023	\$ 1,873
2024	725
2025	<u>536</u>
Total minimum lease payments	3,134
Less: amount representing executory costs	(766)
amount representing rental of land	(333)
amount representing interest	<u>(53)</u>
	<u>\$ 1,982</u>



GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements**  
**March 31, 2022**

19. **Financial instruments**

The balances in cash and cash equivalents, due to/from Government of Canada with the exception of amounts due to CMHC (Note 17), accounts receivable, advances to government business enterprises, and accounts payable and accrued liabilities have fair values that approximate their carrying amount due to their short term to maturity.

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

	2022		2021	
	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>
	(thousands of dollars)			
Temporary investments	<u>\$ 4,122</u>	<u>\$ 4,122</u>	<u>\$ 1,619</u>	<u>\$ 1,619</u>
Portfolio investments				
Marketable securities	<u>\$ 37,646</u>	<u>\$ 36,748</u>	<u>\$ 39,360</u>	<u>\$ 39,404</u>
Loans receivable				
Mortgages receivable, net of valuation allowance	\$ 30,744	\$ 31,778	\$ 38,931	\$ 37,556
Other loans receivable, net of valuation allowance	<u>45,389</u>	<u>45,389</u>	<u>52,664</u>	<u>52,661</u>
	<u>\$ 76,133</u>	<u>\$ 77,167</u>	<u>\$ 91,595</u>	<u>\$ 90,217</u>
Borrowings				
Demand term installment loan	\$ 25,366	\$ 22,610	\$ 29,411	\$ 26,271
Mortgages payable	713	733	825	1,089
Loans payable	1,536	1,518	1,651	1,620
Other	<u>108</u>	<u>85</u>	<u>85</u>	<u>85</u>
	<u>\$ 27,723</u>	<u>\$ 24,946</u>	<u>\$ 31,972</u>	<u>\$ 29,065</u>

An active and established market exists for the temporary and portfolio investments. Consequently, the estimated fair value is calculated using observed market data.

Since the above valuation is based on market information available at March 31, 2022, the fair value of the investments may change materially in future periods as a result of fluctuations in the market. However, these changes are not expected to result in a significant impact on the Government's future operations.

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements**  
**March 31, 2022**

The estimated fair values of loans receivable were determined using the present value of future cash flows discounted at the March 31, 2022 average market rate for mortgages and loans with similar maturities. Until settled, the fair value of loans receivable will fluctuate based on changes in interest rates. The Government believes the carrying amount of loans receivable will be fully recovered.

The estimated fair value for borrowings is calculated by discounting the expected future cash flows at year-end market interest rates for equivalent terms to maturity.

20. **Tangible capital assets**

	2022	2021
	Net Book Value	Net Book Value
	(thousands of dollars)	
Land	\$ 19,950	\$ 19,575
Buildings	772,278	755,184
Equipment and vehicles	105,216	102,565
Computer hardware and software	68,501	46,450
Transportation infrastructure	684,714	659,758
Land improvements and fixtures	53,771	46,504
Sewage and water systems	49,853	48,800
Other	19,676	14,181
(Schedule C)	\$ 1,773,959	\$ 1,693,017

Leased tangible capital assets are reported as part of the respective asset category. These leased assets are amortized on a straight-line basis over the lease term or estimated economic life. The amortization expense for the year was \$991,000 (2021 – \$991,000). The cost and accumulated amortization of leased capital assets that are included in the schedule of tangible capital assets are as follows:

	2022	2021
	(thousands of dollars)	
Buildings (cost)	\$ 9,907	\$ 9,907
Operating equipment (cost)	-	141
	9,907	10,048
Less accumulated amortization	(8,265)	(7,415)
	\$ 1,642	\$ 2,633

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements**  
**March 31, 2022**

21. **Expenses by object**

	2022	2021
	(thousands of dollars)	
Personnel	\$ 716,621	\$ 692,196
Government transfers	360,808	350,247
Contract and special services	297,957	249,657
Materials, supplies and utilities	149,915	144,055
Amortization expenses	79,191	80,061
Communication and transportation	40,803	35,605
Rent	56,965	47,590
Interest on long-term debt and capital lease obligations	1,560	1,752
Other	12,572	11,374
	\$ 1,716,392	\$ 1,612,537

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, 2022, 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, 2022, except for the Compensation Fund (Yukon) which is at December 31, 2021.

	2022	2021
	(thousands of dollars)	
Compensation Fund (Yukon)	\$ 268,362	\$ 250,799
Canada Community Building Fund	125,730	107,999
Lottery Commission	9,359	8,984
Crime Prevention and Victim Services	7,225	7,373
Forest Sector trust	6,084	6,044
Extended health and dental plan trust funds	5,957	5,599
Supreme Court trust	1,251	1,379
Public Guardian trust	1,458	1,516
Other	3,985	3,994
	\$ 429,411	\$ 393,687

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements  
March 31, 2022**

23. **Contractual rights**

The Government has entered into agreements to receive, or has contractual rights for, the following receipts subsequent to March 31, 2022:

	<u>Expiry Date</u>	<u>2023</u>	<u>2024 – 2031</u>	<u>Total</u>
		(thousands of dollars)		
Contribution and Service Agreements				
Infrastructure Canada	2031	\$ 126,851	\$ 558,347	\$ 685,198
Transport Canada	2029	63,992	170,058	234,050
Canada Mortgage and Housing Corporation	2030	8,295	42,307	50,602
Early Learning and Childcare Agreement	2026	9,794	34,119	43,913
Environment and Natural Resources	2024	8,885	11,832	20,717
Innovation, Science and Economic Development	2023	10,314	11,565	21,879
Employment and Social Development	2027	2,766	8,664	11,430
Student Financial Assistance	2026	509	2,036	2,545
RCMP: Mobile Radio Network	2025	1,829	2,402	4,231
Health Canada	2022	12,686	-	12,686
Canadian Heritage	2023	8,334	11,500	19,834
Other	2025	11,168	15,377	26,545
		<u>\$ 265,423</u>	<u>\$ 868,207</u>	<u>\$ 1,133,630</u>

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements  
March 31, 2022**

24. **Contractual obligations**

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2022:

	Expiry Date	2023	2024 – 2045	Total
		(thousands of dollars)		
RCMP policing agreement	2032	\$ 30,244	\$ 302,440	\$ 332,684
Capital projects				
- in progress at March 31, 2022	2031	393,770	84,319	478,089
Building/office space leases	2029	14,887	26,418	41,305
NorthwestTel Inc. mobile radio network system	2025	3,047	4,004	7,051
Yukon Hospital Corporation – medical equipment maintenance	2029	7,319	15,851	23,170
Alkan Air Ltd. medical evacuation -contract	2023	7,000	-	7,000
Conair Group Inc. air tanker -services (turbine engines)	2023	2,377	-	2,377
Air Spray (1967) Ltd. Air tanker services	2023	2,067	-	2,067
Information Services Corporation	2040	170	3,558	3,728
Miscellaneous operational commitments	2045	42,695	21,873	64,568
		<u>\$ 503,576</u>	<u>\$ 458,463</u>	<u>\$ 962,039</u>

25. **Overexpenditure**

Overexpenditure of a vote contravenes subsection 17(2) of the *Financial Administration Act* (Yukon) which specifies that “a vote does not authorize any payment to be made in excess of the amount specified in the vote”. During the year, no (2021 – 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, one (2021 – two) department(s) exceeded the authorized amounts as follows:

	(thousands of dollars)
Health and Social Services	
- Child care subsidies	\$ 5

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements  
March 31, 2022**

26. **Guarantees**

At March 31, 2022, the Yukon Development Corporation had long-term debt of \$206,000,000 (2021 – \$203,000,000) (Note 11(a)) and a credit facility of up to \$50,500,000 (2021 - \$43,500,000). While the Government has not issued guarantees for these instruments, as the Yukon Development Corporation is an agent of the Government, lenders may have recourse to the Government. 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. **Land claims**

Between February 1995 and March 31, 2022, eleven Yukon First Nation Final and Self-government Agreements came into effect. The Government of Canada's negotiating mandate expired prior to the completion of the remaining three Yukon agreements. Settlements for these outstanding claims would not result in a general liability to the Government as they are to be funded by the Government of Canada. The Government would, however, be responsible for any financial obligations it might agree to during the negotiations.

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

28. **Contingencies**

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, 2022, the amounts claimed, excluding the claims from Northern Cross (Yukon) Ltd., which are described below, is \$22,820,000 (2021 – \$5,793,000). No provision for these claims has been made as it is unlikely or undeterminable that a liability has been incurred 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 and the Minister of Energy, Mines and Resources. Northern Cross identified a number of causes of action although all of these are based upon its allegation that due to the moratorium on hydraulic fracturing Northern Cross' exploration rights in the Eagle Plains area have been adversely affected. The claim seeks up to \$2.26 billion which is comprised of \$395 million for refund of work deposits, application fees, rental amounts, sunk costs and interest and \$1.86 billion in damages for loss of opportunity of 8.6 billion barrels of oil, at fair 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 a 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

GOVERNMENT OF YUKON

**Notes to Consolidated Financial Statements  
March 31, 2022**

with a \$2,000,000 deductible. In 2021/2022, the Government paid \$317,000 (2021 – \$253,000) for liability claims such as bodily injury, property damage and automobile liability. The Government had unpaid claims against the fund in the amount of \$3,215,000 as at March 31, 2022 (2021 – \$1,660,000). This amount is reported as part of the Government's accrued liabilities. The fund balance at March 31, 2022 was \$3,420,000 (2021 – \$5,000,000).

In addition to the environmental liabilities discussed in Note 13, 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.

GOVERNMENT OF YUKON

Schedule A

**Consolidated Schedule of Revenues by Source  
for the year ended March 31, 2022**

	2022		2021
	Budget	Actual	Actual
	(thousands of dollars)		
From Government of Canada			
Formula Financing Grant	\$ 1,117,650	\$ 1,117,650	\$ 1,054,979
Other grants	65,630	145,210	149,429
Contributions and service agreements	259,000	217,842	192,202
	<u>1,442,280</u>	<u>1,480,702</u>	<u>1,396,610</u>
Taxes and general revenues			
Income taxes	94,026	129,788	95,130
Other taxes			
Tobacco tax	13,222	12,894	13,584
Fuel oil tax	8,610	8,729	7,004
Liquor tax	5,029	5,018	4,979
General property tax	5,958	5,670	4,877
Insurance premium tax	6,411	7,438	3,765
Grant in lieu of property tax	239	241	225
Licences, permits and fees	28,640	29,892	26,379
Sale of land	21,841	7,959	35,648
Investment and interest revenue	4,292	5,122	4,381
Hospital revenues	6,514	2,666	2,035
Resource revenue - mineral, oil and gas and forestry	2,155	10,093	903
Aviation operations	1,345	290	17
Income from portfolio investments	1,396	576	1,495
Fines	508	480	392
Other revenues	294	4,605	5,295
	<u>200,480</u>	<u>231,461</u>	<u>206,109</u>
Funding and service agreements with other parties	<u>45,534</u>	<u>31,409</u>	<u>32,947</u>
Income (loss) from investment in government business enterprises			
Yukon Liquor Corporation	9,200	8,265	8,236
Yukon Development Corporation	10,000	15,990	9,947
	<u>19,200</u>	<u>24,255</u>	<u>18,183</u>
	<u><b>\$ 1,707,494</b></u>	<u><b>\$ 1,767,827</b></u>	<u><b>\$ 1,653,849</b></u>



GOVERNMENT OF YUKON

Schedule B

**Consolidated Schedule of Operations by Function  
for the year ended March 31, 2022**

	Health and Social Services		Community and Transportation		Education		General Government <sup>1</sup>		Natural Resources	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
(thousands of dollars)										
<b>Revenues</b>										
From Government of Canada	\$ 62,106	\$ 89,113	\$ 121,637	\$ 117,830	\$ 22,272	\$ 14,657	\$ 1,228,195	\$ 1,147,816	\$ 40,158	\$ 15,800
Taxes and general revenues	14,332	11,965	38,233	62,030	5,970	6,241	167,264	127,896	13,057	2,949
Funding and service agreements	11,553	7,204	7,455	7,055	10,210	7,899	1,670	4,529	263	5,783
Income (loss) from investments in government business enterprises	-	-	15,990	9,947	-	-	8,265	8,236	-	-
	<u>87,991</u>	<u>108,282</u>	<u>183,315</u>	<u>196,862</u>	<u>38,452</u>	<u>28,797</u>	<u>1,405,394</u>	<u>1,288,477</u>	<u>53,478</u>	<u>24,532</u>
<b>Expenses (Note 21)</b>										
Personnel	227,266	227,346	86,366	80,649	155,955	152,474	133,314	124,622	57,315	54,594
Contracts, materials and other	169,001	161,343	127,714	141,218	32,539	30,408	86,084	77,836	92,467	33,631
Government transfers	98,835	105,063	126,791	143,531	51,128	19,427	41,354	29,505	12,017	12,039
Amortization expenses	16,766	16,931	42,654	42,440	8,723	8,757	5,870	6,812	1,177	1,099
Interest on long-term debt and capital lease obligations	1,358	1,496	67	82	-	-	135	174	-	-
	<u>513,226</u>	<u>512,179</u>	<u>383,592</u>	<u>407,920</u>	<u>248,345</u>	<u>211,066</u>	<u>266,757</u>	<u>238,949</u>	<u>162,976</u>	<u>101,363</u>
Recovery of prior years' expenses	3,040	257	19	252	136	(2)	114	164	192	48
Surplus (deficit) for the year	<u><b>\$ (422,195)</b></u>	<u><b>\$ (403,640)</b></u>	<u><b>\$ (200,258)</b></u>	<u><b>\$ (210,806)</b></u>	<u><b>\$ (209,757)</b></u>	<u><b>\$ (182,271)</b></u>	<u><b>\$ 1,138,751</b></u>	<u><b>\$ 1,049,692</b></u>	<u><b>\$ (109,306)</b></u>	<u><b>\$ (76,783)</b></u>

<sup>1</sup> Includes the legislature, tax collection and administration, Formula Financing and other grants 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.

GOVERNMENT OF YUKON

Schedule B  
Continued

**Consolidated Schedule of Operations by Function  
for the year ended March 31, 2022**

	Justice		Business, Tourism and Culture		Adjustments <sup>2</sup>		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	(thousands of dollars)							
<b>Revenues</b>								
From Government of Canada	\$ 6,127	\$ 5,999	\$ 207	\$ 5,395	\$ -	\$ -	\$ 1,480,702	\$ 1,396,610
Taxes and general revenues	1,387	997	34	9	(8,816)	(5,978)	231,461	206,109
Funding and service agreements	819	637	452	372	(1,013)	(532)	31,409	32,947
Income (loss) from investments in government business enterprises	-	-	-	-	-	-	24,255	18,183
	<b>8,333</b>	<b>7,633</b>	<b>693</b>	<b>5,776</b>	<b>(9,829)</b>	<b>(6,510)</b>	<b>1,767,827</b>	<b>1,653,849</b>
<b>Expenses (Note 21)</b>								
Personnel	37,938	35,531	18,469	16,980	-	-	716,623	692,196
Contracts, materials and other	41,339	35,383	11,197	10,727	(2,130)	(2,266)	558,211	488,280
Government transfers	6,406	6,300	31,976	38,627	(7,699)	(4,244)	360,808	350,248
Amortization expenses	2,887	2,857	1,113	1,165	-	-	79,190	80,061
Interest on long-term debt and capital lease obligations	-	-	-	-	-	-	1,560	1,752
	<b>88,570</b>	<b>80,071</b>	<b>62,755</b>	<b>67,499</b>	<b>(9,829)</b>	<b>(6,510)</b>	<b>1,716,392</b>	<b>1,612,537</b>
Recovery of prior years' expenses	34	233	127	144	-	-	3,662	1,096
Surplus (deficit) for the year	<b>\$ (80,203)</b>	<b>\$ (72,205)</b>	<b>\$ (61,935)</b>	<b>\$ (61,579)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 55,097</b>	<b>\$ 42,408</b>

<sup>2</sup> To eliminate inter-segment transactions that are measured at the carrying amount.

## Government of Yukon

Schedule C

**Consolidated Schedule of Tangible Capital Assets  
for the year ended March 31, 2022**

	Land	Buildings	Equipment & Vehicles	Computer Hardware & Software	Transportation Infrastructure	Land Improvements & Fixtures	Sewage & Water Systems	Other	2022 Total	2021 Total
(thousands of dollars)										
Cost of tangible assets, opening	\$ 19,575	\$ 1,227,467	\$ 221,200	\$ 112,092	\$ 1,119,240	\$ 59,019	\$ 65,289	\$ 23,473	\$ 2,847,355	\$ 2,744,464
Acquisitions	375	47,795	15,537	27,812	49,507	8,802	4,023	6,578	160,429	107,341
Write-downs	-	(14)	(5)	-	-	-	-	-	(19)	(2,163)
Disposals	-	(154)	(6,899)	(519)	-	-	-	-	(7,572)	(2,287)
Cost of tangible assets, closing	19,950	1,275,094	229,833	139,385	1,168,747	67,821	69,312	30,051	3,000,193	2,847,355
Accumulated amortization, opening	-	472,283	118,635	65,642	459,482	12,515	16,489	9,292	1,154,338	1,076,085
Amortization expense	-	30,687	12,618	5,747	24,551	1,535	2,970	1,083	79,191	80,061
Disposals	-	(154)	(6,636)	(505)	-	-	-	-	(7,295)	(1,808)
Accumulated amortization, closing	-	502,816	124,617	70,884	484,033	14,050	19,459	10,375	1,226,234	1,154,338
Net book value (Note 20)	<b>\$ 19,950</b>	<b>\$ 772,278</b>	<b>\$ 105,216</b>	<b>\$ 68,501</b>	<b>\$ 684,714</b>	<b>\$ 53,771</b>	<b>\$ 49,853</b>	<b>\$ 19,676</b>	<b>\$ 1,773,959</b>	<b>\$ 1,693,017</b>
Work in progress <sup>1</sup>		\$ 47,370	\$ 3,019	\$ 41,252	\$ 88,758	\$ 10,660	\$ 6,425	\$ 5,367	\$ 202,851	\$ 97,774

<sup>1</sup> Included in net book value.

GOVERNMENT OF YUKON

Schedule D

**Consolidated Schedule of Post-employment Benefits and Compensated Absences  
for the year ended March 31, 2022**

	Government of Yukon Employees	Members of Yukon Legislative Assembly	Yukon Hospital Corporation	Yukon Housing Corporation	Yukon University	2022 Total	2021 Total
(thousands of dollars)							
Accrued benefit obligation							
Obligation at beginning of year	\$ 127,703	\$ 979	\$ -	\$ 2,129	\$ 7,188	\$ 137,999	\$ 125,439
Current service costs	13,724	153	-	222	982	15,081	13,887
Interest cost on benefit obligation	4,332	36	-	73	201	4,642	4,964
Actuarial loss (gain)	(7,136)	(95)	-	(194)	(242)	(7,667)	4,206
Past service cost	-	-	-	-	-	-	196
Benefits paid	(13,704)	(192)	-	(49)	(586)	(14,531)	(10,693)
Accrued benefit obligation at end of year	124,919	881	-	2,181	7,543	135,524	137,999
Unrecognized net actuarial gain (loss)	3,381	36	-	328	(1,112)	2,633	(4,378)
Accrued benefit liability	128,300	917	-	2,509	6,431	138,157	133,621
Liabilities that are not included in actuarial valuation	575	-	2,868	-	4,203	7,646	6,526
Post-employment benefits and compensated absences (Note 15)	128,875	917	2,868	2,509	10,634	145,803	140,147
Net benefit cost							
Current service cost	13,724	153	-	222	982	15,081	13,887
Interest cost on benefit obligation	4,332	36	-	73	201	4,642	4,964
Past service costs	-	-	-	73	-	73	196
Amortization of net actuarial loss (gain)	365	29	-	17	(28)	383	70
Net cost for the year	\$ 18,421	\$ 218	\$ -	\$ 385	\$ 1,155	\$ 20,179	\$ 19,117

GOVERNMENT OF YUKON

**Consolidated Schedule of Post-employment Benefits and Compensated Absences  
for the year ended March 31, 2022**

Schedule D  
Continued

	Government of Yukon Employees	Members of Yukon Legislative Assembly	Yukon Hospital Corporation	Yukon Housing Corporation	Yukon University
<b>2021-22 Key Assumptions</b>					
Discount rate on benefit costs	3.20%	3.70%	N/A	3.20%	2.75%
Discount rate on accrued benefit obligation at end of year	4.00%	5.30%	N/A	4.00%	3.80%
Rate of compensation increase	see below <sup>1</sup>	2.50%	N/A	see below <sup>1</sup>	3.40%
Amortization period (expected average remaining service life)	12.5 years	3.0 years	N/A	11.6 years	10.0 years
<b>2020-21 Key Assumptions</b>					
Discount rate on benefit costs	3.80%	4.40%	N/A	3.80%	2.75%
Discount rate on accrued benefit obligation at end of year	3.20%	3.70%	N/A	3.20%	2.75%
Rate of compensation increase	see below <sup>2</sup>	2.50%	N/A	see below <sup>2</sup>	See below <sup>1</sup>
Amortization period (expected average remaining service life)	12.5 years	3.0 years	N/A	11.6 years	11.0 years

<sup>1</sup>Based on the annual rates from the Public Service Pension Plan ("PSPP") March 31, 2017 valuation report.

<sup>1</sup> For 10 years 2.75%, thereafter 3.25%

<sup>2</sup>Based on the annual rates from the Public Service Pension Plan ("PSPP") March 31, 2017 valuation report.

GOVERNMENT OF YUKON  
**Consolidated Schedule of Retirement Benefits**  
**for the year ended March 31, 2022**

Schedule E

	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	2022 Total	2021 Total
(thousands of dollars)								
Pension and retirement plan assets are valued at fair value.								
Accrued benefit obligation								
Obligation at beginning of year	\$ 83,197	\$ 42,501	\$ 4,976	\$ 14,976	\$ 110,091	\$ 95,063	\$ 350,804	\$ 319,798
Current service costs	3,628	1,946	87	632	5,661	4,508	16,462	15,727
Transfers in/service buyback	-	-	-	-	-	-	-	267
Interest cost on benefit obligation	2,752	1,576	161	583	6,498	5,046	16,616	16,484
Actuarial loss (gain)	(22,938)	(9,101)	(823)	(2,117)	1,687	(5,248)	(38,540)	11,515
Benefits paid	(1,591)	(1,721)	(136)	(492)	(9,248)	(3,755)	(16,943)	(12,472)
Administration expenses	-	-	-	-	-	(474)	(474)	(516)
Accrued benefit obligation at end of year	65,048	35,201	4,265	13,582	114,689	95,140	327,925	350,803
Plan assets - valued at fair value								
Value at beginning of year	-	9,902	-	4,498	169,366	132,505	316,271	252,370
Actual return on plan assets	-	411	-	291	5,676	8,598	14,976	62,529
Employer contributions	1,591	560	136	375	4,231	2,214	9,107	7,800
Member contributions	-	173	-	61	2,836	2,173	5,243	5,404
Transfers in/service buyback	-	-	-	-	-	-	-	267
Benefits paid	(1,591)	(502)	(136)	(492)	(9,248)	(3,755)	(15,724)	(11,295)
Actual plan expenses	-	-	-	-	(338)	(474)	(812)	(805)
Value at end of year	-	10,544	-	4,733	172,523	141,261	329,061	316,270
Funded status - plan deficit (surplus)	65,048	24,657	4,265	8,849	(57,834)	(46,122)	(1,137)	34,533
Unrecognized net actuarial gain (loss)	10,744	6,563	(456)	1,067	1,761	21,779	41,458	3,897
Accrued benefit liability (asset) (Note 16)	75,792	31,220	3,809	9,916	(56,073)	(24,343)	40,321	38,430
Net benefit cost								
Current service cost	3,628	1,946	87	632	6,035	4,508	16,836	16,084
Less: Member contributions	-	(173)	-	(61)	(2,836)	(2,173)	(5,243)	(5,404)
Interest cost on benefit obligation	2,752	1,576	161	583	6,498	5,046	16,616	16,484
Expected return on plan assets	-	(371)	-	(170)	(10,086)	(7,027)	(17,654)	(12,751)
Amortization of net actuarial loss (gain)	1,396	1,292	233	808	(114)	(1,952)	1,663	5,682
Net cost for the year	\$ 7,776	\$ 4,270	\$ 481	\$ 1,792	\$ (503)	\$ (1,598)	\$ 12,218	\$ 20,095

GOVERNMENT OF YUKON  
**Consolidated Schedule of Retirement Benefits**  
**for the year ended March 31, 2022**

Schedule E  
Continued

	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
<b>2021-22 Key Assumptions</b>						
Expected long term rate of return on assets at beginning of year	N/A	3.70%	N/A	3.80%	6.00% <sup>1</sup>	5.75%
Discount rate on benefit costs	3.20%	3.70%	3.20%	3.80%	6.00%	5.75%
Discount rate on accrued benefit obligation at end of year	4.00%	5.30%	4.00%	5.00%	6.00%	5.75%
Inflation rate at end of year	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Rate of compensation increase	see below <sup>2</sup>	2.50%	see below <sup>2</sup>	3.00%	2.50%	3.40%
Health care cost trend rate	see below <sup>3</sup>	N/A	N/A	N/A	N/A	N/A
Amortization period (expected average remaining service life)	12.5 years	3.0 years	9.3 years	2.7 years	9.0 years	10.0 years

<sup>1</sup> Includes \$357,000 for provision of administrative expenses.

<sup>2</sup> Based on the annual rates from the Public Service Pension Plan ("PSPP") March 31, 2017 valuation report.

<sup>3</sup> 5.9% per annum for 2020-2024, decreasing linearly to 4.9% in 2029, and following the McMaster Model to an ultimate trend rate of 4.0% in 2040.

<b>2020-21 Key Assumptions</b>						
Expected long term rate of return on assets at beginning of year	N/A	4.40%	N/A	4.60%	6.00% <sup>1</sup>	5.30%
Discount rate on benefit costs	3.80%	4.40%	3.80%	4.60%	6.00%	5.30%
Discount rate on accrued benefit obligation at end of year	3.20%	3.70%	3.20%	3.80%	6.00%	5.30%
Inflation rate at end of year	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Rate of compensation increase	see below <sup>2</sup>	2.50%	see below <sup>2</sup>	3.00%	2.50%	3.40%
Health care cost trend rate	see below <sup>3</sup>	N/A	N/A	N/A	N/A	N/A
Amortization period (expected average remaining service life)	12.5 years	4.0 years	9.3 years	2.7 years	8.9 years	10.0 years

<sup>1</sup> Includes \$357,000 for provision of administrative expenses.

<sup>2</sup> Based on the annual rates from the Public Service Pension Plan ("PSPP") March 31, 2017 valuation report.

<sup>3</sup> 5.9% per annum for 2020-2024, decreasing linearly to 4.9% in 2029, and following the McMaster Model to an ultimate trend rate of 4.0% in 2040.

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, 2022

	2022	2021
	(thousands of dollars)	
<b>Financial assets</b>		
Cash and cash equivalents (Note 3)	\$ 72,771	\$ 63,886
Temporary investments (Note 4)	4,122	800
Due from Government of Canada (Note 5)	176,146	131,310
Accounts receivable (Note 6)	30,905	17,069
Portfolio investments (Note 7)	30,597	34,589
Advances to Territorial corporations (Note 9)	68,101	84,692
Loans receivable (Note 10)	48,452	55,727
Land inventory (Note 11)	67,711	63,545
	<u>498,805</u>	<u>451,618</u>
<b>Liabilities</b>		
Due to Government of Canada (Note 5)	38,687	39,966
Accounts payable and accrued liabilities (Note 12)	197,465	164,137
Environmental liabilities (Note 13)	94,368	42,887
Unearned revenues (Note 14)	17,623	13,849
Post-employment benefits and compensated absences (Note 15)	129,792	124,999
Retirement benefits (Note 16)	120,737	110,298
Liabilities for leased tangible capital assets (Note 17)	1,982	3,096
	<u>600,654</u>	<u>499,232</u>
<b>Net financial assets (debt)</b>	<u><b>(101,849)</b></u>	<u><b>(47,614)</b></u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 19)	1,491,355	1,428,413
Inventories of supplies	6,667	6,487
Prepaid expenses	2,868	2,853
	<u>1,500,890</u>	<u>1,437,753</u>
<b>Accumulated surplus</b>	<u><b>\$ 1,399,041</b></u>	<u><b>\$ 1,390,139</b></u>

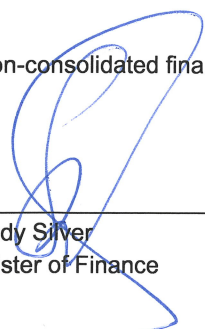
Contingencies, contractual rights and obligations, commitments and guarantees  
(Notes 13, 22, 23, 24, 26, 27, and 28)

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

Approved on October 21, 2022:



D. Scott Thompson  
Deputy Minister of Finance



Sandy Silver  
Minister of Finance

GOVERNMENT OF YUKON

**Non-Consolidated Statement of Operations and Accumulated Surplus  
for the year ended March 31, 2022**

	2022		2021
	Main Estimates (Note 1(b))	Actual	Actual
	(thousands of dollars)		
Revenues (Schedule A)			
From Government of Canada			
Formula Financing grant	\$ 1,117,650	\$ 1,117,650	\$ 1,054,979
Other grants	65,630	145,210	149,429
Contributions and service agreements	248,043	205,541	184,617
Taxes and general revenues	190,923	222,359	196,249
Funding and service agreements with other parties	23,746	21,222	24,299
	<u>1,645,992</u>	<u>1,711,982</u>	<u>1,609,573</u>
Expenses (Note 20 and Schedule B)	<u>1,652,589</u>	<u>1,706,742</u>	<u>1,591,382</u>
Recovery of prior years' expenses	<u>-</u>	<u>3,662</u>	<u>1,089</u>
Surplus (deficit) for the year	<u><b>\$ (6,597)</b></u>	8,902	19,280
Accumulated surplus at beginning of year		<u>1,390,139</u>	<u>1,370,859</u>
Accumulated surplus at end of year		<u><b>\$ 1,399,041</b></u>	<u><b>\$ 1,390,139</b></u>

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 Financial Assets (Debt)  
for the year ended March 31, 2022**

	2022		2021
	Main Estimates (Note 1(b))	Actual	Actual
	(thousands of dollars)		
Surplus (deficit) for the year	\$ (6,597)	\$ 8,902	\$ 19,280
Effect of change in tangible capital assets			
Acquisitions	(146,606)	(128,185)	(87,721)
Amortization of tangible capital assets	63,529	65,085	65,867
Loss (gain) on disposal of tangible capital assets	-	155	492
Write-down of tangible capital assets	-	3	1,940
Adjustments	8,552	-	-
	<u>(74,525)</u>	<u>(62,942)</u>	<u>(19,422)</u>
Effect of change in other non-financial assets			
Acquisition of inventories of supplies	-	(8,117)	(7,050)
Decrease (increase) in inventories of supplies	-	7,937	7,475
Decrease (increase) in prepaid expenses	-	(15)	(524)
	<u>-</u>	<u>(195)</u>	<u>(99)</u>
Increase (decrease) in net financial assets (debt)	<u>\$ (81,122)</u>	<u>(54,235)</u>	<u>(241)</u>
Net financial assets (debt) at beginning of year		<u>(47,614)</u>	<u>(47,373)</u>
Net financial assets (debt) at end of year		<u>\$ (101,849)</u>	<u>\$ (47,614)</u>

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

GOVERNMENT OF YUKON

**Non-Consolidated Statement of Cash Flow  
for the year ended March 31, 2022**

	2022	2021
	(thousands of dollars)	
<b>Operating transactions</b>		
Surplus (deficit) for the year	\$ 8,902	\$ 19,280
Non-cash items included in surplus (deficit) for the year:		
Amortization of tangible capital assets	65,085	65,867
Loans receivable valuation adjustment	35	54
Write-down of tangible capital assets	3	1,940
Loss (gain) on sale of land inventory	68	(2,017)
Loss (gain) on disposal of tangible capital assets	155	492
Change in non-cash assets and liabilities	<u>43,669</u>	<u>25,739</u>
Cash provided by (used for) operating transactions	<u>117,917</u>	<u>111,355</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	<u>(128,185)</u>	<u>(87,721)</u>
Cash provided by (used for) capital transactions	<u>(128,185)</u>	<u>(87,721)</u>
<b>Investing transactions</b>		
Net proceeds from temporary investments	(3,322)	461
Proceeds from portfolio investments	20,386	35,275
Acquisition of portfolio investments	(16,394)	(36,916)
Repayment of advances from Territorial corporations	500	2,000
Advances to Territorial corporations	16,091	(7,256)
Repayment of loans receivable	21,032	18,587
Issuance of loans receivable	(5,833)	(2,692)
Investment in land inventory	<u>(12,193)</u>	<u>(19,280)</u>
Cash provided by (used for) investing transactions	<u>20,267</u>	<u>(9,821)</u>
<b>Financing transactions</b>		
Repayment of liabilities for leased tangible capital assets	<u>(1,114)</u>	<u>(1,047)</u>
Cash provided by (used for) financing transactions	<u>(1,114)</u>	<u>(1,047)</u>
<b>Cash and cash equivalents increase (decrease)</b>	<b>8,885</b>	<b>12,766</b>
Cash and cash equivalents at beginning of year	<u>63,886</u>	<u>51,120</u>
<b>Cash and cash equivalents at end of year (Note 3)</b>	<b><u>\$ 72,771</u></b>	<b><u>\$ 63,886</u></b>
Interest received in the year	\$ 3,793	\$ 5,568
Interest paid in the year	\$ 135	\$ 174

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

GOVERNMENT OF YUKON

**Notes to Non-Consolidated Financial Statements  
March 31, 2022**

1. **Authority and operations**

(a) Authority

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

(b) Main Estimates

The Main Estimates comparative figures are from the Main Estimates approved in the Legislative Assembly in May 2021. Due to the April 2021 election, special warrants provided interim spending authority until the Main Estimates were approved. These figures do not reflect changes arising from the Supplementary Estimates approved later in the year by the Yukon Legislative Assembly. Adjustments include estimated lapses and unallocated budget estimates.

(c) Investments

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

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

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

(d) Basis of accounting

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

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



GOVERNMENT OF YUKON

**Notes to Non-Consolidated Financial Statements**  
**March 31, 2022**

2. **Significant accounting policies**

Revenues

Revenues are recorded on an accrual basis.

Grants from the Government of Canada are recognized as revenues when entitlement for the transfer occurs. The Government receives a Formula Financing grant and the Canada health and the Canada social transfers from the Government of Canada in accordance with the *Federal-Provincial Fiscal Arrangements Act* (Canada) which expires on March 31, 2024. The Formula Financing grant is principle-based and the Canada health transfer and the Canada social transfer are simple equal cash per capita grants. Adjustments for health and social transfers are made in the year they are known.

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

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

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

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

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.

## GOVERNMENT OF YUKON

### Notes to Non-Consolidated Financial Statements March 31, 2022

#### 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.

Temporary investments include treasury bills, 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. When the market value of temporary investments has declined below the carrying value, they are carried at market value.

Portfolio investments are accounted for by the cost method and include funds that include bonds and equities. These investments are expected to be realized or have terms to maturity greater than one year from the date of acquisition. When there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss.

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

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

##### Non-financial assets

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

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

#### Liabilities

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

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

GOVERNMENT OF YUKON

**Notes to Non-Consolidated Financial Statements**  
**March 31, 2022**

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

Tangible capital assets

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

The value of works of art, historical treasures, all intangibles and items inherited by right of the Crown, such as Crown lands, forests, water, and mineral resources are not recorded as tangible capital assets. Historical treasures and works of art are expensed when they are acquired.

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

<u>Asset category</u>	<u>Threshold</u>	<u>Estimated useful life</u>
Land	Nil	N/A
Buildings		
Buildings	\$ 50,000	40 - 50 years
Leasehold Improvements	\$ 50,000	Shorter of the lease term or useful economic life
Equipment and vehicles		
Heavy equipment	\$ 10,000	7 - 30 years
Operating equipment	\$ 10,000	5 - 25 years
Vehicles	\$ 10,000	6 - 20 years
Computer hardware and software		
Computer hardware	\$ 10,000	5 years
Computer software	\$ 100,000	Expected usage of the system before overhaul
Transportation infrastructure		
Forestry access roads	\$ 50,000	10 years
Highways	\$ 250,000	up to 75 years
Pavement/surfaces	\$ 250,000	up to 75 years
Bridges	\$ 250,000	up to 75 years
Airport runways	\$ 50,000	up to 75 years
Other		
Portable classroom/housing trailers	\$ 50,000	25 years
Land improvements and fixtures	\$ 50,000	up to 50 years
Sewage and water systems	\$ 50,000	up to 50 years
Mobile radio system infrastructure	\$ 100,000	15 years

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

## GOVERNMENT OF YUKON

### Notes to Non-Consolidated Financial Statements March 31, 2022

#### Post-employment benefits and compensated absences

Post-employment benefits are expected to be provided after employment but before retirement to employees. These benefits include severance benefits, accumulated sick and vacation leave benefits that are paid in cash when employment is terminated. Compensated absences are benefits such as sick leave and vacation 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 plans 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 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 two 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 the fair market value.

#### Environmental liabilities

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

Landfill liabilities are recognized on a net present value basis for the total estimated expenditures for closure and post-closure care as the landfill site's capacity is used.

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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 statements, the Government believes the estimates and assumptions to be reasonable.

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

The provision for environmental liabilities is subject to a high degree of measurement uncertainty because the existence and extent of contamination, the responsibility for, and the timing and cost of remediation cannot be reliably estimated in all circumstances. The degree of measurement uncertainty resulting from the estimation of the provision cannot be reasonably determined.

3. **Cash and cash equivalents**

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Bank balances	\$ 72,712	\$ 63,822
Cash on hand	<u>59</u>	<u>64</u>
	<u>\$ 72,771</u>	<u>\$ 63,886</u>

4. **Temporary investments**

	<u>2022</u>		<u>2021</u>	
	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>
	(thousands of dollars)			
Short-term funds	<u>\$ 4,122</u>	<u>\$ 4,122</u>	<u>\$ 800</u>	<u>\$ 800</u>

The temporary investments had a weighted average effective yield during 2022 of 0.19% (2021 - 1.54%) per annum.

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

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Due from Government of Canada		
Cost-sharing agreements and projects delivered on behalf of the Government of Canada	\$ 171,885	\$ 126,815
Income tax	4,258	4,492
Other	<u>3</u>	<u>3</u>
	<u>\$ 176,146</u>	<u>\$ 131,310</u>
Due to Government of Canada		
Payroll taxes	\$ 12,352	\$ 11,599
RCMP	10,957	7,599
Public Service Pension Plan contribution	7,873	8,232
Program funding liable for claw back	3,798	6,812
Other	2,898	3,876
Type II mine sites	<u>809</u>	<u>1,848</u>
	<u>\$ 38,687</u>	<u>\$ 39,966</u>

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

6. **Accounts receivable**

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Taxes, interest and other revenue receivables	\$ 26,986	\$ 12,878
Less valuation allowances	<u>(2,099)</u>	<u>(1,691)</u>
	24,887	11,187
Due from Territorial corporations	<u>6,018</u>	<u>5,882</u>
	<u>\$ 30,905</u>	<u>\$ 17,069</u>

GOVERNMENT OF YUKON

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7. **Portfolio investments**

	<u>2022</u>		<u>2021</u>	
	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>
	(thousands of dollars)			
Marketable securities	<u>\$ 31,495</u>	<u>\$ 30,597</u>	<u>\$ 34,545</u>	<u>\$ 34,589</u>

Marketable securities are designated investments (Note 8) set aside within the Consolidated Revenue Fund for use in meeting certain post-employment and retirement benefit obligations for Members of the Legislative Assembly. The investments are managed by a third party manager.

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 are included in cash and cash equivalents, temporary investments and portfolio investments as follows:

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Cash and cash equivalents	\$ -	\$ 4
Temporary investments (Fair value \$4,122,000; 2021 – \$800,000)	4,122	800
Portfolio investments – marketable securities (Fair value \$31,495,000; 2021 - \$34,545,000)	<u>30,597</u>	<u>34,589</u>
	<u>\$ 34,719</u>	<u>\$ 35,393</u>

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Notes to Non-Consolidated Financial Statements  
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9. **Advances to Territorial corporations**

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Yukon Development Corporation		
Infrastructure loan	\$ 36,200	\$ 36,200
Yukon Housing Corporation		
Working capital advances	<u>31,901</u>	<u>48,491</u>
	<u>\$ 68,101</u>	<u>\$ 84,691</u>

The Government advanced \$39,200,000 to the Yukon Development Corporation ("YDC") in order to assist in 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, 2023 and pursuant to the agreement, the loan may be extended for two 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 0.4% premium increase. In prior years, the per annum interest rate was set based on one-year CDOR plus 40 basis points in effect on April 1 each year. The change was due to the CDOR ceasing to exist. The rate of interest effective on March 31, 2022 is 2.82% (2021 - 0.81%). The loan agreement requires principal repayments of \$1 million 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, 2021 from YDC was received in March 2021 and the payment due March 31, 2022 from YDC was received in April 2022.

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



GOVERNMENT OF YUKON

Notes to Non-Consolidated Financial Statements  
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10. Loans receivable

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Agreements for sale of land, due in varying annual amounts over a three or five year term to the year 2026 (2021 – 2026), bearing interest at 5% (2021 – 5.00%).	\$ 24,610	\$ 34,439
Local improvement loans, due in varying annual amounts to the year 2040 (2021 – 2040), bearing interest rates ranging from 0.50% to 5.25% (2021 – 0.50% to 5.25%).	9,073	8,443
Domestic well loans, due in varying annual amounts to the year 2036 (2021 – 2036), bearing interest rates ranging from 0.50% to 4.50% (2021 – 0.50% to 2.00%).	5,615	5,607
Regional Relief and Recovery Fund loans providing assistance to businesses to recover from COVID-19 pandemic, due with forgivable terms, bearing interest rate ranging from 0.00% to 5.00%	3,160	-
Due from Yukon Hospital Corporation for pension plan solvency loan, due as one payment in the year 2035, bearing interest at 3.95%	3,063	3,063
Debenture loans to municipalities, due in varying annual amounts to the year 2034 (2021 – 2034), bearing interest rates ranging from 2.72% to 6.38% (2021 – 2.72% to 6.38%).	2,344	2,627
Due from Yukon Housing Corporation for lands agreements, due in periodic instalments to the year 2025 (2021 – 2025), bearing interest at 0.00% (2021 – 0.00%).	639	1,596
Energy infrastructure development loan due in periodic instalments bearing interest at 6.40% (2021 – 6.40%).	205	205
Business development assistance loans, due in varying annual amounts with varying terms, bearing interest rates ranging from 0.00% to 5.20% (2021 – 0.00% to 5.20%).	65	65
Loan to Yukon Housing Corporation, due in periodic instalments to the year 2022 (2021 – 2021), bearing interest at 0.00% (2021 – 0.00%).	-	3
Less valuation allowances	<u>(322)</u>	<u>(322)</u>
	<u>\$ 48,452</u>	<u>\$ 55,727</u>

GOVERNMENT OF YUKON

Notes to Non-Consolidated Financial Statements  
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11. **Land inventory**

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Undeveloped land	\$ 603	\$ 603
Land under development	41,750	40,447
Developed land	<u>25,358</u>	<u>22,495</u>
	<u>\$ 67,711</u>	<u>\$ 63,545</u>

12. **Accounts payable and accrued liabilities**

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Accounts payable	\$ 60,466	\$ 59,630
Accrued liabilities	90,877	61,731
Contractors' holdbacks and security deposits	15,680	8,934
Due to Territorial corporations	<u>30,442</u>	<u>33,842</u>
	<u>\$ 197,465</u>	<u>\$ 164,137</u>

The accrued liabilities include the Yukon Government Carbon Price Rebate liability which represents the net of the dollar amounts received from the Government of Canada less the dollar amounts disbursed to the eligible groups as of March 31. The balance of the liability at March 31, 2022 is \$18,884,605 (2021 - \$6,919,720).

13. **Environmental liabilities**

(a) Contaminated sites and other environmental liabilities

The Government has recorded environmental liabilities of \$77,328,000 (2021 - \$26,231,000). 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. No assets are designated for settling these liabilities.

As at March 31, 2022, the Government was aware of 96 sites (2021 – 95 sites) where the Government is obligated or is likely obligated to incur such costs. Phase I Environmental Site Assessments (ESA) have been undertaken on 91 of the 96 sites. During the year, remediation work was undertaken at 9 sites.

One of the 96 sites, Marwell Tar Pit, has been formally designated as contaminated under the *Environment Act* (Yukon) and the *Contaminated Sites Regulation*. The Government is not a "responsible party" as defined by the *Environment Act* (Yukon) and determined by the *Contaminated Sites Regulation*. The Government of Canada was the landowner when the contamination occurred. In September 2010, the

## GOVERNMENT OF YUKON

### Notes to Non-Consolidated Financial Statements March 31, 2022

Government and the Government of Canada entered into an agreement to remediate the site over 11 years with a total estimated cost of \$6,800,000, of which the Government is to fund 30% or \$2,040,000 and the Government of Canada \$4,760,000. As at March 31, 2022, \$ 106,000 (2021 - \$106,000) was recorded as a liability for this site, which is part of the \$77,328,000 noted above.

A site known as Wellgreen ceased operations in the 1970's. The Government of Canada approved the tailings dam and resulting pond built at that time as meeting required specifications; however, concerns regarding the level of water in the pond were raised. Initial assessment confirmed that further remediation of the site is required. Negotiations with the previous owner and the Government of Canada are underway to establish final levels of responsibility and liability. Remediation has been estimated at \$15,501,000, which reflects the Government's potential exposure before any potential recoveries from the other parties, and has been included in Environmental Liabilities for Contaminated Sites (2021 - \$4,803,000).

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 of \$35,548,000 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. Government staff have estimated that the development of an actionable closure and remediation plan will cost \$3,500,000. Hence the government has included \$39,048,000 as an initial estimated liability as disclosed in the chart below.

#### (b) Landfill sites

There are 28 active, decommissioned or abandoned landfill sites that are outside incorporated communities and, therefore, are the responsibility of the Government. The Government is the sole operator of the active landfills. 23 of these sites are subject to the *Environment Act* (Yukon) – *Solid Waste Regulations* which includes requirements for closure and abandonment of a dump. The remaining 5 sites are old abandoned dumps which are not subject to the *Solid Waste Regulations*.

A liability is recognized as the landfill site's capacity is used with usage measured on a volumetric basis. As at March 31, 2022, the net present value of total expenditures for closure and post-closure care is estimated to be \$14,462,000 (2021 – \$14,057,000) and a liability in the amount of \$12,283,000 (2021 - \$11,854,000) has been recorded for these sites. The amount remaining to be recognized in the future is \$2,179,000 (2021 – \$2,203,000). No assets are designated for settling these liabilities.

In calculation of the above liability, the remaining landfill life was estimated to be from 0 to 50 years. Solid waste permits issued under the *Solid Waste Regulations* specify 25 years of post-closure monitoring; therefore, 25 years is used as an estimated length of time needed for post-closure care. A discount rate of 2.58% (2021 – 2.58%) was used for the net present value calculation for active and closed landfill sites.

#### (c) Type II sites

Pursuant to the Devolution Transfer Agreement, the Government of Canada retained responsibility for the clean-up of waste sites that were identified on lands transferred effective April 1, 2003. The Government of Canada also accepted financial responsibility for the remediation of impacts attributable to activities that took place prior to April 2003 on the mine sites identified as Type II sites, which have been abandoned by their owner/operator. Except for the Ketzka 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 Ketzka River mine site ("the site"). The site is identified as a Type II mine site in the Devolution Transfer Agreement ("DTA") between the Government and the Government of Canada. The Government has provided notice to the Government of Canada

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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 \$4,757,000 (2021 - \$4,802,000) and remediation costs, if any, which are the Government's responsibility, are currently undeterminable. No assets are designated for settling these liabilities.

The following table presents the total estimated amounts of these liabilities as at March 31, 2022.

	2022		2021	
	Number of sites	Estimated Liability	Number of sites	Estimated Liability
	(thousands of dollars)			
Liabilities for contaminated sites <sup>1</sup>				
Highway maintenance camps and airports	35	\$11,329	36	\$10,835
Other storage tanks and buildings	48	8,894	48	8,437
Marwell Tar Pit	1	106	1	106
Wellgreen	1	15,501	1	4,803
Wolverine	1	39,048	-	-
Other	10	2,450	9	2,050
	<u>96</u>	<u>77,328</u>	<u>95</u>	<u>26,231</u>
Landfill sites	28	12,283	28	11,854
Type II sites	<u>1</u>	<u>4,757</u>	<u>1</u>	<u>4,802</u>
	<u>125</u>	<u>\$ 94,368</u>	<u>124</u>	<u>\$ 42,887</u>

<sup>1</sup> Contamination primarily includes petroleum hydrocarbons, salts and/or occasionally metals.

14. **Unearned revenues**

	2022	2021
	(thousands of dollars)	
Liability portion of government transfers	\$ 9,947	\$ 10,447
Motor vehicle fees for future years	3,008	2,554
Prepaid lease payments	4,000	-
Other	<u>668</u>	<u>847</u>
	<u>\$ 17,623</u>	<u>\$ 13,848</u>

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

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

	2022	2021
	(thousands of dollars)	
Severance benefits	\$ 66,854	\$ 69,394
Sick leave obligation	28,906	29,289
Vacation leave obligation	27,679	27,426
Accrued benefit obligation	123,439	126,109
Unamortized net actuarial gain /(loss)	4,021	(3,260)
Post-employment benefits accrued liability	127,459	122,849
Compensated absences	2,332	2,150
	\$ 129,792	\$ 124,999

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, 2022 is based on an actuarial valuation conducted as at June 17, 2022. In projecting the accrued obligation for these benefits as at March 31, 2022, the Government assumed a discount rate of 4.00% and general salary increases of 2.0% per annum. The net actuarial gain or loss is amortized over the expected average remaining service life of the active employees of 12.5 years.

Expenses related to post-employment benefits for the year ended March 31, 2022 were \$18,014,000 (2021 - \$16,950,000). Benefits paid by the Government from the post-employment benefits liability during the year amounted to \$13,429,000 (2021 - \$9,494,000). 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 special leave benefits and educational leave benefits.

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

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

(b) Members of the Legislative Assembly

The *Legislative Assembly Act* (Yukon) provides a severance allowance to members of the Legislative Assembly based on the aggregate of the indemnity and salary received by the member during the preceding year and the number of years served by the member. At March 31, 2022, the severance benefit obligation for this benefit was \$917,000 (2021 - \$891,000). The book value of the assets designated by the Government to meet this obligation was \$768,000 at March 31, 2022 (2021 - \$797,000), which included in the value disclosed in Note 8. The accrued benefit liability at March 31, 2022 is based on an extrapolation of an actuarial valuation that was performed as at January 31, 2020.

16. **Retirement benefits**

(a) Public Service Pension Plan

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

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

In the calendar year 2022, for the portion of the employee's salary above \$191,300, the Government contributes \$5.91 for every dollar contributed by both groups of plan members. In the calendar year 2021, for the portion of the employee's salary above \$181,600 the Government contributed \$3.59 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 \$41,478,000 (2021 - \$40,423,000).

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(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 as of March 31, 2021, was performed December 31, 2021. The accrued benefit obligation as at March 31, 2022 is based on an actuarial valuation performed for accounting purposes using the membership data as of March 31, 2021.

(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.

Actuarial valuations for the Territorial Court Judiciary Pension Plan for accounting and funding purposes were conducted using the membership data as at March 31, 2020.

(d) Extended health care and life insurance retirement benefits

The Government provides optional extended health care benefits to retired employees as well as life insurance coverage to eligible retirees. They are both non-pension defined benefit plans. The extended health care plan is self-insured. The accrued benefit obligation at March 31, 2022 is based on an extrapolation of an actuarial valuation conducted as at January 31, 2020. 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.

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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 as of March 31, 2022 was as follows:

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Accrued benefit liability		
Extended health care retirement benefit	\$ 75,793	\$ 69,608
Legislative Assembly Retirement Allowances Plan	31,217	28,726
Life insurance retirement benefit	3,811	3,465
Territorial Court Judiciary Pension Plan	<u>9,916</u>	<u>8,499</u>
 (Schedule D)	 <u>\$ 120,737</u>	 <u>\$ 110,298</u>

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

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Building lease obligation payable monthly until the year 2023, with imputed interest rate of 3.7%.	\$ 686	\$ 1,348
Building lease obligation payable monthly until the year 2025, with imputed interest rate of 3.7%.	814	1,062
Building lease obligation payable monthly until the year 2025, with imputed interest rate of 3.3%.	<u>482</u>	<u>686</u>
	<u>\$ 1,982</u>	<u>\$ 3,096</u>

Interest expense related to liabilities for leased tangible capital assets for the year was \$135,000 (2021 - \$174,000) at an imputed average interest rate of 3.6% (2021 – 3.6%).



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

	(thousands of dollars)
2023	\$ 1,873
2024	725
2025	<u>536</u>
Total minimum lease payments	3,134
Less: amount representing executory costs	(766)
amount representing rental of land	(333)
amount representing interest	<u>(53)</u>
	<u>\$ 1,982</u>

18. **Financial instruments**

The balances in cash and cash equivalents, due to/from Government of Canada, accounts receivable, advances to Territorial corporations and accounts payable and accrued liabilities have fair values that approximate their carrying amount due to their short term to maturity.

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

	2022		2021	
	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>
	(thousands of dollars)			
Temporary investments	\$ 4,122	\$ 4,122	\$ 800	\$ 800
Portfolio investments				
Marketable securities	31,495	30,597	34,545	34,589
Loans receivable	48,452	48,452	55,727	55,727

An active and established market exists for the temporary and portfolio investments. Consequently, the estimated fair value is calculated using observed market data.

Since the above valuation is based on market information available at March 31, 2022, the fair value of the investments may change materially in future periods as a result of fluctuations in the market. However, these changes are not expected to result in a significant impact on the Government's future operations.

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

GOVERNMENT OF YUKON

Notes to Non-Consolidated Financial Statements  
March 31, 2022

19. **Tangible capital assets**

	<u>2022</u>	<u>2021</u>
	Net Book Value	Net Book Value
	(thousands of dollars)	
Land	\$ 13,010	\$ 13,010
Buildings	528,423	524,995
Equipment and vehicles	88,741	85,874
Computer hardware and software	53,952	36,212
Transportation infrastructure	684,714	659,758
Land improvements and fixtures	52,986	45,583
Sewage and water systems	49,853	48,800
Other	<u>19,676</u>	<u>14,181</u>
(Schedule C)	<u>\$ 1,491,355</u>	<u>\$ 1,428,413</u>

Leased tangible capital assets are reported as part of the respective asset category. These leased assets are amortized on a straight-line basis over the lease term or estimated economic life. The amortization expense for the year was \$991,000 (2021 - \$991,000). The cost and accumulated amortization of leased capital assets that are included in the schedule of tangible capital assets are as follows:

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Buildings (cost)	\$ 9,907	\$ 9,907
Operating equipment (cost)	<u>-</u>	<u>141</u>
	9,907	10,048
Less accumulated amortization	<u>(8,265)</u>	<u>(7,415)</u>
	<u>\$ 1,642</u>	<u>\$ 2,633</u>

No interest was capitalized during the year.

GOVERNMENT OF YUKON

Notes to Non-Consolidated Financial Statements  
March 31, 2022

20. **Expenses by object**

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Personnel	\$ 620,246	\$ 593,497
Government transfers	519,590	497,673
Contract and special services	281,595	235,526
Materials, supplies and utilities	123,136	114,247
Amortization expenses	65,085	65,867
Rent	58,028	48,787
Communication and transportation	35,252	32,386
Other	3,810	3,399
	<u>\$ 1,706,742</u>	<u>\$ 1,591,382</u>

21. **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, 2022, 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, 2022, except for the Compensation Fund (Yukon) which is at December 31, 2021.

	<u>2022</u>	<u>2021</u>
	(thousands of dollars)	
Compensation Fund (Yukon)	\$ 268,362	\$ 250,799
Canada Community Building Funds	125,730	107,999
Lottery Commission	9,359	8,984
Crime Prevention and Victim Services	7,225	7,373
Forest Sector Trust	6,084	6,044
Extended health and dental plan trust funds	5,957	5,599
Supreme Court trust	1,251	1,379
Public Guardian trust	1,458	1,516
Other	3,985	3,994
	<u>\$ 429,411</u>	<u>\$ 393,687</u>

GOVERNMENT OF YUKON

**Notes to Non-Consolidated Financial Statements**  
**March 31, 2022**

22. **Contractual rights**

The Government has entered into agreements to receive, or has contractual rights for, the following receipts subsequent to March 31, 2022:

	<u>Expiry Date</u>	<u>2023</u>	<u>2024 – 2031</u>	<u>Total</u>
		(thousands of dollars)		
Contribution and Service Agreements				
Infrastructure Canada	2031	\$ 126,807	\$ 558,391	\$ 685,198
Transport Canada	2029	63,992	170,058	234,050
Early Learning and Childcare Agreement	2026	9,794	34,119	43,913
Environment and Natural Resources Canada	2024	8,885	11,832	20,717
Innovation, Science and Economic Development	2023	10,314	11,565	21,879
Employment and Social Development	2027	2,766	8,664	11,430
Student Financial Assistance	2026	509	2,036	2,545
RCMP: Mobile Radio Network	2025	1,829	2,402	4,231
Health Canada	2023	12,686	-	12,686
Canadian Heritage	2023	8,334	11,500	19,834
Other	2023	5,200	5,800	11,000
		<u>\$ 251,116</u>	<u>\$ 816,367</u>	<u>\$ 1,067,483</u>

GOVERNMENT OF YUKON

**Notes to Non-Consolidated Financial Statements  
March 31, 2022**

23. **Contractual obligations**

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2022:

	Expiry Date	2023	2024 – 2040	Total
(thousands of dollars)				
RCMP policing agreement	2032	\$ 30,244	\$302,440	\$ 332,684
Capital projects				
- in progress at March 31, 2022	2031	402,287	84,319	486,606
Yukon Hospital Corporation	2022	84,045	-	84,045
Building/office space leases	2029	16,278	32,699	48,977
NorthwesTel Inc. mobile radio network system	2025	3,047	4,004	7,051
Alkan Air Ltd. medical evacuation contract	2023	7,000	-	7,000
Yukon Housing Corp, Yukon low carbon	2024	3,716	2,977	6,693
Conair Group Inc. air tanker services (turbine engines)	2023	2,377	-	2,377
Air Spray (1967) Ltd. air tanker services	2023	2,067	-	2,067
Information Services Corporation	2040	170	3,558	3,728
Student Transportation	2024	3,921	4,042	7,963
Wolverine Mine	2022	7,343	-	7,343
Cenovus Energy Inc	2022	4,569	-	4,569
Miscellaneous operational commitments	2028	15,192	15,209	30,401
		<u>\$ 582,256</u>	<u>\$ 449,248</u>	<u>\$1,031,504</u>

24. **Commitments**

In June 2010, the Yukon Development Corporation (“YDC”) issued 30-year bonds in the amount of \$100 million at a fixed coupon rate of 5.0% per annum in part to finance the grant from the Yukon Development Corporation Fund and ratepayers’ future contributions towards the construction of the Mayo B hydro enhancement and the Carmacks-Stewart transmission phase II projects. In the Memorandum of Understanding (“the MOU”) between the Government and YDC dated March 10, 2011, the Government agreed to provide YDC with financial assistance to a maximum of \$2,625,000 annually from April 1, 2011, to March 31, 2042, based on a prescribed formula where, depending on the annual financial results of YDC, the Government funding will be reduced or eliminated. In 2021/2022, the Government paid \$2,625,000 (2021 - \$2,625,000) to YDC based on the MOU.

GOVERNMENT OF YUKON

**Notes to Non-Consolidated Financial Statements**  
**March 31, 2022**

25. **Overexpenditure**

Overexpenditure of a vote contravenes subsection 17(2) of the *Financial Administration Act* (Yukon) which specifies that “a vote does not authorize any payment to be made in excess of the amount specified in the vote”. During the year, no (2021 – 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, one (2021 – two) department exceeded the authorized amounts as follows:

	(thousands of dollars)
Health and Social Services	
- Child care subsidies	\$ 5

26. **Guarantees**

The Government has guaranteed repayment of loans payable by the Yukon Housing Corporation of \$1,255,000 (2021 - \$1,700,000). In addition, the Government has guaranteed an operating demand overdraft facility to the Yukon Housing Corporation of up to \$11,000,000.

At March 31, 2022, the Yukon Development Corporation had long-term debt of \$206,000,000(2021 - \$203,000,000) and a credit facility of up to \$43,500,000. While the Government has not issued guarantees for these instruments, as the Yukon Development Corporation is an agent of the Government, lenders may have recourse to the Government.

In January 2021, the Government issued a letter of credit providing guarantee to the bank in relation to the Yukon University Employee's Pension Plan's solvency deficit. This guarantee was in effect until December 31, 2021. The maximum amount of letters of credit to which the guarantee applies will be \$21,357,000 (2021 - \$20,739,000).

In May 2021, 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 to remain in effect from June 30, 2021 to June 30, 2022. The maximum amount of letters of credit to which the guarantee applied was \$35,464,000 (2021 - \$26,508,000).

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

In November 2019, the Government and Yukon Hospital Corporation entered into a Pension Solvency Loan Agreement. The Government has loaned the Yukon Hospital Corporation \$3,063,000 for a payment to be made to their Pension Plan. The loan bears interest at the prime rate charged by the Government of Yukon's banker with interest calculated semi-annually. The annual interest rate for 2022 is 3.95%. The initial term of the loan is 15 years, due on December 11, 2034, with either party having the ability to terminate the loan with notice.

GOVERNMENT OF YUKON

**Notes to Non-Consolidated Financial Statements**  
**March 31, 2022**

27. **Land claims**

Between February 1995 and March 31, 2022, eleven Yukon First Nation Final and Self-government Agreements came into effect. The Government of Canada's negotiating mandate expired prior to the completion of the remaining three Yukon agreements. Settlements for these outstanding claims would not result in a general liability to the Government as they are to be funded by the Government of Canada. The Government would, however, be responsible for any financial obligations it might agree to during the negotiations.

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

28. **Contingencies**

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, 2022 the amounts claimed, excluding the claims from Northern Cross (Yukon) Ltd., which are described below, is \$22,820,000 (2021 - \$5,793,000). No provision for these claims has been made as it is unlikely or undeterminable that a liability has been incurred at the date of the financial statements.

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

The Government established a Risk Management Revolving Fund in December 2004, with a limit of \$5,000,000, which is to be used for providing limited insurance and risk management services to Government departments. Expenses relating to some of the property and liability losses incurred by the Government are to be paid out of this fund. The Government has legal liability and property insurance with a \$2,000,000 deductible. In 2022, the Government paid \$317,000 (2021 - \$253,000) for liability claims such as bodily injury, property damage and automobile liability. The Government had unpaid claims against the fund in the amount of \$3,215,000 as at March 31, 2022 (2021 - \$1,660,000). This amount is reported as part of the Government's accrued liabilities. The fund balance at March 31, 2022 was \$3,420,000 (2021 - \$5,000,000).

In addition to the environmental liabilities discussed in Note 13, 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.

## GOVERNMENT OF YUKON

Schedule A

**Schedule of Revenues  
for the year ended March 31, 2022**

	2022		2021
	Main Estimates (Note 1(b))	Actual	Actual
	(thousands of dollars)		
From Government of Canada			
Formula Financing grant	\$ 1,117,650	\$ 1,117,650	\$ 1,054,979
Contributions and service agreements	248,043	205,541	184,617
Other grants	65,630	145,210	149,429
	<u>1,431,323</u>	<u>1,468,401</u>	<u>1,389,025</u>
Taxes and general revenues			
Income taxes	94,026	129,788	95,130
Other taxes			
Tobacco tax	13,222	12,894	13,584
Fuel oil tax	8,610	8,729	7,004
General property tax	6,669	6,399	5,592
Liquor tax	5,029	5,018	4,979
Insurance premium tax	6,411	7,438	3,765
Grant in lieu of property tax	239	241	225
Sale of land	21,841	7,959	35,648
Licences, permits and fees	17,348	19,173	16,478
Yukon Liquor Corporation			
Liquor profit	9,200	8,317	7,959
Cannabis profit	-	504	234
Investment and interest revenue	2,781	3,582	2,732
Resource revenue - mineral, oil and gas and forestry	2,155	10,093	903
Income from portfolio investments	1,396	576	1,495
Aviation operations	1,345	290	17
Fines	508	480	392
Restricted funds	-	720	83
Other revenues	206	158	29
	<u>190,986</u>	<u>222,359</u>	<u>196,249</u>
Funding and service agreements with other parties	23,683	21,222	24,299
	<u><b>\$ 1,645,992</b></u>	<u><b>\$ 1,711,982</b></u>	<u><b>\$ 1,609,573</b></u>



GOVERNMENT OF YUKON

Schedule B

**Schedule of Expenses  
for year ended March 31, 2022**

	2022	Actual 2022				2021	
	Main Estimates (Note 1(b))	Personnel	Government Transfers	Other	Amortization Expenses	Total (Note 20)	Actual
	(thousands of dollars)						
Health and Social Services	\$ 495,848	\$ 168,237	\$ 200,489	\$ 131,733	\$ 7,718	\$ 508,177	\$ 503,444
Highways and Public Works	268,815	80,212	11,509	147,492	32,406	271,619	253,636
Community Services	213,624	40,284	98,590	47,515	6,651	193,040	219,976
Education	235,866	125,603	81,129	22,297	7,745	236,774	199,425
Justice	83,241	37,938	6,406	41,219	2,887	88,450	79,986
Energy, Mines and Resources	71,570	30,432	8,996	26,528	579	66,535	59,246
Environment	47,042	26,883	3,022	65,939	598	96,442	42,118
Public Service Commission	55,923	53,185	-	3,450	265	56,900	52,901
Tourism and Culture	39,231	11,805	16,431	9,550	1,113	38,899	34,641
Executive Council Office	23,784	14,240	6,417	3,816	8	24,481	22,872
Economic Development	23,382	6,664	15,544	1,646	-	23,854	32,872
Finance	14,258	8,979	2,787	2,224	100	14,090	13,521
Yukon Housing Corporation (Transfer Payment)	30,998	-	23,840	-	-	23,840	23,520
Yukon Legislative Assembly	8,708	8,575	-	1,641	-	10,216	8,775
Yukon Development Corporation (Transfer Payment)	38,913	-	19,302	-	-	19,302	22,806
French Language Services Directorate	6,955	4,149	560	1,784	-	6,493	6,445
Women and Gender Equity Directorate	3,017	947	2,043	122	-	3,112	2,769
Office of the Ombudsman	1,553	1,121	-	404	12	1,537	1,399
Child and Youth Advocate Office	798	596	-	168	-	764	747
Elections Office	1,647	397	-	852	-	1,249	851
Restricted Funds	(3,763)	-	22,525	(6,560)	5,003	20,968	9,432
Yukon Liquor Corporation (Transfer Payment)	-	-	-	-	-	-	-
Adjustments	(8,821)	-	-	-	-	-	-
	<b>\$ 1,652,589</b>	<b>\$ 620,247</b>	<b>\$ 519,590</b>	<b>\$ 501,820</b>	<b>\$ 65,085</b>	<b>\$ 1,706,742</b>	<b>\$ 1,591,382</b>

GOVERNMENT OF YUKON

Schedule C

**Schedule of Tangible Capital Assets  
for year ended March 31, 2022**

	Land	Buildings	Equipment & Vehicles	Computer Hardware & Software	Transportation Infrastructure	Land Improvements & Fixtures	Sewage & Water Systems	Other	2022 Total	2021 Total
(thousands of dollars)										
Cost of tangible capital assets, opening	\$13,010	\$ 870,088	\$ 182,896	\$ 93,634	\$ 1,119,240	\$ 57,539	\$ 65,289	\$23,473	\$ 2,425,169	\$ 2,340,459
Acquisitions	-	24,398	12,502	22,375	49,507	8,802	4,023	6,578	\$ 128,185	87,721
Write-downs	-	-	(3)	-	-	-	-	-	\$ (3)	(1,940)
Disposals	-	-	(5,755)	(460)	-	-	-	-	\$ (6,215)	(1,071)
Cost of tangible capital assets, closing	<u>13,010</u>	<u>894,486</u>	<u>189,640</u>	<u>115,549</u>	<u>1,168,747</u>	<u>66,341</u>	<u>69,312</u>	<u>30,051</u>	<u>2,547,136</u>	<u>2,425,169</u>
Accumulated amortization, opening	-	345,093	97,022	57,422	459,482	11,956	16,489	9,292	996,756	931,468
Amortization expense	-	20,970	9,491	4,621	24,551	1,399	2,970	1,083	65,085	65,867
Disposals	-	-	(5,614)	(446)	-	-	-	-	(6,060)	(579)
Accumulated amortization, closing	<u>-</u>	<u>366,063</u>	<u>100,899</u>	<u>61,597</u>	<u>484,033</u>	<u>13,355</u>	<u>19,459</u>	<u>10,375</u>	<u>1,055,781</u>	<u>996,756</u>
Net book value (Note 19)	<u><b>\$13,010</b></u>	<u><b>\$ 528,423</b></u>	<u><b>\$ 88,741</b></u>	<u><b>\$ 53,952</b></u>	<u><b>\$ 684,714</b></u>	<u><b>\$ 52,986</b></u>	<u><b>\$ 49,853</b></u>	<u><b>\$19,676</b></u>	<u><b>\$ 1,491,355</b></u>	<u><b>\$ 1,428,413</b></u>
Work-in-progress <sup>1</sup>	-	\$ 26,251	\$ 2,160	\$ 31,681	\$ 93,796	\$ 10,660	\$ 6,425	\$ 5,367	\$ 176,340	\$ 79,005

<sup>1</sup> Included in net book value.

GOVERNMENT OF YUKON

Schedule D

**Schedule of Retirement Benefits  
for year ended March 31,2022**

	Extended Health Care Retirement Benefit	Legislative Assembly Retirement Allowances Plan	Life Insurance Retirement Benefit	Territorial Court Judiciary Pension Plan	2022 Total	2021 Total
(thousands of dollars)						
Pension and retirement plan assets are valued at fair market value.						
Accrued benefit obligation						
Obligation at beginning of year	\$ 83,197	\$ 42,501	\$ 4,976	\$ 14,976	\$ 145,650	\$ 128,160
Current service costs	3,628	1,946	87	632	6,293	5,232
Plan amendment	-	-	-	-	-	-
Interest cost on benefit obligation	2,752	1,576	161	583	5,072	5,299
Actuarial (gain) loss	(22,938)	(9,101)	(823)	(2,117)	(34,979)	10,635
Benefits paid	(1,591)	(1,721)	(136)	(492)	(3,940)	(3,676)
Accrued benefit obligation at end of year	65,048	35,201	4,265	13,582	118,096	145,650
Plan assets						
Value at beginning of year	-	9,902	-	4,498	14,400	12,328
Actual return on plan assets	-	411	-	291	702	1,899
Government contributions	1,591	560	136	375	2,662	2,439
Member contributions	-	173	-	61	234	233
Benefits paid	(1,591)	(502)	(136)	(492)	(2,721)	(2,499)
Value at end of year	-	10,544	-	4,733	15,277	14,400
Funded status - plan deficit	65,049	24,655	4,267	8,849	102,820	131,249
Unrecognized net actuarial gain (loss)	10,744	6,562	(456)	1,067	17,917	(20,951)
Accrued benefit liability (Note 16)	75,793	31,217	3,811	9,916	120,737	110,298
Net benefit cost						
Current service costs	3,628	1,946	87	632	6,293	5,232
Less: Member contributions	-	(173)	-	(61)	(234)	(233)
Interest cost on benefit obligation	2,752	1,576	161	583	5,072	5,299
Expected return on plan assets	-	(371)	-	(170)	(541)	(554)
Amortization of net actuarial (gain) loss	1,396	1,292	233	808	3,729	2,097
Net cost for the year	\$ 7,776	\$ 4,270	\$ 481	\$ 1,792	\$ 14,319	\$ 11,841

GOVERNMENT OF YUKON

Schedule D  
Continued

**Schedule of Retirement Benefits  
for the year ended March 31, 2022**

	Extended Health Care Retirement Benefit	Legislative Assembly Retirement Allowances Plan	Life Insurance Retirement Benefit	Territorial Court Judiciary Pension Plan
<b>Key Assumptions</b>				
Expected long-term rate of return on assets at beginning of year	N/A	3.70%	N/A	3.80%
Discount rate on benefit costs	3.20%	3.70%	3.20%	3.80%
Discount rate on accrued benefit obligation at end of year	4.00%	5.30%	4.00%	5.00%
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)	12.5 years	3.0 years	9.3 years	2.7 years

<sup>1</sup> Based on the annual rates from the Public Service Pension Plan ("PSPP") March 31, 2017 valuation report.

<sup>2</sup> 5.9% per annum for 2020-2024, 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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GOVERNMENT OF YUKON

Schedule 1

**Non-Consolidated Comparative Schedule of Revenues  
for the year ended March 31, 2022**

	2022	2021	Increase (Decrease)
<b>From Government of Canada</b>			
<b>Formula Financing grant</b>	<b>\$ 1,117,650,109</b>	<b>\$ 1,054,978,808</b>	<b>\$ 62,671,301</b>
<b>Other grants</b>			
Canada health transfer	48,478,000	46,975,000	1,503,000
COVID-19 pandemic	31,099,824	70,297,864	(39,198,040)
Climate Change Priorities	25,000,000	-	25,000,000
Carbon amounts received	22,489,954	14,886,802	7,603,152
Canada social transfer	17,394,000	16,857,000	537,000
Cannabis transfer	747,578	412,697	334,881
	<b>145,209,356</b>	<b>149,429,363</b>	<b>(4,220,007)</b>
<b>Contributions and service agreements</b>			
Investing in Canada infrastructure program	55,713,094	49,452,083	6,261,011
National trade corridors fund	24,766,853	9,935,792	14,831,061
Small Communities Fund	24,106,993	28,661,894	(4,554,901)
Continuing care facilities	9,620,843	10,052,352	(431,509)
Child welfare	9,048,645	9,832,873	(784,228)
Employment and Social Development Canada			
- skills and labour market development	8,989,422	6,636,167	2,353,255
Canadian Heritage			
- French language programs	8,298,717	8,014,328	284,389
Type II mine sites	6,662,122	6,006,348	655,774
Early learning and childcare	6,234,228	2,413,101	3,821,127
Connect to innovate fund	5,841,405	1,462,335	4,379,070
Territorial health investment fund	4,740,250	4,030,180	710,070
Assisted Living	3,999,776	-	3,999,776
Land claims implementation	3,844,232	3,583,342	260,890
Environment and climate change Canada	3,380,887	3,332,973	47,914
Yukon Resource Gateway	2,689,801	-	2,689,801
RCMP - mobile radio system	2,479,838	2,472,808	7,030
Travel recoveries - First Nations benefits	2,135,375	2,241,563	(106,188)
Arrest processing unit	1,967,400	1,958,306	9,094
Health Canada	1,944,676	-	1,944,676
Youth criminal justice	1,642,865	881,220	761,645
Inuvialuit Final Agreement	1,549,797	1,364,591	185,206
Public Health Authority of Canada	1,500,000	-	1,500,000
Gas tax fund	1,260,699	808,602	452,097
Legal Aid	1,116,000	1,132,000	(16,000)
Community recreation and active living	1,048,146	-	1,048,146
Canadian Air Transport Security Authority	447,793	2,582,856	(2,135,063)
Marwell Tar Pit remediation	31,048	70,000	(38,952)
Yukon Hospital Corporation - meditech	-	3,000,000	(3,000,000)
Clean water wastewater fund	(709,387)	1,798,165	(2,507,552)
Other funding and service agreements	11,189,340	22,892,921	(11,703,581)
	<b>205,540,858</b>	<b>184,616,800</b>	<b>20,924,058</b>



## GOVERNMENT OF YUKON

Schedule 1

**Non-Consolidated Comparative Schedule of Revenues  
for the year ended March 31, 2022**

	2022	2021	Increase (Decrease)
<b>Taxation</b>			
Income taxes	\$ 129,787,475	\$ 95,130,095	\$ 34,657,380
Tobacco tax	12,894,018	13,584,150	(690,132)
Fuel oil tax	8,729,102	7,003,729	1,725,373
Insurance premium tax	7,437,893	3,764,917	3,672,976
General property tax	6,398,541	5,591,940	806,601
Liquor tax	5,017,867	4,979,027	38,840
Grants-in-lieu of property tax	241,188	225,195	15,993
	<hr/>	<hr/>	<hr/>
	170,506,084	130,279,053	40,227,031
<b>Licenses, Permits and Fees</b>			
Business and professional	6,417,247	5,464,828	952,419
Motor vehicle	5,490,307	5,062,714	427,593
Continuing care facilities	3,453,810	3,093,510	360,300
Building safety	1,032,723	700,890	331,833
Land titles	718,776	514,774	204,002
Hunting, fishing and outfitting	646,588	532,742	113,846
Land use	441,222	328,506	112,716
Campground permits	342,536	279,559	62,977
Other	630,241	499,964	130,277
	<hr/>	<hr/>	<hr/>
	19,173,450	16,477,487	2,695,963
<b>Investment and Interest Revenue</b>			
Banking and investment	1,494,194	1,318,419	175,775
Land sale agreements	1,410,264	765,614	644,650
Income from portfolio investments	575,625	1,495,381	(919,756)
Interest on advances to Territorial corporations	368,602	597,060	(228,458)
Local improvement loans	166,406	175,308	(8,902)
Debenture loans	86,496	98,415	(11,919)
Preferred dividend tax credit	48,214	78,709	(30,495)
Delinquent accounts	8,013	(301,789)	309,802
	<hr/>	<hr/>	<hr/>
	4,157,814	4,227,117	(69,303)
<b>Fines</b>			
Territorial Court	477,169	389,213	87,956
Library fines	3,159	2,544	615
	<hr/>	<hr/>	<hr/>
	480,328	391,757	88,571

GOVERNMENT OF YUKON

Schedule 1

**Non-Consolidated Comparative Schedule of Revenues  
for the year ended March 31, 2022**

	2022	2021	Increase (Decrease)
<b>Other</b>			
Resource revenue - mineral, oil and gas and forestry	\$ 10,092,457	\$ 903,084	\$ 9,189,373
Yukon Liquor Corporation			
- liquor profit	8,317,056	7,959,011	358,045
- cannabis profit	503,684	234,246	269,438
Sale of land	7,959,332	35,647,753	(27,688,421)
Restricted funds	720,292	83,241	637,051
Aviation operations	290,344	16,797	273,547
Other	157,778	29,106	128,672
	<u>28,040,943</u>	<u>44,873,238</u>	<u>(16,832,295)</u>
<b>Funding and service agreements with other parties</b>			
Third-party health care costs	7,461,173	5,355,508	2,105,665
Canada Health Infoway - system development	2,083,393	-	2,083,393
Airports	1,853,003	1,834,220	18,783
Fire management	1,147,290	-	1,147,290
Continuing and other health care recoveries from clients	848,381	585,295	263,086
Water and sewer	764,421	754,755	9,666
Restricted funds	94,595	371,907	(277,312)
Yukon Zinc Corporation	-	5,460,043	(5,460,043)
Worker's Compensation Health and Safety Board			
- excess reserve rebate	-	2,371,105	(2,371,105)
Other	6,970,072	7,566,501	(596,429)
	<u>21,222,328</u>	<u>24,299,334</u>	<u>(3,077,006)</u>
	<u><b>\$ 1,711,981,270</b></u>	<u><b>\$ 1,609,572,957</b></u>	<u><b>\$ 102,408,313</b></u>

GOVERNMENT OF YUKON

Schedule 2

**Schedule of Revenues by Department  
for the year ended March 31, 2022**

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Over (Under) Estimates
<b>Yukon Legislative Assembly</b>					
<u>Taxes and general revenues</u>					
Income from portfolio investment	\$ 1,396,000	\$ -	\$ 1,396,000	\$ 575,625	\$ (820,375)
<b>Executive Council Office</b>					
<u>From Canada</u>					
Operation and maintenance					
<i>Yukon Environmental Socio-economic Assessment Act</i> implementation					
- Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)	349,000	-	349,000	423,077	74,077
Land claims implementation - CIRNAC	3,874,000	-	3,874,000	3,844,232	(29,768)
Office of the Commissioner - CIRNAC	15,000	-	15,000	4,560	(10,440)
COVID-19 Response					
- Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)	500,000.00	(83,000)	417,000	178,935	(238,065)
	4,738,000	(83,000)	4,655,000	4,450,804	(204,196)
<u>Taxes and general revenues</u>					
Water license fees	25,000	-	25,000	40,627	15,627
<b>Total revenues</b>	<b>4,763,000</b>	<b>(83,000)</b>	<b>4,680,000</b>	<b>4,491,431</b>	<b>(188,569)</b>

GOVERNMENT OF YUKON

Schedule 2

**Schedule of Revenues by Department  
for the year ended March 31, 2022**

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Over (Under) Estimates
<b>Community Services</b>					
<u>From Canada</u>					
Operation and maintenance					
Emergency measures					
Crown-Indigenous Relations and Northern Affairs Canada					
- emergency management	\$ 222,000	\$ -	\$ 222,000	\$ -	\$ (222,000)
National Defense - public safety broadband network	-	-	-	163,104	163,104
Sport	353,000	-	353,000	353,025	25
Community recreation/active living	242,000	549,000	791,000	1,048,146	257,146
Author readings	16,000	-	16,000	6,635	(9,365)
Fire Management	-	250,000	250,000	420,000	170,000
Capital					
Flood / Erosion Control	-	-	-	476,179	476,179
Gas tax fund	2,500,000	-	2,500,000	1,260,699	(1,239,301)
Small Communities Fund	19,444,000	-	19,444,000	17,046,510	(2,397,490)
Clean Water Wastewater fund	-	-	-	(709,387)	(709,387)
Investing in Canada infrastructure program (Protective services)	350,000	-	350,000	164,358	(185,642)
Investing in Canada infrastructure program (Community development)	36,584,000	-	36,584,000	29,164,235	(7,419,765)
	<u>59,711,000</u>	<u>799,000</u>	<u>60,510,000</u>	<u>49,393,504</u>	<u>(11,116,496)</u>

GOVERNMENT OF YUKON

Schedule 2

**Schedule of Revenues by Department  
for the year ended March 31, 2022**

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Over (Under) Estimates
<b>Community Services</b>					
<u>Taxes and general revenues</u>					
Building safety licenses and fees	\$ 500,000	-	\$ 500,000	\$ 1,032,723	\$ 532,723
Tipping Fees	-	-	-	166,692	166,692
Library fines	8,000	-	8,000	3,159	(4,841)
Photocopier fees	2,000	-	2,000	1	(1,999)
Sale of land	21,641,000	(8,554,000)	13,087,000	7,841,132	(5,245,868)
Interest on local improvement	200,000	-	200,000	166,406	(33,594)
General property tax	6,669,000	-	6,669,000	6,398,541	(270,459)
Grant-in-lieu of property tax	239,000	-	239,000	241,188	2,188
Professional/consumer licensing	649,000	-	649,000	638,656	(10,344)
Business/corporate licensing	4,032,000	-	4,032,000	5,778,591	1,746,591
Employment standards	6,000	-	6,000	5,849	(151)
	<u>33,946,000</u>	<u>(8,554,000)</u>	<u>25,392,000</u>	<u>22,272,938</u>	<u>(3,119,062)</u>
<u>Third-party recoveries</u>					
Operation and maintenance					
Shared services	55,000	-	55,000	-	(55,000)
Fire Management	-	-	-	1,147,290	1,147,290
Emergency medical services	75,000	-	75,000	55,806	(19,194)
Community recreation/active living	60,000	-	60,000	114,168	54,168
Sport	959,000	(320,000)	639,000	603,017	(35,983)
Public library	15,000	-	15,000	-	(15,000)
Water and sewer services	981,000	(227,000)	754,000	764,421	10,421
Mosquito control	46,000	-	46,000	45,803	(197)
Community assessments	775,000	-	775,000	799,479	24,479
Capital					
Rural electrification and well program	-	-	-	190,906	190,906
	<u>2,966,000</u>	<u>(547,000)</u>	<u>2,419,000</u>	<u>3,720,890</u>	<u>1,301,890</u>
<b>Total revenues</b>	<b>96,623,000</b>	<b>(8,302,000)</b>	<b>88,321,000</b>	<b>75,387,332</b>	<b>(12,933,668)</b>

GOVERNMENT OF YUKON

Schedule 2

**Schedule of Revenues by Department  
for the year ended March 31, 2022**

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Over (Under) Estimates
<b>Economic Development</b>					
<u>From Canada</u>					
Operation and maintenance					
Canada-Yukon business service centre	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
Yukon business development program	94,000	-	94,000	-	(94,000)
<b>Total revenues</b>	<b>94,000</b>	<b>-</b>	<b>94,000</b>	<b>100,000</b>	<b>6,000</b>
<b>Education</b>					
<u>From Canada</u>					
Operation and maintenance					
Canadian Heritage - French language programs	2,583,000	-	2,583,000	2,586,668	3,668
Student financial assistance					
- Canada student loan	509,000	-	509,000	512,433	3,433
Early Learning and Child Care	-	9,897,000	9,897,000	6,234,228	(3,662,772)
Employment and Social Development Canada					
- labour market development agreement	4,669,000	2,084,000	6,753,000	5,833,486	(919,514)
- workforce development agreement	2,766,000	527,000	3,293,000	3,155,936	(137,064)
Federal COVID-19 Funding					
- Safe return to Class	1,857,000	-	1,857,000	1,094,652	(762,348)
Employment and Social Development Canada					
- workforce development agreement	-	500,000	500,000	483,467	(16,533)
Capital					
Investing in Canada Infrastructure program	4,375,000	2,025,000	6,400,000	2,370,886	(4,029,114)
Early learning and Child Care	-	515,000	515,000	-	(515,000)
	16,759,000	15,548,000	32,307,000	22,271,756	(10,035,244)

GOVERNMENT OF YUKON

Schedule 2

**Schedule of Revenues by Department  
for the year ended March 31, 2022**

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Over (Under) Estimates
<b>Education</b>					
<u>Taxes and general revenues</u>					
Extension programs fees	\$ 5,000	\$ (5,000)	\$ -	\$ -	\$ -
Summer school fees	10,000	-	10,000	7,560	(2,440)
Apprenticeship and certification	1,000	-	1,000	1,539	539
Trade school registration fees	1,000	-	1,000	100	(900)
	<u>17,000</u>	<u>(5,000)</u>	<u>12,000</u>	<u>9,199</u>	<u>(2,801)</u>
<u>Third-party recoveries</u>					
Operation and maintenance					
Victoria Gold Yukon Student Encouragement Society	25,000	95,000	120,000	120,000	-
Student accommodation	80,000	-	80,000	35,550	(44,450)
Staff accommodation rental	40,000	-	40,000	26,991	(13,009)
Stikine students	167,000	97,000.00	264,000	110,000	(154,000)
Facility lease	-	16,000.00	16,000	19,948	3,948
Yukon Association of Education Professionals - Teachers on call	80,000	-	80,000	37,543	(42,457)
Council of Ministers of Education of Canada agreement - monitors	350,000	-	350,000	259,795	(90,205)
Capital					
School-based information technology	88,000	-	88,000	78,724	(9,276)
	<u>830,000</u>	<u>208,000</u>	<u>1,038,000</u>	<u>688,551</u>	<u>(349,449)</u>
<b>Total revenues</b>	<b>17,606,000</b>	<b>15,751,000</b>	<b>33,357,000</b>	<b>22,969,506</b>	<b>(10,387,494)</b>

GOVERNMENT OF YUKON

Schedule 2

**Schedule of Revenues by Department  
for the year ended March 31, 2022**

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Over (Under) Estimates
<b>Energy, Mines and Resources</b>					
<u>From Canada</u>					
Operation and maintenance					
Agriculture Canada					
- Canadian agricultural partnership	\$ 766,000	\$ 59,000	\$ 825,000	\$ 681,072	\$ (143,928)
- rent	3,000	-	3,000	3,000	-
- Canadian Food Inspection Agency	2,000	-	2,000	1,500	(500)
- regional collaborative partnership	15,000	-	15,000	14,948	(52)
Canadian Northern Economic Development Agency					
- IDEA North	-	-	-	80,000	80,000
- Multiyear Development plan - Agriculture	-	-	-	25,000	25,000
Natural Resources Canada					
- strategic partnership initiative - biomass	-	-	-	58,313	58,313
- strategic partnership initiative - oil and gas related	-	-	-	11,964	11,964
- clean energy for rural and remote communities	262,000	103,000	365,000	196,316	(168,684)
- emerging renewable power program	955,000	-	955,000	955,000	-
- cold climate study	-	35,000	35,000	34,275	(725)
Environment and Climate Change Canada					
- low carbon economy	4,954,000	-	4,954,000	2,639,887	(2,314,113)
Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)					
- Type II mine sites	9,420,000	-	9,420,000	6,662,122	(2,757,878)
Fish Habitat Management System	-	120,000	120,000	121,007	1,007
Capital					
Natural Resources Canada - Zero-Emission					
- Vehicle infrastructure program	200,000	395,000	595,000	595,000	-
			-		
	16,577,000	712,000	17,289,000	12,079,404	(5,209,596)



GOVERNMENT OF YUKON

Schedule 2

**Schedule of Revenues by Department  
for the year ended March 31, 2022**

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Over (Under) Estimates
<b>Energy, Mines and Resources</b>					
<u>Taxes and general revenues</u>					
Land management					
- lands administration/interest	\$ 150,000	\$ -	\$ 150,000	\$ 1,410,264	\$ 1,260,264
- land sales fees	20,000	-	20,000	59,273	39,273
- land leases	189,000	-	189,000	194,098	5,098
- land use fees	21,000	-	21,000	14,205	(6,795)
- quarrying royalties and leases	80,000	-	80,000	92,337	12,337
- sale of land	200,000	-	200,000	118,200	(81,800)
Land planning					
- application fees	7,000	-	7,000	4,600	(2,400)
Forest management					
- application fees	3,000	-	3,000	1,736	(1,264)
- timber royalty	20,000	-	20,000	17,407	(2,593)
- development fee	10,000	-	10,000	11,597	1,597
- road charge	15,000	-	15,000	25,607	10,607
Agricultural land application and grazing lease fees	5,000	-	5,000	64,709	59,709
Oil and gas resources - rentals and administration	65,000	-	65,000	-	(65,000)
Mineral resources					
- coal leases, permits and royalties	22,000	-	22,000	6,322	(15,678)
- placer mining fees	385,000	-	385,000	390,160	5,160
- quartz mining fees and leases	1,635,000	-	1,635,000	9,639,628	8,004,628
- maps, publications and charts	5,000	-	5,000	1,588	(3,412)
	<u>2,832,000</u>	<u>-</u>	<u>2,832,000</u>	<u>12,051,731</u>	<u>9,219,731</u>

GOVERNMENT OF YUKON

Schedule 2

**Schedule of Revenues by Department  
for the year ended March 31, 2022**

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Over (Under) Estimates
<b>Energy, Mines and Resources</b>					
<u>Third-party recoveries</u>					
Operation and maintenance					
Land management					
- legal surveys	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ (10,000)
Agriculture conference	3,000	-	3,000	-	(3,000)
Forest management - Trans Canada Trail	-	-	-	1,000	1,000
	13,000	-	13,000	1,000	(12,000)
Total revenues	<b>19,422,000</b>	<b>712,000</b>	<b>20,134,000</b>	<b>24,132,135</b>	<b>3,998,135</b>

GOVERNMENT OF YUKON

Schedule 2

**Schedule of Revenues by Department  
for the year ended March 31, 2022**

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Over (Under) Estimates
<b>Environment</b>					
<u>From Canada</u>					
Operation and maintenance					
Inuvialuit Final Agreement	\$ 1,545,000	\$ 334,000	\$ 1,879,000	\$ 1,549,797	\$ (329,203)
Climate change preparedness in the North	104,000	291,000	395,000	473,868	78,868
Environmental sustainability - miscellaneous partnerships	48,000	-	48,000	-	(48,000)
Environmental occurrences notification agreement	6,000	-	6,000	5,982	(18)
Marwell tar pit remediation	70,000	-	70,000	31,048	(38,952)
Parks Canada	15,000	-	15,000	-	(15,000)
Habitat stewardship program	265,000	-	265,000	259,153	(5,847)
Environment and climate change Canada	362,000	67,000	429,000	741,000	312,000
CIRNAC - Our Clean Future	-	25,000,000	25,000,000	25,000,000	-
Polar Knowledge	63,000	-	63,000	-	(63,000)
Capital					
Investing in Canada infrastructure program	-	263,000	263,000	16,786	(246,214)
	2,478,000	25,955,000	28,433,000	28,077,634	(355,366)
<u>Taxes and general revenues</u>					
Campground permits	586,000	(286,000)	300,000	342,536	42,536
Wilderness tourism licensing	8,000	-	8,000	5,400	(2,600)
Hunting licenses and seals	465,000	-	465,000	434,588	(30,412)
Trapping and fur licenses	6,000	-	6,000	5,273	(727)
Fishing licenses	344,000	(144,000)	200,000	193,822	(6,178)
Outfitting fees	10,000	-	10,000	7,505	(2,495)
	1,419,000	(430,000)	989,000	989,124	124

GOVERNMENT OF YUKON

Schedule 2

**Schedule of Revenues by Department  
for the year ended March 31, 2022**

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Over (Under) Estimates
<b>Environment</b>					
<u>Third-party recoveries</u>					
Operation and maintenance					
Advertising recoveries - publications	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ (10,000)
Mapping recoveries	10,000	-	10,000	1,901	(8,099)
Environmental sustainability - miscellaneous partnerships	48,000	-	48,000	(421)	(48,421)
Compulsory inspections - Province of British Columbia	2,000	-	2,000	2,500	500
Conservation Action Team	2,000	-	2,000	-	(2,000)
BMC Minerals	-	-	-	92,728	92,728
Carcross Tagish Renewable Resource Council	-	33,000	33,000	27,500	(5,500)
Government of Northwest Territories	-	30,000	30,000	-	(30,000)
Polar Knowledge	-	10,000	10,000	82,868	72,868
United States Geological Survey	-	23,000	23,000	-	(23,000)
Standards and approvals - technical review	45,000	-	45,000	21,100	(23,900)
NatureServe Canada	-	-	-	-	-
- Yukon conservation data	34,000	-	34,000	-	(34,000)
Trapper education workshop	26,000	-	26,000	35,070	9,070
Environmental liabilities and remediation	-	-	-	-	-
- Yukon Housing Corporation	15,000	-	15,000	-	(15,000)
	192,000	96,000	288,000	263,246	(24,754)
<b>Total revenues</b>	<b>4,089,000</b>	<b>25,621,000</b>	<b>29,710,000</b>	<b>29,330,004</b>	<b>(379,996)</b>

GOVERNMENT OF YUKON

Schedule 2

**Schedule of Revenues by Department  
for the year ended March 31, 2022**

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Over (Under) Estimates
<b>Finance</b>					
<u>From Canada</u>					
Formula Financing grant	\$ 1,117,650,000	\$ -	\$ 1,117,650,000	\$ 1,117,650,109	\$ 109
Canada health transfer	47,925,000	-	47,925,000	48,478,000	553,000
Canada social transfer	17,196,000	-	17,196,000	17,394,000	198,000
Cannabis transfer	509,000	261,000	770,000	747,578	(22,422)
	<u>1,183,280,000</u>	<u>261,000</u>	<u>1,183,541,000</u>	<u>1,184,269,687</u>	<u>728,687</u>
<u>Taxes and general revenues</u>					
Personal income tax	76,410,000	19,661,000	96,071,000	101,790,231	5,719,231
Corporate income tax	17,616,000	12,841,000	30,457,000	27,997,244	(2,459,756)
Fuel oil tax	8,610,000	(331,000)	8,279,000	8,729,102	450,102
Insurance premium tax	6,411,000	875,000	7,286,000	7,437,893	151,893
Tobacco tax	13,222,000	(25,000)	13,197,000	12,894,018	(302,982)
Banking and investment	1,285,000	415,000	1,700,000	1,494,194	(205,806)
Interest on advance to Territorial Corporation	1,051,000	-	1,051,000	368,602	(682,398)
Interest on accounts receivable	5,000	-	5,000	8,452	3,452
Miscellaneous revenue	50,000	-	50,000	36,110	(13,890)
Preferred dividend tax	-	-	-	48,214	48,214
Exchange Rate Expense	-	-	-	12,695	12,695
Delinquent Charge Tax	-	-	-	(439)	(439)
	<u>124,660,000</u>	<u>33,436,000</u>	<u>158,096,000</u>	<u>160,816,316</u>	<u>2,720,316</u>

GOVERNMENT OF YUKON

Schedule 2

**Schedule of Revenues by Department  
for the year ended March 31, 2022**

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Over (Under) Estimates
<b>Finance</b>					
<u>Third-party recoveries</u>					
Operation and maintenance					
Workers' Compensation Health and Safety Board payroll	\$ 12,000	\$ -	\$ 12,000	\$ 12,000	\$ -
Charge card incentive	50,000	-	50,000	20,789	(29,211)
Yukon Bureau of Statistics - recoverable services	-	-	-	97,679	97,679
	62,000	-	62,000	130,468	68,468
<b>Total revenues</b>	<b>1,308,002,000</b>	<b>33,697,000</b>	<b>1,341,699,000</b>	<b>1,345,216,471</b>	<b>3,517,471</b>
<b>French Language Services Directorate</b>					
<u>From Canada</u>					
Operation and maintenance					
Canadian Heritage	5,700,000	-	5,700,000	5,712,049	12,049
<u>Third-party recoveries</u>					
Ministerial Conference on the Canadian Francophonie	200,000	-	200,000	212,049	12,049
Societe Sante en francais inc.	-	-	-	25,000	25,000
	200,000	-	200,000	237,049	37,049
<b>Total revenues</b>	<b>5,900,000</b>	<b>-</b>	<b>5,900,000</b>	<b>5,949,098</b>	<b>49,098</b>

GOVERNMENT OF YUKON

Schedule 2

**Schedule of Revenues by Department  
for the year ended March 31, 2022**

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Over (Under) Estimates
<b>Health and Social Services</b>					
<u>From Canada</u>					
Operation and maintenance					
COVID-19 Response					
- Helping Health Care Systems Recover	\$ 4,427,000	\$ -	\$ 4,427,000	\$ 4,427,000	\$ -
- Canada's COVID-19 Immunization Plan	1,107,000	-	1,107,000	1,107,000	-
- Safe Restart Agreement - Data Fund	-	2,074,000	2,074,000	2,073,523	(477)
- HEOC PHAC Safe Isolation Funding	-	-	-	53,244	53,244
- Health Human Resources Assistance Program	-	-	-	279,683	279,683
- Safe Long Term Care	-	3,078,000	3,078,000	3,094,709	16,709
- Self isolation	-	4,022,000	4,022,000	4,016,390	(5,610)
- Public Health Agency of Canada - Immunization Partnership Fund	-	1,500,000	1,500,000	1,500,000	-
- Personal Protective Equipment & Rapid Tets - In-Kind Contribution	-	-	-	3,898,585	3,898,585
Territorial health investment fund	8,496,000	2,438,000	10,934,000	4,740,250	(6,193,750)
Child welfare	9,997,000	1,186,000	11,183,000	9,048,645	(2,134,355)
Nits'aw Chua Transition Home	-	-	-	752,575	752,575
Federal child benefit	370,000	-	370,000	258,659	(111,341)
Transition Homes	296,000	-	296,000	166,813	(129,187)
Youth criminal justice	881,000	-	881,000	1,342,865	461,865
Social assistance	415,000	-	415,000	518,000	103,000
Health Canada					
- mental health	630,000	-	630,000	674,359	44,359
- home care	940,000	-	940,000	1,011,538	71,538
- Official Languages Health Program	124,000	-	124,000	258,779	134,779
Assisted Living	1,175,000	2,700,000	3,875,000	3,999,776	124,776
Mental Wellness and Substance Use - Youth Criminal Justice	300,000	-	300,000	300,000	-
Travel recoveries - First Nations benefits	2,000,000	-	2,000,000	2,135,375	135,375
Hearing assessments and aids	61,000	-	61,000	17,297	(43,703)
Congenital anomalies surveillance	85,000	-	85,000	82,500	(2,500)
Chronic disease surveillance	112,000	-	112,000	112,124	124
Canadian Partnership Against Cancer	100,000	-	100,000	94,694	(5,306)
Opioid treatment	120,000	-	120,000	120,245	245

GOVERNMENT OF YUKON

Schedule 2

**Schedule of Revenues by Department  
for the year ended March 31, 2022**

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Over (Under) Estimates
<b>Health and Social Services</b>					
<u>From Canada (continued)</u>					
Continuing care facilities	\$ 9,450,000	\$ -	\$ 9,450,000	\$ 9,620,843	\$ 170,843
Substance Use and Addictions Program (SUAP)	-	264,000	264,000	263,708	(292)
Capital					
Investing in Canada Infrastructure Program	5,700,000		5,700,000	5,700,000	-
	<b>46,786,000</b>	<b>17,262,000</b>	<b>64,048,000</b>	<b>61,669,179</b>	<b>(2,378,821)</b>
<u>Taxes and general revenues</u>					
Registration and fees	36,000	-	36,000	39,295	3,295
Environmental health - inspection/permits	10,000	-	10,000	12,910	2,910
Continuing care facilities	4,274,000	(651,000)	3,623,000	3,453,810	(169,190)
	<b>4,320,000</b>	<b>(651,000)</b>	<b>3,669,000</b>	<b>3,506,015</b>	<b>(162,985)</b>
<u>Third-party recoveries</u>					
Operation and maintenance					
Social supports					
- client recovery	50,000	-	50,000	127,126	77,126
- social assistance	80,000	-	80,000	100,932	20,932
Third-party health care costs	8,567,000	-	8,567,000	7,461,173	(1,105,827)
Hearing assessments and aids	587,000	-	587,000	536,673	(50,327)
Rental recovery	-	-	-	74,312	74,312
Community health					
- Yukon immunization program	50,000	-	50,000	14,322	(35,678)
Community nursing					
- patient services	167,000	-	167,000	126,788	(40,212)
- drugs and vaccines	10,000	-	10,000	792	(9,208)
- rent/utility recoveries	116,000	-	116,000	63,936	(52,064)
- Lower Post recovery	15,000	-	15,000	15,789	789



GOVERNMENT OF YUKON

Schedule 2

**Schedule of Revenues by Department  
for the year ended March 31, 2022**

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Over (Under) Estimates
<b>Health and Social Services</b>					
<u>Third party recoveries (continued)</u>					
Continuing care facilities					
- McDonald Lodge food services	\$ 120,000	\$ -	\$ 120,000	\$ 130,008	\$ 10,008
- Continuing Care Non-Federal Recoveries	40,000	-	40,000	458,614	418,614
- Canadian Partnership Against Cancer	170,000	-	170,000	195,823	25,823
Canadian partnership against cancer					
- smoking cessation	70,000	-	70,000	10,521	(59,479)
- Yukon First nations cancer care	286,000	-	286,000	152,689	(133,311)
Capital					
Canada Health Infoway					
- 1Health (Meditech)	-	2,310,000	2,310,000	2,083,393	(226,607)
	10,328,000	2,310,000	12,638,000	11,552,891	(1,085,109)
Total revenues	<b>61,434,000</b>	<b>18,921,000</b>	<b>80,355,000</b>	<b>76,728,085</b>	<b>(3,626,915)</b>

GOVERNMENT OF YUKON

Schedule 2

**Schedule of Revenues by Department  
for the year ended March 31, 2022**

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Over (Under) Estimates
<b>Highways and Public Works</b>					
<u>From Canada</u>					
Operation and maintenance					
Covid-19 Response					
- Aviation	\$ -	\$ 7,645,000	\$ 7,645,000	\$ 8,892,636	\$ 1,247,636
Mobile radio system					
- RCMP	2,396,000	-	2,396,000	2,453,548	57,548
- other federal agencies	69,000	-	69,000	26,290	(42,710)
Transportation - recoverable services	155,000	-	155,000	33,596	(121,404)
National safety code agreement	153,000	-	153,000	152,567	(433)
Motor vehicles	15,000	-	15,000	15,000	-
Airports	60,000	-	60,000	61,436	1,436
Leases/facility management agreements	32,000	-	32,000	157,503	125,503
Capital				-	
Small Communities fund	9,000,000	-	9,000,000	7,060,483	(1,939,517)
Yukon Resource Gateway project	11,625,000	-	11,625,000	2,689,801	(8,935,199)
National Trade Corridors Fund	15,462,000	-	15,462,000	24,766,853	9,304,853
Canadian Air Transport Security Authority	-	-	-	447,793	447,793
Airports Capital Assistance Program	2,025,000	-	2,025,000	216,252	(1,808,748)
Connect to Innovate fund	6,684,000	-	6,684,000	5,841,405	(842,595)
Mobile radio system	93,000	-	93,000	-	(93,000)
Investing in Canada infrastructure program	9,684,000	(248,000)	9,436,000	6,681,390	(2,754,610)
Natural Resources Canada	-	-	-	58,349	58,349
Parks Canada	-	-	-	10,000	10,000
	<b>57,453,000</b>	<b>7,397,000</b>	<b>64,850,000</b>	<b>59,564,902</b>	<b>(5,285,098)</b>

GOVERNMENT OF YUKON

Schedule 2

**Schedule of Revenues by Department  
for the year ended March 31, 2022**

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Over (Under) Estimates
<b>Highways &amp; Public Works</b>					
<u>Taxes and general revenues</u>					
Queen's Printer subscriptions	\$ -	\$ -	\$ -	\$ 3,408	\$ 3,408
Sale of government surplus equipment	46,000	-	46,000	96,553	50,553
Access to Information and Protection of Privacy	10,000	-	10,000	17,585	7,585
Highway information signs/permits	11,000	-	11,000	14,275	3,275
Aviation operations	1,345,000	(450,000)	895,000	290,344	(604,656)
National safety code - fees/materials	26,000	-	26,000	23,792	(2,208)
Weigh station fees	158,000	-	158,000	189,245	31,245
Private vehicle registration/permits	1,705,000	-	1,705,000	1,874,784	169,784
Commercial vehicle registration/permits	3,102,000	-	3,102,000	3,269,334	167,334
Driver licenses/fees	513,000	-	513,000	346,189	(166,811)
Land use fees	12,000	-	12,000	12,000	-
	<b>6,928,000</b>	<b>(450,000)</b>	<b>6,478,000</b>	<b>6,137,509</b>	<b>(340,491)</b>
<u>Third-party recoveries</u>					
Operation and maintenance					
Deposit forfeitures					
Travel agent processing	34,000	-	34,000	2,158	(31,842)
Industry conference and reverse tradeshow	12,000	-	12,000	5,000	(7,000)
Information and communications technology service agreements	697,000	-	697,000	737,513	40,513
Transportation - recoverable services	296,000	-	296,000	184,467	(111,533)
Airports	1,905,000	-	1,905,000	1,853,003	(51,997)
Motor Vehicles	-	-	-	369	369
Leases/facility management agreements	379,000	-	379,000	463,573	84,573
Capital					
Dempster Fibre Project	4,320,000	(320,000)	4,000,000	-	(4,000,000)
Quarry Permit	-	-	-	17,000	17,000
	<b>7,643,000</b>	<b>(320,000)</b>	<b>7,323,000</b>	<b>3,263,083</b>	<b>(4,059,917)</b>
<b>Total revenues</b>	<b>72,024,000</b>	<b>6,627,000</b>	<b>78,651,000</b>	<b>68,965,494</b>	<b>(9,685,506)</b>

GOVERNMENT OF YUKON

Schedule 2

**Schedule of Revenues by Department  
for the year ended March 31, 2022**

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Over (Under) Estimates
<b>Justice</b>					
<u>From Canada</u>					
Operation and maintenance					
Court Services - French language training	\$ 15,000	\$ -	\$ 15,000	\$ -	\$ (15,000)
Administration of Justice Agreements	462,000	-	462,000	-	(462,000)
Legal aid	1,116,000	-	1,116,000	1,116,000	-
Indigenous courtworker program	308,000	-	308,000	313,600	5,600
Yukon Public Legal Education Association	163,000	-	163,000	163,000	-
Family justice activities	207,000	-	207,000	207,000	-
Family mediation services	197,000	-	197,000	181,410	(15,590)
Cannabis and impaired driving	480,000	-	480,000	259,656	(220,344)
Exchange of service agreement	30,000	-	30,000	10,465	(19,535)
Arrest processing unit	1,913,000	-	1,913,000	1,967,400	54,400
Federal Victims Fund	-	625,000	625,000	547,060	(77,940)
Community Justice Coordinate Meeting	-	-	-	55,534	55,534
Guns and gang violence action fund	623,000	-	623,000	638,735	15,735
Drug treatment court funding	100,000	-	100,000	109,101	9,101
Justice Partnerships and Innovation Program	-	150,000	150,000	136,057	(13,943)
Family information liaison unit	285,000	-	285,000	213,635	(71,365)
Community safety officer (CSO) Recovery	208,000	-	208,000	208,000	-
Capital					
Federal Victims Fund	-	60,000	60,000	-	(60,000)
	<b>6,107,000</b>	<b>835,000</b>	<b>6,942,000</b>	<b>6,126,653</b>	<b>(815,347)</b>
<u>Taxes and general revenues</u>					
Court fees	500,000	-	500,000	477,169	(22,831)
Sheriff's Office	58,000	-	58,000	49,378	(8,622)
Public guardian and trustee fees	35,000	-	35,000	34,965	(35)
Land titles fees	370,000	-	370,000	718,776	348,776
	<b>963,000</b>	<b>-</b>	<b>963,000</b>	<b>1,280,288</b>	<b>317,288</b>

GOVERNMENT OF YUKON

Schedule 2

**Schedule of Revenues by Department  
for the year ended March 31, 2022**

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Over (Under) Estimates
<b>Justice</b>					
<u>Third-party recoveries</u>					
Operation and maintenance					
Public Utilities Board hearings	\$ 100,000	\$ -	\$ 100,000	\$ 444,238	\$ 344,238
Worker advocate	517,000	(24,000)	493,000	330,049	(162,951)
Outreach worker - Province of British Columbia	44,000	-	44,000	44,745	745
	<u>661,000</u>	<u>(24,000)</u>	<u>637,000</u>	<u>819,032</u>	<u>182,032</u>
Total revenues	<b>7,731,000</b>	<b>811,000</b>	<b>8,542,000</b>	<b>8,225,973</b>	<b>(316,027)</b>
<b>Public Service Commission</b>					
<u>From Canada</u>					
Operation and maintenance					
Health, Safety and Well-Being	5,000	-	5,000	-	(5,000)
	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
<u>Third-party recoveries</u>					
Operation and maintenance					
Human resource business partners	234,000	-	234,000	-	(234,000)
Human resource shared services	77,000	-	77,000	-	(77,000)
Organizational development	5,000	-	5,000	-	(5,000)
Health, safety and well-being	5,000	-	5,000	-	(5,000)
	<u>321,000</u>	<u>-</u>	<u>321,000</u>	<u>-</u>	<u>(321,000)</u>
Total revenues	<b>326,000</b>	<b>-</b>	<b>326,000</b>	<b>-</b>	<b>(326,000)</b>

GOVERNMENT OF YUKON

Schedule 2

**Schedule of Revenues by Department  
for the year ended March 31, 2022**

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Over (Under) Estimates
<b>Tourism and Culture</b>					
<u>From Canada</u>					
Operations and Maintenance					
Canada Council for the Arts - Arctic Arts Summit 2022	\$ -	\$ -	\$ -	\$ 150,000	\$ 150,000
Capital					
Canadian Northern Economic Development Agency - signage - Yukon Signage Modernization Project	-	-	-	(42,642)	(42,642)
	-	-	-	107,358	107,358
<u>Taxes and general revenues</u>					
Yukon Beringia Interpretive Centre	70,000	-	70,000	26,429	(43,571)
Archives - reproduction fees	16,000	-	16,000	7,423	(8,577)
Vacation guide advertising revenue	75,000	-	75,000	-	(75,000)
	161,000	-	161,000	33,852	(127,148)
<u>Third-party recoveries</u>					
Operation and maintenance					
Yukon Lottery Commission	467,000	-	467,000	451,523	(15,477)
	467,000	-	467,000	451,523	(15,477)
<b>Total revenues</b>	<b>628,000</b>	<b>-</b>	<b>628,000</b>	<b>592,733</b>	<b>(35,267)</b>
<b>Women and Gender Equity Directorate</b>					
<u>From Canada</u>					
Operation and maintenance					
Women and Gender Equality Canada	347,000	-	347,000	347,000	-
Women and Gender Equality Canada - Sally and Sisters	-	90,000	90,000	90,000	-
<b>Total revenues</b>	<b>347,000</b>	<b>90,000</b>	<b>437,000</b>	<b>437,000</b>	<b>-</b>

GOVERNMENT OF YUKON

Schedule 2

**Schedule of Revenues by Department  
for the year ended March 31, 2022**

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Over (Under) Estimates
<b>Yukon Development Corporation</b>					
<u>From Canada</u>					
Capital					
Investing in Canada Infrastructure Program	\$ 16,860,000	\$ 80,000	\$ 16,940,000	\$ 6,710,567	\$ (10,229,433)
- Arctic Energy fund	14,428,000	(5,946,000)	8,482,000	4,904,872	(3,577,128)
<b>Total revenues</b>	<b>31,288,000</b>	<b>(5,866,000)</b>	<b>25,422,000</b>	<b>11,615,439</b>	<b>(13,806,561)</b>
<b>Yukon Liquor Corporation</b>					
<u>Taxes and general revenues</u>					
Corporate net income					
- liquor profit	9,200,000	(589,000)	8,611,000	8,317,056	(293,944)
- cannabis profit	-	-	-	503,684	503,684
Liquor tax	5,029,000	106,000	5,135,000	5,017,867	(117,133)
<b>Total revenues</b>	<b>14,229,000</b>	<b>(483,000)</b>	<b>13,746,000</b>	<b>13,838,607</b>	<b>92,607</b>
<b>Interest</b>					
<u>Taxes and general revenues</u>					
Interest	90,000	-	90,000	86,496	(3,504)

GOVERNMENT OF YUKON

Schedule 2

**Schedule of Revenues by Department  
for the year ended March 31, 2022**

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Over (Under) Estimates
<b>Restricted Funds</b>					
<u>From Canada</u>					
Carbon amounts received	\$ -	\$ -	\$ -	\$ 22,489,954	\$ 22,489,954
Canada Region Relief and Recovery	-	-	-	35,000	35,000
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,524,954</b>	<b>22,524,954</b>
<u>Taxes and general revenues</u>					
Gain on sale of tangible capital assets	-	-	-	240,519	240,519
Other revenue	-	-	-	479,773	479,773
	-	-	-	720,292	720,292
<u>Third-party recoveries</u>					
Operation and maintenance Restricted funds	-	-	-	94,595	94,595
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,339,841</b>	<b>23,339,841</b>
<b>Totals</b>					
From Canada	1,431,323,000	62,910,000	1,494,233,000	1,468,400,323	(25,832,677)
Taxes and general revenues	190,986,000	22,863,000	213,849,000	222,358,619	8,509,619
Third-party recoveries	23,683,000	1,723,000	25,406,000	21,222,328	(4,183,672)
<b>Total revenues</b>	<b>\$ 1,645,992,000</b>	<b>\$ 87,496,000</b>	<b>\$ 1,733,488,000</b>	<b>\$ 1,711,981,270</b>	<b>\$ (21,506,730)</b>



## GOVERNMENT OF YUKON

Schedule 3

**Non-Consolidated Comparative Schedule of Expenses  
for the year ended March 31, 2022**

	2021-22	2020-21	Increase (Decrease)
<b>Yukon Legislative Assembly</b>			
Operation and maintenance			
Legislative services	\$ 3,660,059	\$ 3,601,849	\$ 58,210
Legislative Assembly Office	1,108,601	926,748	181,853
Retirement allowances and death benefits	239,598	3,692,854	(3,453,256)
Hansard	615,768	476,993	138,775
Conflicts Commission	66,057	36,199	29,858
	<u>5,690,083</u>	<u>8,734,643</u>	<u>(3,044,560)</u>
Capital			
Legislative Assembly Office	37,690	40,359	(2,669)
Retirement Allowances	4,487,806	-	4,487,806
Total expenses	<u>10,215,579</u>	<u>8,775,002</u>	<u>1,440,577</u>
<b>Elections Office</b>			
Operation and maintenance			
Elections	1,244,206	845,781	398,425
Capital			
Elections	4,914	4,631	283
Total expenses	<u>1,249,120</u>	<u>850,412</u>	<u>398,708</u>
<b>Office of the Ombudsman</b>			
Operation and maintenance			
Office of the Ombudsman	1,520,632	1,377,609	143,023
Capital			
Office of the Ombudsman	4,669	9,780	(5,111)
Amortization expense	11,997	11,997	-
Total expenses	<u>1,537,298</u>	<u>1,399,386</u>	<u>137,912</u>

## GOVERNMENT OF YUKON

Schedule 3

**Non-Consolidated Comparative Schedule of Expenses  
for the year ended March 31, 2022**

	2021-22	2020-21	Increase (Decrease)
<b>Child and Youth Advocate Office</b>			
Operation and maintenance			
Child and Youth Advocate Office	\$ 763,576	\$ 744,664	\$ 18,912
Capital			
Child and Youth Advocate Office	626	2,160	(1,534)
<b>Total expenses</b>	<b>764,202</b>	<b>746,824</b>	<b>17,378</b>
<b>Executive Council Office</b>			
Operation and maintenance			
Strategic corporate services	4,355,455	3,951,130	404,325
Aboriginal relations	8,866,956	8,340,717	526,239
Corporate programs and intergovernmental relations	6,732,659	6,792,828	(60,169)
Government internal audit services	612,592	408,184	204,408
Office of the Commissioner	258,202	213,691	44,511
Cabinet Offices	3,290,793	2,757,467	533,326
COVID-19 Response	349,448	389,480	(40,032)
	24,466,105	22,853,497	1,612,608
Capital			
Corporate Services	6,534	9,460	(2,926)
Amortization expense	8,060	9,373	(1,313)
<b>Total expenses</b>	<b>24,480,699</b>	<b>22,872,330</b>	<b>1,608,369</b>

## GOVERNMENT OF YUKON

Schedule 3

**Non-Consolidated Comparative Schedule of Expenses  
for the year ended March 31, 2022**

	2021-22	2020-21	Increase (Decrease)
<b>Community Services</b>			
Operation and maintenance			
COVID-19 response	\$ 1,828,344	\$ 9,890,498	\$ (8,062,154)
Corporate services	5,706,715	4,740,580	966,135
Protective services	47,743,153	34,095,635	13,647,518
Community development	47,562,153	46,081,905	1,480,248
Corporate policy and Consumer affairs	13,148,212	12,131,907	1,016,305
	<u>115,988,577</u>	<u>106,940,525</u>	<u>9,048,052</u>
Capital			
COVID-19 response	23,371	185,791	(162,420)
Protective services	1,796,857	1,856,142	(59,285)
Community development	81,903,820	92,036,693	(10,132,873)
Corporate policy and consumer affairs	2,368,508	2,804,524	(436,016)
	<u>86,092,556</u>	<u>96,883,150</u>	<u>(10,790,594)</u>
Less: Acquisition of tangible capital assets	(9,484,122)	(3,039,592)	(6,444,530)
Land development costs transferred to land inventory	(12,080,628)	(19,499,714)	7,419,086
Local improvement costs transferred to loans receivable	(2,196,212)	(2,255,670)	59,458
	<u>62,331,594</u>	<u>72,088,174</u>	<u>(9,756,580)</u>
Cost of land sold	<u>7,886,829</u>	<u>33,630,477</u>	<u>(25,743,648)</u>
Amortization expense	<u>6,650,885</u>	<u>6,777,069</u>	<u>(126,184)</u>
Bad debts expense	<u>182,265</u>	<u>540,013</u>	<u>(357,748)</u>
<b>Total expenses</b>	<b><u>193,040,150</u></b>	<b><u>219,976,258</u></b>	<b><u>(26,936,108)</u></b>

## GOVERNMENT OF YUKON

Schedule 3

**Non-Consolidated Comparative Schedule of Expenses  
for the year ended March 31, 2022**

	2021-22	2020-21	Increase (Decrease)
<b>Economic Development</b>			
Operation and maintenance			
COVID-19 response	\$ 8,378,427	\$ 16,291,241	\$ (7,912,814)
Corporate services	3,185,156	2,051,218	1,133,938
Operations	11,686,966	13,460,558	(1,773,592)
	<u>23,250,549</u>	<u>31,803,017</u>	<u>(8,552,468)</u>
Capital			
Corporate services	44,880	7,423	37,457
Operations	558,714	1,061,387	(502,673)
	<u>603,594</u>	<u>1,068,810</u>	<u>(465,216)</u>
<b>Total expenses</b>	<b><u>23,854,143</u></b>	<b><u>32,871,827</u></b>	<b><u>(9,017,684)</u></b>
<b>Education</b>			
Operation and maintenance			
COVID-19 response	3,906,911	6,073,698	(2,166,787)
Education support services	4,822,223	3,984,227	837,996
Schools and student services	123,637,820	124,789,362	(1,151,542)
Policy and partnerships	56,350,459	16,982,936	39,367,523
Yukon University	27,668,052	28,531,922	(863,870)
First Nations initiatives	7,053,706	7,526,360	(472,654)
	<u>223,439,171</u>	<u>187,888,505</u>	<u>35,550,666</u>
Capital			
Education support services	298,398	394,135	(95,737)
Schools and student Services	12,516,412	15,931,806	(3,415,394)
Yukon University	500,000	400,000	100,000
	<u>13,314,810</u>	<u>16,725,941</u>	<u>(3,411,131)</u>
Less acquisition of tangible capital assets	<u>(7,725,015)</u>	<u>(12,872,373)</u>	<u>5,147,358</u>
	<u>5,589,795</u>	<u>3,853,568</u>	<u>1,736,227</u>
Amortization expense	<u>7,745,223</u>	<u>7,683,112</u>	<u>62,111</u>
<b>Total expenses</b>	<b><u>236,774,189</u></b>	<b><u>199,425,185</u></b>	<b><u>37,349,004</u></b>

## GOVERNMENT OF YUKON

Schedule 3

**Non-Consolidated Comparative Schedule of Expenses  
for the year ended March 31, 2022**

	2021-22	2020-21	Increase (Decrease)
<b>Energy, Mines and Resources</b>			
Operation and maintenance			
COVID-19 response	\$ -	\$ 1,100,000	\$ (1,100,000)
Corporate services	3,318,543	3,291,758	26,785
Sustainable resources	11,248,494	10,915,106	333,388
Energy, corporate policy and communications	10,341,369	9,238,244	1,103,125
Oil and gas and mineral resources	33,347,752	25,719,467	7,628,285
Compliance monitoring & inspections	7,526,374	8,429,698	(903,324)
	<u>65,782,532</u>	<u>58,694,273</u>	<u>7,088,259</u>
Capital			
Corporate services	885,468	71,240	814,228
Resource management	240,706	354,839	(114,133)
	<u>1,126,174</u>	<u>426,079</u>	<u>700,095</u>
Less: Acquisition of tangible capital assets	(935,340)	(192,040)	(743,300)
Land development costs transferred to land inventory	(112,305)	(143,881)	31,576
	<u>78,529</u>	<u>90,158</u>	<u>(11,629)</u>
Cost of land sold	139,958	-	139,958
Amortization expense	579,347	515,780	63,567
Environmental liabilities (net)	(45,154)	(54,710)	9,556
<b>Total expenses</b>	<u><b>66,535,212</b></u>	<u><b>59,245,501</b></u>	<u><b>7,289,711</b></u>

## GOVERNMENT OF YUKON

Schedule 3

**Non-Consolidated Comparative Schedule of Expenses  
for the year ended March 31, 2022**

	2021-22	2020-21	Increase (Decrease)
<b>Environment</b>			
Operation and maintenance			
COVID-19 response	\$ -	\$ 1,222,968	\$ (1,222,968)
Corporate services	12,325,804	10,945,739	1,380,065
Environmental Sustainability	28,707,501	26,430,569	2,276,932
Environmental Liabilities & Remediation	2,473,379	2,905,558	(432,179)
	<u>43,506,684</u>	<u>41,504,834</u>	<u>2,001,850</u>
Capital			
Corporate services	369,974	483,079	(113,105)
Environmental sustainability	1,311,476	1,473,940	(162,464)
	<u>1,681,450</u>	<u>1,957,019</u>	<u>(275,569)</u>
Less acquisition of tangible capital assets	<u>(870,263)</u>	<u>(1,106,836)</u>	<u>236,573</u>
	<u>811,187</u>	<u>850,183</u>	<u>(38,996)</u>
<b>Environment (continued)</b>			
Amortization expense	<u>597,744</u>	<u>583,573</u>	<u>14,171</u>
Write-down of tangible capital assets	-	11,281	(11,281)
Environmental liabilities (net)	<u>51,525,734</u>	<u>(831,973)</u>	<u>52,357,707</u>
Total expenses	<u><b>96,441,349</b></u>	<u><b>42,117,898</b></u>	<u><b>54,323,451</b></u>

## GOVERNMENT OF YUKON

Schedule 3

**Non-Consolidated Comparative Schedule of Expenses  
for the year ended March 31, 2022**

	2021-22	2020-21	Increase (Decrease)
<b>Finance</b>			
Operation and maintenance			
Corporate services	\$ 1,098,218	\$ 1,183,720	\$ (85,502)
Financial operations and revenue services	4,238,502	3,457,142	781,360
Economics, fiscal policy and statistics	2,560,201	2,710,339	(150,138)
Management board secretariat	2,018,934	2,599,435	(580,501)
Office of the Comptroller	1,011,934	955,151	56,783
Workers' compensation supplementary benefits	223,369	308,560	(85,191)
COVID-19 response	1,523	39,649	(38,126)
	<u>11,152,681</u>	<u>11,253,996</u>	<u>(101,315)</u>
Capital			
Corporate services	31,839	-	31,839
	<u>31,839</u>	<u>-</u>	<u>31,839</u>
Amortization expense	99,984	105,402	(5,418)
Bad debt expense	712,785	95,634	617,151
Transfers through the tax system	2,092,421	2,065,685	26,736
<b>Total expenses</b>	<b><u>14,089,710</u></b>	<b><u>13,520,717</u></b>	<b><u>568,993</u></b>

GOVERNMENT OF YUKON

Schedule 3

**Non-Consolidated Comparative Schedule of Expenses  
for the year ended March 31, 2022**

	2021-22	2020-21	Increase (Decrease)
<b>French Language Services Directorate</b>			
Operation and maintenance			
French language services	<b>\$ 6,493,244</b>	<b>\$ 6,445,386</b>	<b>\$ 47,858</b>
<b>Health and Social Services</b>			
Operation and maintenance			
Corporate services	21,047,742	16,562,937	4,484,805
Family and children's services	33,401,436	47,158,000	(13,756,564)
Social supports	47,384,951	45,026,595	2,358,356
Community and program support	9,982,441	12,512,015	(2,529,574)
Mental wellness and substance use services	21,461,660	21,799,709	(338,049)
Health Services	152,899,239	134,146,199	18,753,040
Continuing care	79,663,155	79,059,233	603,922
Yukon hospital services	85,761,100	79,131,302	6,629,798
COVID-19 response	36,641,871	43,195,000	(6,553,129)
	<b>488,243,595</b>	<b>478,590,990</b>	<b>9,652,605</b>
Capital			
Corporate services	3,515,090	7,218,086	(3,702,996)
Family and children's services	105,079	146,827	(41,748)
Social supports	60,827	172,204	(111,377)
Community and program support	-	13,873	(13,873)
Mental wellness and substance use services	22,995	272,367	(249,372)
Health services	554,555	2,216,254	(1,661,699)
continuing care	509,592	3,788,402	(3,278,810)
Yukon hospital services	7,700,000	5,750,000	1,950,000
	<b>12,468,138</b>	<b>19,578,013</b>	<b>(7,109,875)</b>
Less acquisition of tangible capital assets	<b>(252,092)</b>	<b>(2,946,168)</b>	<b>2,694,076</b>
	<b>12,216,046</b>	<b>16,631,845</b>	<b>(4,415,799)</b>
Amortization expense	<b>7,718,013</b>	<b>7,727,822</b>	<b>(9,809)</b>
Write-down/Disposal of tangible capital assets	<b>-</b>	<b>492,910</b>	<b>(492,910)</b>
<b>Total expenses</b>	<b>508,177,654</b>	<b>503,443,567</b>	<b>4,734,087</b>



## GOVERNMENT OF YUKON

Schedule 3

**Non-Consolidated Comparative Schedule of Expenses  
for the year ended March 31, 2022**

	2021-22	2020-21	Increase (Decrease)
<b>Highways and Public Works</b>			
Operation and maintenance			
COVID-19 response	\$ 9,218,179	\$ 6,686,766	\$ 2,531,413
Corporate services	15,186,231	14,400,321	785,910
Information and communications technology	24,133,014	22,578,713	1,554,301
Transportation	69,820,540	68,325,611	1,494,929
Property management	47,145,001	43,909,474	3,235,527
Program specific	-	(20,334)	20,334
Central Stores write off	54,526	(133,115)	187,641
	<u>165,557,491</u>	<u>155,747,436</u>	<u>9,810,055</u>
Less lease payments for leased tangible capital assets transferred to liabilities	<u>(1,112,948)</u>	<u>(1,047,988)</u>	<u>(64,960)</u>
	<u>164,444,543</u>	<u>154,699,448</u>	<u>9,745,095</u>
Capital			
Pandemic	-	639,598	(639,598)
Information and communications technology	12,962,828	13,189,095	(226,267)
Transportation	106,407,607	90,160,740	16,246,867
Property management	54,639,970	23,316,618	31,323,352
	<u>174,010,405</u>	<u>127,306,051</u>	<u>46,704,354</u>
Less acquisition of tangible capital assets	<u>(99,340,938)</u>	<u>(63,586,253)</u>	<u>(35,754,685)</u>
	<u>74,669,467</u>	<u>63,719,798</u>	<u>10,949,669</u>
Amortization expense	<u>32,406,040</u>	<u>33,184,637</u>	<u>(778,597)</u>
Write-down/disposal loss of tangible capital assets	<u>-</u>	<u>1,929,101</u>	<u>(1,929,101)</u>
Rental expense recognized from prepaid expenses	<u>98,783</u>	<u>102,527</u>	<u>(3,744)</u>
<b>Total expenses</b>	<b><u>271,618,833</u></b>	<b><u>253,635,511</u></b>	<b><u>17,983,322</u></b>

## GOVERNMENT OF YUKON

Schedule 3

**Non-Consolidated Comparative Schedule of Expenses  
for the year ended March 31, 2022**

	2021-22	2020-21	Increase (Decrease)
<b>Justice</b>			
Operation and maintenance			
Management services	\$ 4,729,205	\$ 4,279,940	\$ 449,265
Court services	8,205,019	7,454,732	750,287
Legal services	11,036,345	9,933,268	1,103,077
Regulatory services	4,830,051	4,546,331	283,720
Community justice and public safety	52,848,940	47,186,308	5,662,632
Human rights	765,344	781,340	(15,996)
COVID-19 response	722,503	627,935	94,568
	<u>83,137,407</u>	<u>74,809,854</u>	<u>8,327,553</u>
Capital			
Management services	178,829	92,989	85,840
Court services	70,347	73,620	(3,273)
Community justice and public safety	2,328,771	2,585,029	(256,258)
	<u>2,577,947</u>	<u>2,751,638</u>	<u>(173,691)</u>
Less acquisition of tangible capital assets	(153,146)	(431,794)	278,648
	<u>2,424,801</u>	<u>2,319,844</u>	<u>104,957</u>
Amortization expense	2,886,992	2,856,534	30,458
<b>Total expenses</b>	<b><u>88,449,200</u></b>	<b><u>79,986,232</u></b>	<b><u>8,462,968</u></b>
<b>Public Service Commission</b>			
Operation and maintenance			
Corporate services	2,505,150	2,624,766	(119,616)
Human resource service centre	7,663,312	7,380,891	282,421
People and culture	5,740,317	5,301,705	438,612
Employee relations	5,498,554	5,086,298	412,256
Corporate funds	35,202,881	32,195,666	3,007,215
	<u>56,610,214</u>	<u>52,589,326</u>	<u>4,020,888</u>

## GOVERNMENT OF YUKON

Schedule 3

**Non-Consolidated Comparative Schedule of Expenses  
for the year ended March 31, 2022**

	2021-22	2020-21	Increase (Decrease)
<b>Public Service Commission (continued)</b>			
Capital			
Corporate services	\$ 10,781	\$ 32,618	\$ (21,837)
People and culture	-	4,860	(4,860)
	<u>10,781</u>	<u>37,478</u>	<u>(26,697)</u>
Amortization expense	<u>265,270</u>	<u>274,581</u>	<u>(9,311)</u>
Write-down/disposal loss of tangible capital assets	<u>14,164</u>	<u>-</u>	<u>14,164</u>
<b>Total expenses</b>	<b><u>56,900,429</u></b>	<b><u>52,901,385</u></b>	<b><u>3,999,044</u></b>
<b>Tourism and Culture</b>			
Operation and maintenance			
COVID-19 response	8,022,693	5,445,509	2,577,184
Corporate services	2,703,628	2,448,010	255,618
Cultural services	13,755,051	12,680,014	1,075,037
Tourism	<u>12,095,796</u>	<u>11,404,818</u>	<u>690,978</u>
	<u>36,577,168</u>	<u>31,978,351</u>	<u>4,598,817</u>
Capital			
Corporate services	6,002	7,652	(1,650)
Cultural services	1,046,336	1,271,131	(224,795)
Tourism	<u>746,807</u>	<u>489,782</u>	<u>257,025</u>
	<u>1,799,145</u>	<u>1,768,565</u>	<u>30,580</u>
Less acquisition of tangible capital assets	<u>(590,181)</u>	<u>(271,281)</u>	<u>(318,900)</u>
	<u>1,208,964</u>	<u>1,497,284</u>	<u>(288,320)</u>
Amortization expense	<u>1,112,941</u>	<u>1,165,399</u>	<u>(52,458)</u>
<b>Total expenses</b>	<b><u>38,899,073</u></b>	<b><u>34,641,034</u></b>	<b><u>4,258,039</u></b>

## GOVERNMENT OF YUKON

Schedule 3

**Non-Consolidated Comparative Schedule of Expenses  
for the year ended March 31, 2022**

	2021-22	2020-21	Increase (Decrease)
<b>Women and Gender Equity Directorate</b>			
Operation and maintenance			
COVID-19 response	\$ -	\$ 1,600	\$ (1,600)
Policy and program development	3,111,785	2,767,780	344,005
<b>Total expenses</b>	<b>3,111,785</b>	<b>2,769,380</b>	<b>342,405</b>
<b>Yukon Development Corporation (Transfer Payment)</b>			
Operation and maintenance			
Interim electrical rebate	3,354,106	3,429,309	(75,203)
Mayo B rate payer support	2,625,000	2,625,000	-
	5,979,106	6,054,309	(75,203)
Capital			
Innovative renewable energy initiative	1,707,067	1,500,000	207,067
Arctic energy fund	4,904,978	-	4,904,978
Investing in Canada infrastructure program	6,710,567	15,251,582	(8,541,015)
	13,322,612	16,751,582	(3,428,970)
<b>Total expenses</b>	<b>19,301,718</b>	<b>22,805,891</b>	<b>(3,504,173)</b>

## GOVERNMENT OF YUKON

Schedule 3

**Non-Consolidated Comparative Schedule of Expenses  
for the year ended March 31, 2022**

	2021-22	2020-21	Increase (Decrease)
<b>Yukon Housing Corporation (Transfer Payment)</b>			
Operation and maintenance			
Gross expenditures	\$ 19,847,106	\$ 19,197,331	\$ 649,775
Less: Rental revenues	(9,034,534)	(7,246,577)	(1,787,957)
Recoveries	(4,344,221)	(5,842,336)	1,498,115
	<u>6,468,351</u>	<u>6,108,418</u>	<u>359,933</u>
Capital			
Gross expenditures	36,250,730	29,356,089	6,894,641
Less: Recoveries	(14,881,343)	(6,956,564)	(7,924,779)
Loan expenditures	(3,997,270)	(4,987,949)	990,679
	<u>17,372,117</u>	<u>17,411,576</u>	<u>(39,459)</u>
Total expenses	<u><b>23,840,468</b></u>	<u><b>23,519,994</b></u>	<u><b>320,474</b></u>
<b>Restricted Funds</b>			
Net expenditures	15,965,086	4,459,910	11,505,176
Amortization expense	<u>5,002,361</u>	<u>4,972,102</u>	<u>30,259</u>
Total expenses	<u><b>20,967,447</b></u>	<u><b>9,432,012</b></u>	<u><b>11,535,435</b></u>

## GOVERNMENT OF YUKON

Schedule 3

**Non-Consolidated Comparative Schedule of Expenses  
for the year ended March 31, 2022**

	2021-22	2020-21	Increase (Decrease)
<b>Totals</b>			
Operation and maintenance	\$ 1,368,983,157	\$ 1,287,734,794	\$ 81,248,363
Capital	324,466,001	302,732,292	21,733,709
	1,693,449,158	1,590,467,086	102,982,072
Less: Acquisition of tangible capital assets	(119,351,097)	(84,446,337)	(34,904,760)
Land development costs transferred to land inventory	(12,192,933)	(19,643,595)	7,450,662
Loan advances transferred to loans receivable	(2,196,212)	(2,255,670)	59,458
Lease payments for leased tangible capital assets transferred to liabilities	(1,112,948)	(1,047,988)	(64,960)
	1,558,595,968	1,483,073,496	75,522,472
Cost of land sold	8,026,787	33,630,477	(25,603,690)
Amortization expenses	65,084,857	65,867,381	(782,524)
Other expenses not appropriated	75,033,890	8,810,378	66,223,512
	<b>\$ 1,706,741,502</b>	<b>\$ 1,591,381,732</b>	<b>\$ 115,359,770</b>

GOVERNMENT OF YUKON

Schedule 4

**Non-Consolidated Schedule of Expenses by Department  
for the year ended March 31, 2022**

	Appropriation			Revised Estimates	Actual	Under (Over) Estimates
	Main Estimates	Supplementary Estimates	Transfers			
<b>Yukon Legislative Assembly</b>						
Operation and maintenance						
Legislative services	\$ 4,116,000	\$ -	\$ -	\$ 4,116,000	\$ 3,660,059	\$ 455,941
Legislative Assembly Office	1,167,000	-	-	1,167,000	1,108,601	58,399
Retirement allowances and death benefits	2,740,000	-	-	2,740,000	239,598	2,500,402
Hansard	602,000	-	-	602,000	615,768	(13,768)
Conflicts Commission	45,000	-	-	45,000	66,057	(21,057)
	<b>8,670,000</b>	<b>-</b>	<b>-</b>	<b>8,670,000</b>	<b>5,690,083</b>	<b>2,979,917</b>
Capital						
Legislative Assembly Office	<b>38,000</b>	<b>-</b>	<b>-</b>	<b>38,000</b>	<b>37,690</b>	<b>310</b>
Pension Benefits	-	-	-	-	4,487,806	(4,487,806)
Total expenses	8,708,000	-	-	8,708,000	10,215,579	(1,507,579)
<b>Elections Office</b>						
Operation and maintenance						
Elections	<b>1,642,000</b>	<b>-</b>	<b>-</b>	<b>1,642,000</b>	<b>1,244,206</b>	<b>397,794</b>
Capital						
Office Furniture and Equipment	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>5,000</b>	<b>4,914</b>	<b>86</b>
Total expenses	1,647,000	-	-	1,647,000	1,249,120	397,880

GOVERNMENT OF YUKON

Schedule 4

**Non-Consolidated Schedule of Expenses by Department  
for the year ended March 31, 2022**

	Appropriation			Revised Estimates	Actual	Under (Over) Estimates
	Main Estimates	Supplementary Estimates	Transfers			
<b>Office of the Ombudsman</b>						
Operation and maintenance Office of the Ombudsman	\$ 1,536,000	\$ -	\$ -	\$ 1,536,000	\$ 1,520,633	\$ 15,367
Capital Office of the Ombudsman	5,000	-	-	5,000	4,669	331
Amortization expense	12,000	-	-	12,000	11,997	3
Total expenses	1,553,000	-	-	1,553,000	1,537,299	15,701
<b>Child and Youth Advocate Office</b>						
Operation and maintenance Child and Youth Advocate Office	797,000	-	-	797,000	763,576	33,424
Capital Child and Youth Advocate Office	1,000	-	-	1,000	626	374
Total expenses	798,000	-	-	798,000	764,202	33,798



GOVERNMENT OF YUKON

Schedule 4

**Non-Consolidated Schedule of Expenses by Department  
for the year ended March 31, 2022**

	Appropriation			Revised Estimates	Actual	Under (Over) Estimates
	Main Estimates	Supplementary Estimates	Transfers			
<b>Executive Council Office</b>						
Operation and maintenance						
Strategic corporate services	\$ 4,066,000	\$ -	\$ -	\$ 4,066,000	\$ 4,355,455	\$ (289,455)
Aboriginal relations	8,131,000	1,145,000	-	9,276,000	8,866,956	409,044
Corporate programs and intergovernmental relations	6,745,000	-	-	6,745,000	6,732,659	12,341
Government internal audit services	630,000	-	-	630,000	612,592	17,408
Office of the Commissioner	305,000	-	-	305,000	258,202	46,798
Cabinet Offices	3,386,000	-	-	3,386,000	3,290,793	95,207
COVID-19 Response	500,000	37,000	-	537,000	349,448	187,552
	<b>23,763,000</b>	<b>1,182,000</b>	<b>-</b>	<b>24,945,000</b>	<b>24,466,105</b>	<b>478,895</b>
Capital						
Strategic corporate services	10,000	-	-	10,000	6,534	3,466
Amortization expense	11,000	-	-	11,000	8,060	2,940
Total expenses	23,784,000	1,182,000	-	24,966,000	24,480,699	485,301

GOVERNMENT OF YUKON

Schedule 4

**Non-Consolidated Schedule of Expenses by Department  
for the year ended March 31, 2022**

	Appropriation			Revised Estimates	Actual	Under (Over) Estimates
	Main Estimates	Supplementary Estimates	Transfers			
<b>Community Services</b>						
Operation and maintenance						
COVID-19 Response	\$ 3,200,000.00	\$ -	\$ -	\$ 3,200,000.00	\$ 1,828,344.00	\$ 1,371,656.00
Corporate services	4,802,000	902,000	-	5,704,000	5,706,715	(2,715)
Protective services	37,382,000	10,557,000	-	47,939,000	47,743,153	195,847
Community development	48,044,000	549,000	-	48,593,000	47,562,153	1,030,847
Corporate policy and consumer affairs	12,413,000	(12,413,000)	-	-	-	-
Regulatory and Consumer Services	-	13,301,000	-	13,301,000	13,148,212	152,788
	<b>105,841,000</b>	<b>12,896,000</b>	<b>-</b>	<b>118,737,000</b>	<b>115,988,577</b>	<b>2,748,423</b>
Capital						
COVID-19 Response	-	-	-	-	23,371	(23,371)
Corporate services	-	-	-	-	-	-
Protective services	2,623,000	-	-	2,623,000	1,796,857	826,143
Community development	116,137,000	(2,280,000)	-	113,857,000	81,903,820	31,953,180
Regulatory and Consumer Services	-	2,270,000	-	2,270,000	2,368,508	(98,508)
Corporate policy and consumer affairs	2,270,000	(2,270,000)	-	-	-	-
	<b>121,030,000</b>	<b>(2,280,000)</b>	<b>-</b>	<b>118,750,000</b>	<b>86,092,556</b>	<b>32,657,444</b>
Less: Acquisition of tangible capital assets	(9,084,000)	-	-	(9,084,000)	(9,484,122)	400,122
Land development costs transferred to land inventory	(30,087,000)	2,047,000	-	(28,040,000)	(12,080,628)	(15,959,372)
Local improvement costs transferred to loans receivable	(2,200,000)	-	-	(2,200,000)	(2,196,212)	(3,788)
	<b>79,659,000</b>	<b>(233,000)</b>	<b>-</b>	<b>79,426,000</b>	<b>62,331,594</b>	<b>17,094,406</b>
Cost of land sold	21,641,000	(8,554,000)	-	13,087,000	7,886,829	5,200,171
Amortization expense	6,467,000	-	-	6,467,000	6,650,885	(183,885)

GOVERNMENT OF YUKON

Schedule 4

**Non-Consolidated Schedule of Expenses by Department  
for the year ended March 31, 2022**

	Appropriation			Revised Estimates	Actual	Under (Over) Estimates
	Main Estimates	Supplementary Estimates	Transfers			
<b>Community Services</b>						
Bad debts expense	\$ 16,000	\$ -	\$ -	\$ 16,000	\$ 182,265	\$ (166,265)
Total expenses	213,624,000	4,109,000	-	217,733,000	193,040,150	24,692,850
<b>Economic Development</b>						
Operation and maintenance						
COVID-19 Response	5,000,000	3,977,000	-	8,977,000	8,378,427	598,573
Corporate services	4,067,000	-	-	4,067,000	3,185,157	881,843
Operations	13,225,000	500,000	-	13,725,000	11,686,966	2,038,034
	<b>22,292,000</b>	<b>4,477,000</b>	<b>-</b>	<b>26,769,000</b>	<b>23,250,550</b>	<b>3,518,450</b>
Capital						
Corporate services	45,000	-	-	45,000	44,880	120
Operations	1,066,000	-	-	1,066,000	558,714	507,286
	<b>1,111,000</b>	<b>-</b>	<b>-</b>	<b>1,111,000</b>	<b>603,594</b>	<b>507,406</b>
Less: Acquisition of tangible capital assets	(22,000)	-	-	(22,000)	-	(22,000)
Amortization expense	1,000	-	-	1,000	-	1,000
Total expenses	23,382,000	4,477,000	-	27,859,000	23,854,144	4,004,856

GOVERNMENT OF YUKON

Schedule 4

**Non-Consolidated Schedule of Expenses by Department  
for the year ended March 31, 2022**

	Appropriation			Revised Estimates	Actual	Under (Over) Estimates
	Main Estimates	Supplementary Estimates	Transfers			
<b>Education</b>						
Operation and maintenance						
COVID-19 response	\$ 3,117,000	\$ 750,000	\$ -	\$ 3,867,000	\$ 3,906,911	\$ (39,911)
Education support services	4,858,000	151,000	-	5,009,000	4,822,223	186,777
Schools and student services	125,653,000	1,683,000	-	127,336,000	123,637,820	3,698,180
Policy and partnerships	50,401,000	13,651,000	-	64,052,000	56,350,459	7,701,541
Yukon University	27,619,000	-	-	27,619,000	27,668,052	(49,052)
First Nations initiatives	8,470,000	44,000	-	8,514,000	7,053,706	1,460,294
	<b>220,118,000</b>	<b>16,279,000</b>	<b>-</b>	<b>236,397,000</b>	<b>223,439,171</b>	<b>12,957,829</b>
Capital						
Education support services	-	329,000	-	329,000	298,398	30,602
Schools and student services	24,273,000	(1,026,000)	-	23,247,000	12,516,412	10,730,588
Policy and partnerships	-	515,000	-	515,000	-	515,000
Yukon University	500,000	-	-	500,000	500,000	-
	<b>24,773,000</b>	<b>(182,000)</b>	<b>-</b>	<b>24,591,000</b>	<b>13,314,810</b>	<b>11,276,190</b>
Less acquisition of tangible capital assets	(16,925,000)	(1,494,000)	-	(18,419,000)	(7,725,015)	(10,693,985)
Amortization expense	7,900,000	(209,000)	-	7,691,000	7,745,223	(54,223)
Write-down/disposal of tangible capital assets	384,000	-	-	384,000	-	384,000
<b>Total expenses</b>	<b>236,250,000</b>	<b>14,394,000</b>	<b>-</b>	<b>250,644,000</b>	<b>236,774,189</b>	<b>13,869,811</b>

GOVERNMENT OF YUKON

Schedule 4

**Non-Consolidated Schedule of Expenses by Department  
for the year ended March 31, 2022**

	Appropriation			Revised Estimates	Actual	Under (Over) Estimates
	Main Estimates	Supplementary Estimates	Transfers			
<b>Energy, Mines and Resources</b>						
Operation and maintenance						
Corporate services	\$ 3,755,000	\$ -	\$ -	\$ 3,755,000	\$ 3,318,543	\$ 436,457
Sustainable resources	12,055,000	(42,000)	-	12,013,000	11,248,494	764,506
Energy, corporate policy and communications	13,285,000	3,000	-	13,288,000	10,341,369	2,946,631
Oil and gas and mineral resources	33,461,000	2,755,000	-	36,216,000	33,347,752	2,868,248
Client services and partnerships	8,952,000	120,000	-	9,072,000	7,526,374	1,545,626
	<b>71,508,000</b>	<b>2,836,000</b>	<b>-</b>	<b>74,344,000</b>	<b>65,782,532</b>	<b>8,561,468</b>
Capital						
Corporate services	560,000	235,000	-	795,000	885,468	(90,468)
Sustainable resources	477,000	-	-	477,000	240,706	236,294
	<b>1,037,000</b>	<b>235,000</b>	<b>-</b>	<b>1,272,000</b>	<b>1,126,174</b>	<b>145,826</b>
Less: Acquisition of tangible capital assets	(712,000)	(235,000)	-	(947,000)	(935,340)	(11,660)
Land development costs transferred to land inventory	(250,000)	-	-	(250,000)	(112,305)	(137,695)
	75,000	-	-	75,000	78,529	(3,529)
Cost of land sold	-	-	-	-	139,958	(139,958)
Amortization expense	487,000	-	-	487,000	579,347	(92,347)
Environmental liabilities (net)	(500,000)	245,000	-	(255,000)	(45,154)	(209,846)
Total expenses	71,570,000	3,081,000	-	74,651,000	66,535,212	8,115,788

GOVERNMENT OF YUKON

Schedule 4

**Non-Consolidated Schedule of Expenses by Department  
for the year ended March 31, 2022**

	Appropriation			Revised Estimates	Actual	Under (Over) Estimates
	Main Estimates	Supplementary Estimates	Transfers			
<b>Environment</b>						
Operation and maintenance						
Corporate services	\$ 12,281,000	\$ 563,000	\$ -	\$ 12,844,000	\$ 12,325,804	\$ 518,196
Environmental sustainability	28,308,000	631,000	-	28,939,000	28,707,501	231,499
Environmental liabilities and remediation	7,202,000	(1,900,000)	-	5,302,000	2,473,379	2,828,621
	<b>47,791,000</b>	<b>(706,000)</b>	<b>-</b>	<b>47,085,000</b>	<b>43,506,684</b>	<b>3,578,316</b>
Capital						
Corporate services	434,000	(187,000)	-	247,000	369,974	(122,974)
Environmental sustainability	3,024,000	(1,045,000)	-	1,979,000	1,311,476	667,524
	<b>3,458,000</b>	<b>(1,232,000)</b>	<b>-</b>	<b>2,226,000</b>	<b>1,681,450</b>	<b>544,550</b>
Less acquisition of tangible capital assets	(789,000)	(163,000)	-	(952,000)	(870,263)	(81,737)
	2,669,000	(1,395,000)	-	1,274,000	811,187	462,813
Amortization expense	680,000	-	-	680,000	597,743	82,257
Environmental liabilities (net)	(4,098,000)	12,900,000	-	8,802,000	51,525,734	(42,723,734)
Total expenses	47,042,000	10,799,000	-	57,841,000	96,441,348	(38,600,348)

GOVERNMENT OF YUKON

Schedule 4

**Non-Consolidated Schedule of Expenses by Department  
for the year ended March 31, 2022**

	Appropriation			Revised Estimates	Actual	Under (Over) Estimates
	Main Estimates	Supplementary Estimates	Transfers			
<b>Finance</b>						
Operation and maintenance						
Corporate services	\$ 1,216,000	\$ -	\$ -	\$ 1,216,000	\$ 1,098,218	\$ 117,782
COVID-19 response	-	-	-	-	1,523	(1,523)
Financial operations and revenue services	4,296,000	-	-	4,296,000	4,238,502	57,498
Economics, fiscal policy and statistics	2,778,000	-	-	2,778,000	2,560,201	217,799
Management board secretariat	2,188,000	-	-	2,188,000	2,018,934	169,066
Office of the Comptroller	1,069,000	-	-	1,069,000	1,011,934	57,066
Workers' compensation supplementary benefits	275,000	-	-	275,000	223,369	51,631
	<b>11,822,000</b>	<b>-</b>	<b>-</b>	<b>11,822,000</b>	<b>11,152,681</b>	<b>669,319</b>
Capital						
Corporate services	<b>32,000</b>	-	-	<b>32,000</b>	<b>31,839</b>	<b>161</b>
Less acquisition of tangible capital assets	(12,000)	-	-	(12,000)	-	(12,000)
	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>31,839</b>	<b>(11,839)</b>
Amortization expense	111,000	-	-	111,000	99,984	11,016
Bad debts expense	48,000	-	-	48,000	712,785	(664,785)
Transfers through the tax system	2,257,000	(228,000)	-	2,029,000	2,092,421	(63,421)
<b>Total expenses</b>	<b>14,258,000</b>	<b>(228,000)</b>	<b>-</b>	<b>14,030,000</b>	<b>14,089,710</b>	<b>(59,710)</b>

GOVERNMENT OF YUKON

Schedule 4

**Non-Consolidated Schedule of Expenses by Department  
for the year ended March 31, 2022**

	Appropriation			Revised Estimates	Actual	Under (Over) Estimates
	Main Estimates	Supplementary Estimates	Transfers			
<b>French Language Services Directorate</b>						
Operation and maintenance						
French language services	\$ 6,955,000	\$ -	\$ -	\$ 6,955,000	\$ 6,493,244	\$ 461,756
<b>Health and Social Services</b>						
Operation and maintenance						
COVID-19 Response	14,299,000	15,674,000	-	29,973,000	36,641,871	(6,668,871)
Corporate services	23,309,000	2,955,000	-	26,264,000	21,047,742	5,216,258
Family and children's services	35,458,000	1,300,000	-	36,758,000	33,401,436	3,356,564
Social supports	48,500,000	1,280,000	-	49,780,000	47,384,951	2,395,049
Community and program support	9,396,000	-	-	9,396,000	9,982,441	(586,441)
Mental wellness and substance use services	22,706,000	-	-	22,706,000	21,461,660	1,244,340
Health services	150,848,000	515,000	-	151,363,000	152,899,239	(1,536,239)
Continuing care	86,791,000	-	-	86,791,000	79,663,155	7,127,845
Yukon hospital services	85,555,000	206,000	-	85,761,000	85,761,100	(100)
	<b>476,862,000</b>	<b>21,930,000</b>	<b>-</b>	<b>498,792,000</b>	<b>488,243,595</b>	<b>10,548,405</b>



GOVERNMENT OF YUKON

Schedule 4

**Non-Consolidated Schedule of Expenses by Department  
for the year ended March 31, 2022**

	Appropriation			Revised Estimates	Actual	Under (Over) Estimates
	Main Estimates	Supplementary Estimates	Transfers			
<b>Health and Social Services</b>						
Capital						
Corporate services	\$ 3,066,000	\$ 3,769,000	\$ -	\$ 6,835,000	\$ 3,515,090	\$ 3,319,910
Family and children's services	162,000	125,000	-	287,000	105,079	181,921
Social supports	515,000	-	-	515,000	60,827	454,173
Community and program support	70,000	-	-	70,000	-	70,000
Mental wellness and substance use services	20,000	115,000	-	135,000	22,995	112,005
Health services	1,306,000	157,000	-	1,463,000	554,555	908,445
Continuing care	589,000	1,668,000	-	2,257,000	509,592	1,747,408
Yukon hospital services	7,700,000	-	-	7,700,000	7,700,000	-
	<b>13,428,000</b>	<b>5,834,000</b>	<b>-</b>	<b>19,262,000</b>	<b>12,468,138</b>	<b>6,793,862</b>
Less acquisition of tangible capital assets	(2,564,000)	-	-	(2,564,000)	(252,092)	(2,311,908)
	10,864,000	5,834,000	-	16,698,000	12,216,046	4,481,954
Amortization expense	8,122,000	(412,000)	-	7,710,000	7,718,013	(8,013)
Total expenses	495,848,000	27,352,000	-	523,200,000	508,177,654	15,022,346

GOVERNMENT OF YUKON

Schedule 4

**Non-Consolidated Schedule of Expenses by Department  
for the year ended March 31, 2022**

	Appropriation			Revised Estimates	Actual	Under (Over) Estimates
	Main Estimates	Supplementary Estimates	Transfers			
<b>Highways and Public Works</b>						
Operation and maintenance						
COVID-19 Response	\$ 563,000	\$ 8,165,000	\$ -	\$ 8,728,000	\$ 9,218,179	\$ (490,179)
Corporate services	15,180,000	36,000	-	15,216,000	15,186,231	29,769
Information and communications technology	23,993,000	150,000	-	24,143,000	24,133,014	9,986
Transportation	65,144,000	3,338,000	-	68,482,000	69,820,540	(1,338,540)
Property management	49,104,000	643,000	-	49,747,000	47,145,001	2,601,999
Central Stores write off	-	-	-	-	54,526	(54,526)
	<b>153,984,000</b>	<b>12,332,000</b>	<b>-</b>	<b>166,316,000</b>	<b>165,557,491</b>	<b>758,509</b>
Less lease payments for leased tangible capital assets transferred to liabilities	(1,113,000)	-	-	(1,113,000)	(1,112,948)	(52)
	152,871,000	12,332,000	-	165,203,000	164,444,543	758,457
Capital						
Information and communications technology	12,675,000	-	-	12,675,000	12,962,828	(287,828)
Transportation	105,947,000	-	-	105,947,000	106,407,607	(460,607)
Property management	73,834,000	(2,600,000)	-	71,234,000	54,639,970	16,594,030
	<b>192,456,000</b>	<b>(2,600,000)</b>	<b>-</b>	<b>189,856,000</b>	<b>174,010,405</b>	<b>15,845,595</b>
Less acquisition of tangible capital assets	(107,480,000)	2,600,000	-	(104,880,000)	(99,340,938)	(5,539,062)
	84,976,000	-	-	84,976,000	74,669,467	10,306,533
Amortization expense	30,869,000	-	-	30,869,000	32,406,040	(1,537,040)
Rental expense recognized from prepaid expenses	99,000	-	-	99,000	98,783	217
<b>Total expenses</b>	<b>268,815,000</b>	<b>12,332,000</b>	<b>-</b>	<b>281,147,000</b>	<b>271,618,833</b>	<b>9,528,167</b>

GOVERNMENT OF YUKON

Schedule 4

**Non-Consolidated Schedule of Expenses by Department  
for the year ended March 31, 2022**

	Appropriation			Revised Estimates	Actual	Under (Over) Estimates
	Main Estimates	Supplementary Estimates	Transfers			
<b>Justice</b>						
Operation and maintenance						
COVID-19 Response	\$ 766,000	\$ -	\$ -	\$ 766,000	\$ 722,503	\$ 43,497
Corporate services	4,850,000	-	-	4,850,000	4,729,205	120,795
Court services	7,343,000	1,146,000	-	8,489,000	8,205,019	283,981
Legal services	9,849,000	715,000	-	10,564,000	11,036,345	(472,345)
Regulatory services	4,787,000	(24,000)	-	4,763,000	4,830,051	(67,051)
Community justice and public safety	49,417,000	3,627,000	-	53,044,000	52,848,940	195,060
Human rights	756,000	-	-	756,000	765,344	(9,344)
	<b>77,768,000</b>	<b>5,464,000</b>	<b>-</b>	<b>83,232,000</b>	<b>83,137,407</b>	<b>94,593</b>
Capital						
Corporate services	210,000	70,000	-	280,000	178,829	101,171
Court services	70,000	-	-	70,000	70,347	(347)
Community justice and public safety	2,368,000	60,000	-	2,428,000	2,328,771	99,229
	<b>2,648,000</b>	<b>130,000</b>	<b>-</b>	<b>2,778,000</b>	<b>2,577,947</b>	<b>200,053</b>
Less acquisition of tangible capital assets	(135,000)	-	-	(135,000)	(153,146)	18,146
	<b>2,513,000</b>	<b>130,000</b>	<b>-</b>	<b>2,643,000</b>	<b>2,424,801</b>	<b>218,199</b>
Amortization expense	2,960,000	-	-	2,960,000	2,886,992	73,008
Total expenses	<b>83,241,000</b>	<b>5,594,000</b>	<b>-</b>	<b>88,835,000</b>	<b>88,449,200</b>	<b>385,800</b>

GOVERNMENT OF YUKON

Schedule 4

**Non-Consolidated Schedule of Expenses by Department  
for the year ended March 31, 2022**

	Appropriation			Revised Estimates	Actual	Under (Over) Estimates
	Main Estimates	Supplementary Estimates	Transfers			
<b>Public Service Commission</b>						
Operation and maintenance						
Corporate services	\$ 2,769,000	\$ -	\$ -	\$ 2,769,000	\$ 2,505,150	\$ 263,850
Human resource service centre	8,149,000	-	-	8,149,000	7,663,312	485,688
People and culture	6,139,000	-	-	6,139,000	5,740,317	398,683
Employee relations	5,106,000	-	-	5,106,000	5,498,554	(392,554)
Corporate funds	33,455,000	1,970,000	-	35,425,000	35,202,881	222,119
	<b>55,618,000</b>	<b>1,970,000</b>	<b>-</b>	<b>57,588,000</b>	<b>56,610,214</b>	<b>977,786</b>
Capital						
Corporate services	25,000	-	-	25,000	10,781	14,219
People and culture	8,000	-	-	8,000	-	8,000
Employee relations	10,000	-	-	10,000	-	10,000
	<b>43,000</b>	<b>-</b>	<b>-</b>	<b>43,000</b>	<b>10,781</b>	<b>32,219</b>
Amortization expense	262,000	-	-	262,000	265,270	(3,270)
Write-down/disposal loss of tangible capital assets	-	-	-	-	14,164	(14,164)
<b>Total expenses</b>	<b>55,923,000</b>	<b>1,970,000</b>	<b>-</b>	<b>57,893,000</b>	<b>56,900,429</b>	<b>992,571</b>

GOVERNMENT OF YUKON

Schedule 4

**Non-Consolidated Schedule of Expenses by Department  
for the year ended March 31, 2022**

	Appropriation			Revised Estimates	Actual	Under (Over) Estimates
	Main Estimates	Supplementary Estimates	Transfers			
<b>Tourism and Culture</b>						
Operation and maintenance						
COVID-19 response	\$ 6,475,000	\$ 3,985,000	\$ -	\$ 10,460,000	\$ 8,022,693	\$ 2,437,307
Corporate services	2,772,000	-	-	2,772,000	2,703,628	68,372
Cultural services	13,948,000	-	-	13,948,000	13,755,051	192,949
Tourism	12,889,000	-	-	12,889,000	12,095,796	793,204
	<b>36,084,000</b>	<b>3,985,000</b>	<b>-</b>	<b>40,069,000</b>	<b>36,577,168</b>	<b>3,491,832</b>
Capital						
Corporate services	10,000	-	-	10,000	6,002	3,998
Cultural services	2,213,000	-	-	2,213,000	1,046,336	1,166,664
Tourism	857,000	-	-	857,000	746,807	110,193
	<b>3,080,000</b>	<b>-</b>	<b>-</b>	<b>3,080,000</b>	<b>1,799,145</b>	<b>1,280,855</b>
Less acquisition of tangible capital assets	(1,000,000)	-	-	(1,000,000)	(590,181)	(409,819)
	<b>2,080,000</b>	<b>-</b>	<b>-</b>	<b>2,080,000</b>	<b>1,208,964</b>	<b>871,036</b>
Amortization expense	1,067,000	-	-	1,067,000	1,112,941	(45,941)
<b>Total expenses</b>	<b>39,231,000</b>	<b>3,985,000</b>	<b>-</b>	<b>43,216,000</b>	<b>38,899,073</b>	<b>4,316,927</b>

GOVERNMENT OF YUKON

Schedule 4

**Non-Consolidated Schedule of Expenses by Department  
for the year ended March 31, 2022**

	Appropriation			Revised Estimates	Actual	Under (Over) Estimates
	Main Estimates	Supplementary Estimates	Transfers			
<b>Women and Gender Equity Directorate</b>						
Operation and maintenance						
Policy and program development	\$ 3,017,000	\$ 440,000	\$ -	\$ 3,457,000	\$ 3,111,785	\$ 345,215
Total expenses	3,017,000	440,000	-	3,457,000	3,111,785	345,215
<b>Yukon Development Corporation (Transfer Payment)</b>						
Operation and maintenance						
Interim electrical rebate	3,500,000	-	-	3,500,000	3,354,106	145,894
Mayo B rate payer support	2,625,000	-	-	2,625,000	2,625,000	-
	<b>6,125,000</b>	<b>-</b>	<b>-</b>	<b>6,125,000</b>	<b>5,979,106</b>	<b>145,894</b>
Capital						
Innovative renewable energy initiative	1,500,000	1,000,000	-	2,500,000	1,707,067	792,933
Arctic energy fund	14,428,000	(5,946,000)	-	8,482,000	4,904,978	3,577,022
Investing in Canada infrastructure program	16,860,000	80,000	-	16,940,000	6,710,567	10,229,433
	<b>32,788,000</b>	<b>(4,866,000)</b>	<b>-</b>	<b>27,922,000</b>	<b>13,322,612</b>	<b>14,599,388</b>
Total expenses	38,913,000	(4,866,000)	-	34,047,000	19,301,718	14,745,282

GOVERNMENT OF YUKON

Schedule 4

**Non-Consolidated Schedule of Expenses by Department  
for the year ended March 31, 2022**

	Appropriation			Revised Estimates	Actual	Under (Over) Estimates
	Main Estimates	Supplementary Estimates	Transfers			
<b>Yukon Housing Corporation (Transfer Payment)</b>						
Operation and maintenance						
Gross expenditures	\$ 19,907,000	\$ -	\$ -	\$ 19,907,000	\$ 19,847,106	\$ 59,894
Less: Rental revenues	(8,176,000)	-	-	(8,176,000)	(9,034,534)	858,534
Recoveries	(4,519,000)	-	-	(4,519,000)	(4,344,221)	(174,779)
	<b>7,212,000</b>	<b>-</b>	<b>-</b>	<b>7,212,000</b>	<b>6,468,351</b>	<b>743,649</b>
Capital						
Gross expenditures	38,355,000	7,995,000	-	46,350,000	36,250,730	10,099,270
Less: Recoveries	(9,289,000)	(5,109,000)	-	(14,398,000)	(14,881,343)	483,343
Loan expenditures	(5,280,000)	(300,000)	-	(5,580,000)	(3,997,270)	(1,582,730)
	<b>23,786,000</b>	<b>2,586,000</b>	<b>-</b>	<b>26,372,000</b>	<b>17,372,117</b>	<b>8,999,883</b>
Total expenses	30,998,000	2,586,000	-	33,584,000	23,840,468	9,743,532

GOVERNMENT OF YUKON

Schedule 4

**Non-Consolidated Schedule of Expenses by Department  
for the year ended March 31, 2022**

	Appropriation			Revised Estimates	Actual	Under (Over) Estimates
	Main Estimates	Supplementary Estimates	Transfers			
<b>Loan Capital and Loan Amortization</b>						
Operation and maintenance						
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	-	-	-	-	-	-
<b>Restricted Funds</b>						
Net expenditures	(8,343,000)	(133,000)	-	(8,476,000)	15,965,086	(24,441,086)
Amortization expense	4,580,000	-	-	4,580,000	5,002,361	(422,361)
Total expenses	(3,763,000)	(133,000)	-	(3,896,000)	20,967,447	(24,863,447)



GOVERNMENT OF YUKON

Schedule 4

**Non-Consolidated Schedule of Expenses by Department  
for the year ended March 31, 2022**

	Appropriation			Revised Estimates	Actual	Under (Over) Estimates
	Main Estimates	Supplementary Estimates	Transfers			
<b>Totals</b>						
Operation and maintenance	\$ 1,344,405,000	\$ 83,085,000	\$ -	\$ 1,427,490,000	\$ 1,368,983,159	\$ 58,506,841
Capital	419,729,000	(2,375,000)	-	417,354,000	324,466,001	92,887,999
Less: Acquisition of tangible capital assets	(138,723,000)	708,000	-	(138,015,000)	(119,351,097)	(18,641,903)
Land development costs transferred to land held for sale	(30,337,000)	2,047,000	-	(28,290,000)	(12,192,933)	(16,097,067)
Loan advances transferred to loans receivable	(7,200,000)	-	-	(7,200,000)	(2,196,212)	(5,003,788)
Lease payments for leased tangible capital assets transferred to liabilities	(1,113,000)	-	-	(1,113,000)	(1,112,948)	(52)
Cost of land sold	21,641,000	(8,554,000)	-	13,087,000	8,026,787	5,060,213
Amortization expenses	63,529,000	(621,000)	-	62,908,000	65,084,856	(2,177,856)
Pension Benefits	-	-	-	-	4,487,806	(4,487,806)
Other expenses not appropriated	(10,137,000)	12,784,000	-	2,647,000	70,546,084	(68,283,084)
Adjustments	(8,820,000)	(31,659,000)	-	(40,479,000)	-	(40,479,000)
	<b>\$ 1,652,974,000</b>	<b>\$ 55,415,000</b>	<b>\$ -</b>	<b>\$ 1,708,389,000</b>	<b>\$ 1,706,741,503</b>	<b>\$ 1,284,497</b>

## GOVERNMENT OF YUKON

Schedule 5

**Non-Consolidated Schedule of Recoveries of Prior Years' Expenses  
for the year ended March 31, 2022**

Department	Over Accruals	Other Recoveries	Total
Health and Social Services	\$ 2,963,576	\$ 77,100	\$ 3,040,676
Energy, Mines and Resources	171,660	16,259	187,919
Education	28,920	106,902	135,822
Tourism and Culture	-	64,028	64,028
Economic Development	70,153	(7,335)	62,818
Highways and Public Works	18,186	34,533	52,719
Justice	-	33,849	33,849
Public Service Commission	-	30,837	30,837
Executive Council Office	66,874	(45,740)	21,134
Community Services	-	19,212	19,212
Finance	3,000	5,888	8,888
Environment	-	3,822	3,822
Legislative Assembly	226	-	226
Elections	-	150	150
	<b>\$ 3,322,594</b>	<b>\$ 339,505</b>	<b>\$ 3,662,099</b>

GOVERNMENT OF YUKON

Schedule 6

**Non-Consolidated Schedule of Restricted Funds  
for the year ended March 31, 2022**

	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
<b>Revenues</b>									
Appropriation	\$ 1,781,000	\$ 102,000	\$ 50,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	4,325,044	-	-	-	-	18,263,964	-	5,444,803	-
	<u>6,106,044</u>	<u>102,000</u>	<u>50,000</u>	<u>25,000</u>	<u>-</u>	<u>18,263,964</u>	<u>-</u>	<u>5,444,803</u>	<u>-</u>
<b>Expenses</b>									
Operating	5,815,479	75,888	-	-	-	12,285,054	-	3,218,693	-
Amortization	-	-	-	-	-	3,458,138	-	1,544,223	-
	<u>5,815,479</u>	<u>75,888</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,743,192</u>	<u>-</u>	<u>4,762,916</u>	<u>-</u>
Net profit (loss) for the year	290,565	26,112	50,000	25,000	-	2,520,772	-	681,887	-
<b>Adjustments for the <i>Financial Administration Act</i> requirements</b>									
Acquisition of capital assets	-	-	-	-	-	(7,830,160)	-	(1,001,540)	-
Amortization of capital assets	-	-	-	-	-	3,458,138	-	1,544,223	-
(Gain) loss on sale of capital assets	-	-	-	-	-	(283,803)	-	45,788	-
Proceeds on sale of capital assets	-	-	-	-	-	294,630	-	98,748	-
Adjustments as per fund limits	-	-	-	-	-	-	-	(541,250)	-
Balance at beginning of year	<u>2,167,903</u>	<u>55,614</u>	<u>201,373</u>	<u>84,325</u>	<u>167,551</u>	<u>7,968,620</u>	<u>-</u>	<u>7,172,144</u>	<u>-</u>
Balance at end of year	<u>\$ 2,458,468</u>	<u>\$ 81,726</u>	<u>\$ 251,373</u>	<u>\$ 109,325</u>	<u>\$ 167,551</u>	<u>\$ 6,128,197</u>	<u>\$ -</u>	<u>\$ 8,000,000</u>	<u>\$ -</u>

GOVERNMENT OF YUKON

Schedule 6

**Non-Consolidated Schedule of Restricted Funds  
for the year ended March 31, 2022**

	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
Assets and liabilities that are specific to each Fund and included in the Government's assets and liabilities are as follows:									
Assets									
Accounts receivable	\$ 511,382	\$ -	\$ -	\$ -	\$ -	\$ 5,840	\$ -	\$ 66,762	\$ -
Tangible capital assets	-	-	-	-	-	41,095,000	-	6,387,865	-
	<u>511,382</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,100,840</u>	<u>-</u>	<u>6,454,627</u>	<u>-</u>
Liabilities									
Accounts payable and accrued liabilities	<u>292,983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,971</u>	<u>-</u>	<u>1,405,800</u>	<u>-</u>
Accumulated surplus (deficit) of the Funds that are included in the Government's accumulated surplus are as follows:									
Accumulated surplus (deficit)	<u>\$ 2,458,468</u>	<u>\$ 81,726</u>	<u>\$ 251,373</u>	<u>\$ 109,325</u>	<u>\$ 167,551</u>	<u>\$ 47,212,370</u>	<u>\$ -</u>	<u>\$ 12,415,602</u>	<u>\$ -</u>

GOVERNMENT OF YUKON

Schedule 6

**Non-Consolidated Schedule of Restricted Funds  
for the year ended March 31, 2022**

	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	2022 Total	2021 Total
<b>Revenues</b>									
Appropriation	\$ 2,365,595	\$ -	\$ 32,873	\$ -	\$ -	\$ -	\$ -	\$ 4,356,468	\$ 2,445,132
Operating	-	356,307	-	106,982	16,484	22,489,954	35,000	51,038,538	42,749,435
	<u>2,365,595</u>	<u>356,307</u>	<u>32,873</u>	<u>106,982</u>	<u>16,484</u>	<u>22,489,954</u>	<u>35,000</u>	<u>55,395,006</u>	<u>45,194,567</u>
<b>Expenses</b>									
Operating	3,945,403	-	34,365	120,413	-	22,489,954	35,000	48,020,249	34,312,525
Amortization	-	-	-	-	-	-	-	5,002,361	4,972,102
	<u>3,945,403</u>	<u>-</u>	<u>34,365</u>	<u>120,413</u>	<u>-</u>	<u>22,489,954</u>	<u>35,000</u>	<u>53,022,610</u>	<u>39,284,627</u>
Net profit (loss) for the year	(1,579,808)	356,307	(1,492)	(13,431)	16,484	-	-	2,372,396	5,909,940
<b>Adjustments for the <i>Financial Administration Act</i> requirements</b>									
Acquisition of capital assets	-	-	-	-	-	-	-	(8,831,700)	(3,275,005)
Amortization of capital assets	-	-	-	-	-	-	-	5,002,361	4,972,102
Gain on sale of capital assets	-	-	-	-	-	-	-	(238,015)	(25,000)
Proceeds on sale of capital assets	-	-	-	-	-	-	-	393,378	25,000
Adjustments as per fund limits	-	-	-	-	-	-	-	(541,250)	-
Balance at beginning of year	5,000,000	5,847,131	1,216,665	122,492	253,423	-	-	30,257,241	22,650,204
Balance at end of year	<u>\$ 3,420,192</u>	<u>\$ 6,203,438</u>	<u>\$ 1,215,173</u>	<u>\$ 109,061</u>	<u>\$ 269,907</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,414,411</u>	<u>\$ 30,257,241</u>

GOVERNMENT OF YUKON

Schedule 6

**Non-Consolidated Schedule of Restricted Funds  
for the year ended March 31, 2022**

	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	2022 Total	2021 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,159,894	\$ 3,743,878	\$ 487,708
Tangible capital assets	-	-	-	-	-	-	-	47,482,865	43,797,395
	-	-	-	-	-	-	3,159,894	51,226,743	44,285,103
Liabilities									
Accounts payable and accrued liabilities	3,214,501	-	-	-	-	18,884,605	3,798,334	27,697,194	12,759,643
Accumulated surplus (deficit) of the Funds that are included in the Government's accumulated surplus are as follows:									
Accumulated surplus (deficit)	\$ 3,420,192	\$ 6,203,438	\$ 1,215,173	\$ 109,061	\$ 269,907	\$ -	\$ -	\$ 73,914,186	\$ 71,541,791

GOVERNMENT OF YUKON

Schedule 7

**Non-Consolidated Schedule of Inventories of Supplies  
for the year ended March 31, 2022**

	Garage Parts and Fuel Inventory Fund	Central Stores Fund	Highway Materials Fund	Fire Management Fuel & Retardant Inventory	2022 Total	2021 Total
Opening inventory	\$ 1,945,998	\$ 99,995	\$ 2,950,754	\$ 1,489,860	\$ 6,486,607	\$ 6,911,117
Add purchases	4,340,978	32,254	3,321,468	422,276	8,116,976	7,050,371
	6,286,976	132,249	6,272,222	1,912,137	14,603,584	13,961,488
Less: Consumption	3,560,453	55,812	3,924,380	341,677	7,882,322	7,587,330
Inventory adjustments	-	54,266	-	-	54,266	112,449
Closing inventory	<b>\$ 2,726,523</b>	<b>\$ 22,171</b>	<b>\$ 2,347,842</b>	<b>\$ 1,570,459</b>	<b>\$ 6,666,995</b>	<b>\$ 6,486,607</b>

GOVERNMENT OF YUKON

Schedule 8

**Non-Consolidated Schedule of Legislated Grants  
for the year ended March 31, 2022**

	Main Estimates	Revised Estimates	Actual	Under (Over) Estimates
<b>Community Services</b>				
Comprehensive municipal grants	\$ 20,904,000	\$ 20,904,000	\$ 20,809,428	\$ 94,572
Community Recreation Assistance Grants	818,000	818,000	588,705	229,295
In-lieu of property taxes	10,057,000	10,057,000	9,660,935	396,065
Home owner grants	4,186,000	4,186,000	4,111,307	74,693
	<b>35,965,000</b>	<b>35,965,000</b>	<b>35,170,375</b>	<b>794,625</b>
<b>Education</b>				
Post secondary student grants	5,034,000	5,034,000	4,723,895	310,105
Child care subsidies	2,551,000	751,000	543,733	207,267
Student transportation	116,000	116,000	96,379	19,621
Student accommodation (boarding subsidy)	30,000	30,000	13,443	16,557
	<b>7,731,000</b>	<b>5,931,000</b>	<b>5,377,450</b>	<b>553,550</b>
<b>Finance</b>				
Workers' compensation supplementary benefits	275,000	275,000	223,369	51,631
	<b>275,000</b>	<b>275,000</b>	<b>223,369</b>	<b>51,631</b>
<b>Health and Social Services</b>				
Social assistance - Whitehorse	18,194,000	17,794,000	16,748,203	1,045,797
Medical travel subsidies	2,950,000	3,950,000	3,183,489	766,511
Yukon seniors' income supplement	1,713,000	1,963,000	1,694,745	268,255
Pioneer utility grant	1,946,000	2,346,000	2,096,077	249,923
Adoption subsidies	180,000	180,000	32,429	147,571
Social assistance - region	3,068,000	3,068,000	3,022,871	45,129
Child care subsidies	-	-	5,304	(5,304)
	<b>28,051,000</b>	<b>29,301,000</b>	<b>26,783,118</b>	<b>2,517,882</b>
Total appropriated	<b>72,022,000</b>	<b>71,472,000</b>	<b>67,554,312</b>	<b>3,917,688</b>



GOVERNMENT OF YUKON

Schedule 8

**Non-Consolidated Schedule of Legislated Grants  
for the year ended March 31, 2022**

	Main Estimates	Revised Estimates	Actual	Under (Over) Estimates
<b>Finance</b>				
Yukon child benefit	\$ 1,663,000	\$ 1,484,000	\$ 1,443,753	\$ 40,247
Research and development tax credit	526,000	483,000	594,629	(111,629)
Children's fitness tax credit	68,000	62,000	54,039	7,961
Total transfers through the tax system	<b>2,257,000</b>	<b>2,029,000</b>	<b>2,092,421</b>	<b>(63,421)</b>
	<b>\$ 74,279,000</b>	<b>\$ 73,501,000</b>	<b>\$ 69,646,733</b>	<b>\$ 3,854,267</b>

**Non-Consolidated Schedule of Other Government Transfers  
for the year ended March 31, 2022**

	Main Estimates	Revised Estimates		Actual
<b>Executive Council Office</b>				
<u>Other transfer payments</u>				
Strategic Corporate Services				
Aboriginal relations				
- implementation initiatives - board and councils	\$ 3,874,000	\$ 3,874,000		\$ 3,844,233
- Yukon Land Use Planning Commission			702,841	
- Yukon Fish and Wildlife Management Board			620,530	
- Dawson Planning Commission			535,000	
- Yukon Heritage Resources Board			237,639	
- North Yukon Renewable Resources Council			179,269	
- Teslin Renewable Resources Council			173,561	
- Dawson District Renewable Resources Council			169,564	
- Mayo District Renewable Resources Council			169,564	
- Alsek Renewable Resources Council			162,142	
- Carcross/Tagish Renewable Resources Council			162,142	
- Carmacks Renewable Resources Council			162,142	
- Dän Keyi Renewable Resources Council			162,142	
- Laberge Renewable Resources Council			162,142	
- Selkirk Renewable Resources Council			162,142	
- Yukon Geographical Place Names Board			83,413	
Various First Nations Other	50,000	50,000	5,000	30,000
- Gordon Foundation	-	-	25,000	
Council for Yukon First Nations	200,000	200,000		170,000
Daylu Dena Council	-	170,000		126,700
Carcross Tagish First Nation	-	225,000		114,747
Youth strategy initiatives	1,537,000	1,537,000		1,493,954
- Bringing Youth Towards Equality Society			274,000	
- Boys and Girls Club of Yukon			285,250	
- Youth of Today Society			271,000	
- Heart of Riverdale Community Centre			258,000	
- Youth Investment Fund			102,000	
- Big Brothers Big Sisters of Yukon			3,800	
- Association franco-yukonnaise			25,000	
- various youth groups			274,904	
Intergovernmental Relations				441,959
- Canadian Red Cross	-	-	100,000	
- Rideau Hall Foundation - Arctic Inspiration Prize	100,000	100,000	100,000	
- University of Alberta	100,000	100,000	99,959	
- Yukon University	100,000	100,000	100,000	
- Mitacs Inc.	-	-	22,000	
- various transfer payments	-	-	20,000	
Strategic Corporate Services				11,619
- BYTE - Climate Change	102,000	102,000		
Office of the Commissioner				
- Commissioner's Entertainment Allowance	5,000	5,000		4,600
COVID-19 Response	500,000	417,000		178,935
<b>Total other government transfers</b>	<b>6,568,000</b>	<b>6,880,000</b>		<b>6,416,747</b>

**Non-Consolidated Schedule of Other Government Transfers  
for the year ended March 31, 2022**

	Main Estimates	Revised Estimates	Actual
<b>Community Services</b>			
<u>Funding programs</u>			
COVID-19 Response			
- Emergency Support Fund for Sport Organizations	\$ -	\$ -	\$ (2,267)
Sport	3,043,000	3,043,000	2,782,796
Community recreation/active living	931,000	1,480,000	1,515,154
Fire management - FireSmart	850,000	850,000	755,266
	<u>4,824,000</u>	<u>5,373,000</u>	<u>5,050,949</u>
<u>Other transfer payments</u>			
Small Communities fund	4,150,000	4,150,000	25,932,075
Investing in Canada infrastructure program	13,198,000	13,198,000	26,767,472
Clean Water Wastewater fund	-	-	48,095
Community library boards	399,164	399,164	381,417
- Watson Lake Library Board			57,482
- Dawson City Library Board			41,913
- Carcross Library Board			35,587
- Haines Junction Library Board			39,753
- Carmacks Library Board			30,007
- Teslin Library Board			34,201
- Mayo Library Board			25,901
- Faro Library Board			20,081
- Beaver Creek Library Board			18,811
- Tagish Library Board			23,446
- Ross River Library Board			16,708
- Old Crow Library Board			18,448
- Pelly Crossing Library Board			19,079
Municipal ground water monitoring	290,000	290,000	104,400
- Town of Watson Lake			13,731
- City of Dawson			32,589
- Village of Carmacks			14,839
- Town of Faro			11,990
- Village of Mayo			14,120
- Various recipients			17,131
Solid waste - landfill agreements	60,000	328,000	205,000
- Vuntut Gwitchin First Nation			80,000
- City of Dawson			75,000
- Town of Watson Lake			50,000
Association of Yukon Communities	100,000	100,000	100,000

**Non-Consolidated Schedule of Other Government Transfers  
for the year ended March 31, 2022**

	Main Estimates	Revised Estimates	Actual
<b>Community Services</b>			
<u>Other transfer payments (continued)</u>			
Community/Local Advisory Council - operation and maintenance	\$ 72,000	\$ 72,000	\$ 74,049
- Hamlet of Mount Lorne			15,541
- Marsh Lake Local Advisory Council			15,541
- South Klondike Local Advisory Council			11,885
- Tagish Area Advisory Committee			15,541
- Hamlet of Ibx Valley			15,541
Volunteer Benevolos Yukon Society	67,000	67,000	67,000
Emergency medical services			
- Volunteer Ambulance Services Society	110,000	110,000	82,992
- volunteer awards fund			5,859
- volunteer education			52,976
- volunteer community allowances			24,157
Emergency Management Organization			31,726
- emergency measures preparation	-	-	31,726
Recreation/Community Centres - Various	125,000	125,000	
-Carcross Recreation Board	-	-	18,447
-Tagish Community Association	-	-	17,258
-Lorne Mountain Community Association	-	-	22,587
-Liard First Nation	-	-	19,989
-Kluane First Nation			19,519
Fire management			
- Beat the Heat Training Camp	14,000	14,000	50,000
- Emergency Management Assistance Program (EMAP)	-	250,000	420,000
- YG led fuel management and fire mitigation projects			96,254
Land Development - Residential - Rural		5,517,000	
- Champagne Aishihik First Nations	-	-	3,815,884
- Whistle Bend Phase 4	-	210,000	-
Gas tax fund	1,261,000	1,261,000	-
Flood/Erosion Control	-	-	29,185
Various transfer payments less than \$10,000	-	-	65,832
	<u>19,846,164</u>	<u>26,091,164</u>	<u>58,369,181</u>
Total other government transfers	<u><b>24,670,164</b></u>	<u><b>31,464,164</b></u>	<u><b>63,420,130</b></u>

**Non-Consolidated Schedule of Other Government Transfers  
for the year ended March 31, 2022**

	Main Estimates	Revised Estimates	Actual
<b>Economic Development</b>			
<u>Funding programs</u>			
Community development fund	\$ 2,950,000	\$ 2,950,000	\$ 2,476,926
Economic Development Fund	1,960,000	1,960,000	1,264,800
Media development incentive programs	710,000	1,210,000	1,130,609
	<u>5,620,000</u>	<u>6,120,000</u>	<u>4,872,335</u>
<u>Other transfer payments</u>			
COVID-19 Response			
Yukon Business Relief Program	4,500,000	4,500,000	3,691,154
Tourism Non-Accommodation Hospitality Sector Supplement	-	3,000,000	1,905,587
Paid Sick Leave Rebate	500,000	500,000	2,011,047
Yukon Emergency Relief Program	-	820,000	305,842
COVID-19 Additional Supports	-	-	20,000
Vaccine Verification Rebate	-	157,000	12,997
Yukon Essential Workers Income Support	-	-	5,542
Yukon University			
- Yukon Cold Climate Innovation Centre	835,000	835,000	835,000
- cold climate innovation - Yukon innovation prize	105,000	105,000	-
Yukon Gold Mining Alliance	397,000	397,000	397,500
- Yukon exploration & mining investment attraction	-	-	<u>397,500</u>
Yukonconstruct Society			322,500
- operational support	250,000	250,000	250,000
- startup bootcamp	-	-	50,000
- Collision conference	-	-	16,500
- entrepreneur docu-series	-	-	<u>6,000</u>
837946 Yukon Inc.	-	-	170,000
- Fuel Wood Equipment	-	-	<u>170,000</u>
Technology and telecommunications projects	304,000	304,000	-
Yukon Information Technology Industry Society (YITIS)	125,000	125,000	162,974
- operational support	-	-	68,974
- consolidated projects	-	-	49,000
- AI learning and business accelerator	-	-	<u>45,000</u>
Yukon First Nations Chamber of Commerce	125,000	125,000	144,700
- operational support	-	-	<u>144,700</u>
Whitehorse Chamber of Commerce			123,302
- operational support	120,000	120,000	93,302
- Yuwin jobsearch website	-	-	<u>30,000</u>
Council of Yukon First Nations	-	-	100,238
- building capacity to collaborate	-	-	<u>100,238</u>
Yukon Chamber of Commerce, The	75,000	75,000	87,500
- operational support	-	-	37,500
- program support	-	-	<u>50,000</u>

**Non-Consolidated Schedule of Other Government Transfers  
for the year ended March 31, 2022**

	Main Estimates	Revised Estimates	Actual
<b>Economic Development</b>			
<u>Other transfer payments (continued)</u>			
Creative Lab North Society	\$ -	\$ -	\$ 86,000
- Operational Funding			56,000
- Robotics and Coding in Carmacks			30,000
MusicYukon	50,000	50,000	77,000
- operational support			77,000
Screen Production Yukon Association	50,000	50,000	63,500
- operational support			63,500
536228 Yukon Inc.	-	-	39,618
- Power Players Program			39,618
Dana Naye Ventures			26,877
- micro loan program	35,000	35,000	26,877
Village of Teslin	-	-	25,000
- mentor Project Manager			25,000
Yukon Film Society	-	-	17,500
- Yukon theatre revitalization project			17,500
Yukon Arts Society	-	-	10,965
- Vancouver Trade Fair booth			10,965
Various transfer payments less than \$10,000	187,000	187,000	29,679
	7,658,000	11,635,000	10,672,022
<b>Total other government transfers</b>	<b>13,278,000</b>	<b>17,755,000</b>	<b>15,544,357</b>
<b>Education</b>			
<u>Funding programs</u>			
Labour market development agreement	4,149,000	6,233,000	5,372,404.00
Workforce development agreement	2,442,000	2,969,000	2,602,735
COVID-19 Workforce development agreement	-	500,000	483,467
Universal Child Care	12,751,000	21,767,000	21,937,967
Community training fund	1,390,000	1,390,000	1,340,388
Student training and employment program	366,000	366,000	371,216
Yukon summer program	114,000	114,000	82,701
	21,212,000	33,339,000	32,190,878

**Non-Consolidated Schedule of Other Government Transfers  
for the year ended March 31, 2022**

	Main Estimates	Revised Estimates	Actual
<b>Education</b>			
<u>Other transfer payments</u>			
Yukon University			
- operational funding	\$ 24,017,000	\$ 24,017,000	\$ 24,066,272
- Yukon Research Centre	1,386,000	1,386,000	1,386,000
- Centre for Northern Innovation in Mining	1,200,000	1,200,000	1,200,000
- licensed practical nurse program	491,000	491,000	490,780
- Northern Institute of Social Justice	450,000	450,000	450,000
- youth exploring trades	75,000	75,000	75,000
- transition signage	500,000	500,000	500,000
-Early Childhood Development Certificates	-	210,000	217,029
- Rural Education Opportunities ELCC Workers	-	145,000	145,000
Commission scolaire francophone du Yukon			
- operations and maintenance	1,527,000	1,740,000	1,241,725
- capital repairs	19,000	19,000	18,788
Council of Yukon First Nations			
- native language program	1,135,000	1,194,000	1,232,659
Yukon First Nations Education Directorate			
- education initiative	735,000	735,000	735,000
First Nation education agreements	1,510,000	1,510,000	1,291,510
Foundational skills	876,000	876,000	842,282
- Yukon Literacy Coalition			667,308
- Yukon Learn			170,224
- various recipients			4,750
Special payments for education-related events/student activities	270,000	204,000	-
- Heart of Riverdale	-	-	20,000
- Yukon Arts Society			14,250
- Yukon Historical & Museums Association			10,350
- Growers of Organic Food Yukon Association			10,000
- University of Manitoba			20,000
- Big Brothers & Big Sisters of Yukon			19,125
- Yukon Wildlife Preserve Operating Society			37,168
- Yukon Food for Learning Association			17,000
- various recipients			48,385
Remuneration school councils/committees	257,000	257,000	274,271
- Catholic Education Association of Yukon			28,731
- Association of Yukon School Councils Boards & Committees			65,000
- various recipients			180,540
Tutor program	150,000	150,000	158,580
- Learning Disabilities Association of Yukon			80,000
- Skookum Jim Friendship Centre			67,815
- various recipients			10,765
Post-secondary student scholarships	119,000	119,000	118,000
- Lester B. Pearson College			68,000
- University of Saskatchewan			50,000
Education related organizations	105,000	105,000	55,614
- Council of Ministers of Education, Canada		-	53,614
- various recipients		-	2,000

**Non-Consolidated Schedule of Other Government Transfers  
for the year ended March 31, 2022**

	Main Estimates	Revised Estimates	Actual
<b>Education</b>			
<u>Other transfer payments (continued)</u>			
Whole child project	\$ 141,000	\$ 141,000	\$ 13,300
- various recipients			13,300
Attendance initiative	55,000	150,000	138,964
- Christ the King Elementary School trust			10,000
- Del Van Gorder School trust			13,200
- Robert Service School trust			12,000
- St. Elias Community School trust			11,796
- Teen Parent Centre Trust			10,410
- various recipients			81,558
French second language support	49,000	49,000	49,000
- various recipients			49,000
First Nations elder program	44,000	44,000	49,550
- Teslin Tlingit Council			30,000
- Champagne and Aishihik First Nations			15,000
- various recipients			4,550
School cultural activities	97,000	97,000	39,895
- Northern Cultural Expressions Society			23,895
- Tr'ondëk Hwëch'in			16,000
Apprenticeship initiatives	58,000	58,000	34,151
- Receiver General for Canada			34,151
Early Learning & Child Care	5,374,000	7,653,000	3,619,946
Child Development Centre	2,562,000	2,562,000	2,902,345
Early Learning & Child Care Bursaries	-	50,000	63,292
COVID-19 Response			
- Learning Disabilities Association of Yukon (Tutor Support)	-	-	10,000
- Enhanced Daycare Cleaning	1,260,000	1,735,000	1,641,464
Teen Parent Access to Educational Society	24,000	-	-
Association franco-yukonnaise	300,000	300,000	300,000
Various recipients	-	4,000	3,800
	44,786,000	48,226,000	43,560,495
Total other government transfers	<b>65,998,000</b>	<b>81,565,000</b>	<b>75,751,373</b>



**Non-Consolidated Schedule of Other Government Transfers  
for the year ended March 31, 2022**

	Main Estimates	Revised Estimates	Actual
<b>Energy, Mines and Resources</b>			
<u>Funding programs</u>			
Low carbon economy leadership fund	\$ 3,760,000	\$ 3,760,000	\$ 2,805,245
Rebate programs	3,499,000	3,364,000	2,169,936
Yukon mineral exploration program	1,400,000	1,400,000	1,373,674
Agriculture - Canadian agricultural partnership	875,000	973,000	574,945
	<hr/>		
	9,534,000	9,497,000	6,923,800
<u>Other transfer payments</u>			
Mining memorandum of understanding			136,451
- various First Nations	750,000	750,000	127,495
- various recipients	-	-	8,956
Geological survey work	215,000	215,000	310,648
- Boise State University			100,212
- University of Calgary			109,468
- University of Victoria			25,175
- University of Alberta			13,000
- Institut National de la Recherche Scientifique			13,224
- Simon Fraser University			49,569
Type II mine site reclamation	475,000	475,000	
- various Yukon First Nations	-	-	145,980
Energy - cost shared projects			
- various recipients	50,000	50,000	224,526
Yukon Chamber of Mines	100,000	100,000	120,000
Klondike Placer Miners' Association	120,000	120,000	150,000
Yukon Agricultural Association - operational funding	90,000	90,000	90,000
Yukon Wood Products Association	40,000	40,000	61,000
Canadian Council of Forest Ministers	6,000	6,000	15,000
Yukon invasive species council	-	-	10,000
Agriculture related - non CAP funding	-	-	128,514
Yukon Science Institute (Yukon-Stikine Regional Science Fair)	6,000	6,000	5,000
Oil and Gas First Nation Working Group			
- various Yukon First Nations	50,000	50,000	70,000
Nacho Nyak Dun First Nation - ATAC	-	-	151,000
Successor resource legislation working group			
- various First Nations	70,000	70,000	-
Oil and gas and mineral resources - regulatory costs			
- various recipients	35,000	35,000	150,000
Carcross Tagish First Nation			13,050
Teslin Tlingit Council			49,528
FP Innovations			80,500
Elk Fencing Program	225,000	225,000	159,711
Forest management plans assistance			
- various recipients	9,000	9,000	-
Forestry management research projects	9,000	9,000	-
Forest Management - Forest Engineering	-	-	800
	<hr/>		
	2,250,000	2,250,000	2,071,709
	<hr/>		
Total other government transfers	<b>11,784,000</b>	<b>11,747,000</b>	<b>8,995,508</b>

**Non-Consolidated Schedule of Other Government Transfers  
for the year ended March 31, 2022**

	Main Estimates	Revised Estimates	Actual
<b>Environment</b>			
<u>Other transfer payments</u>			
Environment and Climate Change Canada			
- environmental sustainability	\$ 825,000	\$ 825,000	\$ 846,674
- Peel	-	-	51,016
- Cableway remediation	156,000	156,000	156,000
Yukon Wildlife Preserve Operating Society			
- operational costs	747,000	747,000	746,640
- Swan Haven	17,000	17,000	17,000
Yukon University			
- climate change research	75,000	75,000	56,250
Humane Society Yukon	110,000	110,000	121,904
Yukon Energy Corporation - Whitehorse Fish Hatchery	100,000	100,000	120,000
Yukon Fish and Game Association	60,000	60,000	52,000
Porcupine Caribou Management Board	75,000	75,000	75,000
Yukon Conservation Society	50,000	50,000	50,000
Inuvialuit Final Agreement			
- Wildlife Management Advisory Council	484,000	486,000	486,000
Vuntut Gwitchin First Nation			
- Porcupine caribou herd protection	50,000	50,000	-
Centre for Human-Wildlife Conflict Solutions	40,000	40,000	40,000
Yukon Invasive Species Funding	-	-	10,000
University of Toronto	-	-	30,000
University of Saskatchewan	10,000	10,000	12,300
Yukon Trappers' Association	35,000	35,000	50,000
Humane Society Dawson	25,000	25,000	25,755
Animal Protection Program - various Recipients	35,000	35,000	18,750
Livestock Veterinary Services - various Recipients	6,000	6,000	3,973
Fish and Wildlife Cooperative Research Projects - various Recipients	18,000	18,000	-
Polar Muskox Projects	50,000	50,000	-
Environmental Awareness Fund - various Recipients	30,000	30,000	14,293
Community Water Monitoring Project - various Recipients	24,000	24,000	29,935
Ducks Unlimited	18,000	18,000	-
Canadian Wildlife Health Cooperative	14,000	14,000	-
Various transfer payments less than \$10,000	17,000	17,000	8,601
<b>Total other government transfers</b>	<b>3,071,000</b>	<b>3,073,000</b>	<b>3,022,091</b>
<b>Finance</b>			
<u>Other transfer payments</u>			
Financial Operations and Revenue Services			
- rural community banking	450,000	450,000	471,384
<b>Total other government transfers</b>	<b>450,000</b>	<b>450,000</b>	<b>471,384</b>

**Non-Consolidated Schedule of Other Government Transfers  
for the year ended March 31, 2022**

	Main Estimates	Revised Estimates		Actual
<b>French Language Services Directorate</b>				
<u>Other transfer payments</u>				
Yukon Hospital Corporation	\$ -	\$ -		\$ 338,405
Association franco-yukonnaise				
- French language training	120,000	120,000	120,000	148,755
- Health projects	-	-	25,000	
- Journée de la Francophonie	5,000	5,000	3,755	
Yukon Human Rights Commission	-	-		54,000
Quebec - Yukon Intergovernmental Cooperation Program	50,000	50,000		15,000
- various recipients			15,000	
Ministerial Conference on the Canadian Francophonie	4,000	4,000		4,278
French language community support				
- various recipients	540,000	540,000		-
Total other government transfers	<b>719,000</b>	<b>719,000</b>		<b>560,438</b>
<b>Health and Social Services</b>				
Funding programs				
Child Welfare Programming and Support	5,764,000	7,064,000		5,464,955
Parents of children with disabilities	690,000	690,000		1,330,281
Canada Prenatal Nutrition Program	677,000	677,000		977,910
Employment incentives	390,000	390,000		19,791
Employment supports	300,000	300,000		-
	<b>7,821,000</b>	<b>9,121,000</b>		<b>7,792,937</b>
Other transfer payments				
Yukon Hospital Corporation				86,758,398
- operational funding	80,613,000	80,819,000	80,699,000	
- orthopedic program	3,649,000	3,649,000	3,649,000	
- First Nations health	1,200,000	1,200,000	1,200,000	
- laboratory services	725,000	725,000	709,298	
- cataract plan	-	-	288,000	
- OB-GYN program	-	-	120,100	
- Yukon Hospital Foundation	93,000	93,000	93,000	
Yukon hospital insurance services	32,578,000	32,578,000		36,038,416
- Yukon residents' health care provided outside Yukon				
- Province of British Columbia			25,811,507	
- Yukon Hospital Corporation - Whitehorse			3,615,720	
- Province of Alberta			2,434,899	
- reimbursements to individuals and insurance companies			2,262,936	
- contributions to various health agencies			851,247	
- Canadian Blood Services			669,982	
- other provinces and territories			392,125	
COVID-19 Response				8,282,573
- Yukon Hospital Corporation	3,688,000	5,863,000	7,663,000	
- Pandemic Management - Various recipients	520,000	520,000	619,573	
Yukon Medical Association				3,247,705
- physician recruitment/retention initiatives	3,518,000	3,518,000	2,377,705	
- medical practice insurance	554,000	554,000	427,000	
- education	318,000.00	318,000	368,000	
- medical student bursaries	125,000	125,000	75,000	
Challenge - Disability Resource Group				2,080,105
- 6-Plex	748,000	748,000	691,498	
- Max's Place	-	-	534,390	
- Granger Haven	748,000	748,000	526,537	
- Operating	343,000	343,000	315,136	
- Bridges Café	66,000	66,000	12,544	

**Non-Consolidated Schedule of Other Government Transfers  
for the year ended March 31, 2022**

	Main Estimates	Revised Estimates		Actual
<b>Health and Social Services</b>				
<u>Other transfer payments (continued)</u>				
Yukon Women's Transition Home Society	\$ 1,640,000	\$ 1,640,000		\$ 1,682,701
Connective Support Society	-	-		1,459,196
Canadian Mental Health Association, Yukon Division				1,315,000
- operating	886,000	886,000	1,165,000	
- peer support line	150,000	150,000	<u>150,000</u>	
Options for Independence Society				1,238,545
- semi-independent housing supports	665,000	665,000	652,805	
- Aurora Group Home	504,000	504,000	<u>585,740</u>	
Teegatha'Oh Zheh				
- operating	1,249,000	1,249,000		1,226,207
- specialized services	73,000	73,000		-
First Nation family support workers	1,125,000	1,125,000		1,050,000
- First Nation of Na-cho Nyak Dun			75,000	
- Kwanlin Dün First Nation			150,000	
- Carcross/Tagish First Nation			75,000	
- Champagne and Aishihik First Nations			75,000	
- Liard First Nation			75,000	
- Kluane First Nation			75,000	
- Ta'an Kwach'an Council			75,000	
- Little Salmon/Carmacks First Nation			75,000	
- Ross River Dena Council			75,000	
- Selkirk First Nation			75,000	
- Tr'ondëk Hwëch'in			75,000	
- Teslin Tlingit Council			75,000	
- Vuntut Gwitchin First Nation			<u>75,000</u>	
Cultural Connections				980,300
- Council of Yukon First Nations			850,300	
- Ross River Dena Council			15,000	
- Kwanlin Dün First Nation			15,000	
- First Nation of Na-cho Nyak Dun			10,000	
- Carcross/Tagish First Nation			10,000	
- Kluane First Nation			10,000	
- Tr'ondëk Hwëch'in			10,000	
- Champagne and Aishihik First Nations			10,000	
- Liard First Nation			10,000	
- Little Salmon/Carmacks First Nation			10,000	
- Selkirk First Nation			10,000	
- Teslin Tlingit Council			10,000	
- Vuntut Gwitchin First Nation			<u>10,000</u>	
Blood Ties Four Directions Centre Society	204,000	204,000		859,899
- operational funding	307,000	307,000	505,599	
- supervised consumption site	-	509,000	255,000	
- after hour support	84,000	84,000	84,000	
- peer support group	15,000	15,000	<u>15,300</u>	
Inclusion Yukon Society				818,903
- inclusion funding	231,000	231,000	422,273	
- operating	235,000	235,000	<u>396,630</u>	

**Non-Consolidated Schedule of Other Government Transfers  
for the year ended March 31, 2022**

	Main Estimates	Revised Estimates	Actual
<b>Health and Social Services</b>			
<u>Other transfer payments (continued)</u>			
Skookum Jim Friendship Centre	\$ 837,000	\$ 837,000	\$ 814,117
Help & Hope for Families Society	615,000	615,000	604,000
Fetal Alcohol Syndrome Society of Yukon	715,000	715,000	643,711
Kwanlin Dün First Nation - Jackson Lake Healing Camp	400,000	400,000	400,000
Dawson Shelter Society, The	402,000	402,000	395,421
British Columbia Centre for Disease Control			388,687
- laboratory services	150,000	150,000	150,000
- panorama	126,000	126,000	126,000
- harm reduction supplies	-	-	61,687
- poison information management	-	-	51,000
Hospice Yukon Society	316,000	316,000	320,946
Fetal Alcohol Spectrum Disorders	-	500,000	319,718
- Council of Yukon First Nations			153,700
- Fetal Alcohol Syndrome Society of Yukon			122,580
- Yukon Anti-Poverty Coalition			27,190
- Challenge - Disability Resource Group			16,248
The John Howard Society Pacific Region	-	1,254,000	-
Miscellaneous transfer payments	11,000	11,000	280,752
City of Whitehorse - Handy Bus	234,000	234,000	237,425
Tr'ondëk Hwëch'in			316,134
- men's emergency shelter	254,000	254,000	250,000
- cancer care project	-	-	66,134
Sport Yukon - Kids Recreation Fund	210,000	210,000	185,120
First Nations health partnership	165,000	165,000	181,656
Kwanlin Dun First Nation - family support worker	-	-	-
All Genders Yukon	108,000	108,000	161,000
Yukon Registered Nurses Association	150,000	150,000	150,000
Individual respite agreements	125,000	154,000	153,152
Council of Yukon First Nations	-	-	151,375
- Menstrual products			100,000
- Engagement and consultation strategy			51,375
Learning Disabilities Association of Yukon	153,000	153,000	149,970
Second Opinion Society	126,000	126,000	123,118
Yukon Food for Learning Association	130,000	130,000	115,982
Substance use and addictions program	-	-	115,275
- Individual Learning Centre			13,220
- various recipients			102,055
HealthLink British Columbia			115,000
Autism Yukon	84,000	84,000	112,390
Memorial University of Newfoundland			100,000
Public Works and Government Services Canada	79,000	79,000	80,028
Canadian Cancer Society			79,750
- cancer lodges	65,000	65,000	65,250
- health services	14,000	14,000	14,500
Yukon Housing Corporation			83,636
Yukon Anti-Poverty Coalition	83,000	83,000	79,560
Yukon Council on Aging	73,000	73,000	74,977
Medical student bursaries			62,500

**Non-Consolidated Schedule of Other Government Transfers  
for the year ended March 31, 2022**

	Main Estimates	Revised Estimates	Actual
<b>Health and Social Services</b>			
<u>Other transfer payments (continued)</u>			
Nursing education bursaries	\$ 24,000	\$ 24,000	\$ 60,000
Canadian Institute for Health Information	43,000	43,000	52,925
Yukon Reads Society	50,000	50,000	50,000
Health Investment Fund	50,000	50,000	50,000
Yukon College	-	-	49,813
Teen Parent Access to Education Society	-	-	46,920
Line of Life Association of the Yukon	63,000	63,000	42,395
Alberta Health Services - emergency medical services	34,000	34,000	35,910
Victoria Faulkner Women's Centre, The - accommodation	43,000	43,000	34,352
Canadian Red Cross Society	36,000	36,000	33,300
Canadian National Institute for the Blind	33,000	33,000	33,000
Government of Manitoba - Healthy child	30,000	30,000	31,500
St. Elias Seniors Society	34,000	34,000	26,610
Tel-Aide Outaouais	-	-	26,520
Yukon T1D support network	-	-	26,250
Healthy Eating	26,000	26,000	23,000
Health Professional Bursary	40,000	40,000	22,500
Rick Hansen Institute	20,000	20,000	20,000
Unity Health Toronto	-	-	20,000
Queer Yukon Society	-	-	15,000
University of Toronto	-	-	13,563
British Columbia Health Services	-	-	13,492
Big Brothers and Big Sisters of Yukon	12,000	12,000	12,000
Recreation and Parks Association of the Yukon	8,000	8,000	8,050
Joint Consortium for School Health	2,000	2,000	1,000
Options for Sexual Health	1,000	1,000	1,000
Social supports - miscellaneous	336,000	336,000	-
Rural End of Life	200,000	200,000	-
Signpost Seniors Association	56,000	56,000	-
Professional Development Fund	25,000	25,000	-
Health Education Bursaries	25,000	25,000	-
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			11,130,669
- Secure medical unit	5,700,000	5,700,000	5,700,000
- 1Health (Meditech)	2,142,000	5,911,000	3,430,669
- Medical imaging equipment	1,200,000	1,200,000	1,200,000
- Building maintenance, renovations and space	800,000	800,000	800,000
	<u>153,554,000</u>	<u>161,996,000</u>	<u>165,913,117</u>
Total other government transfers	<u>161,375,000</u>	<u>171,117,000</u>	<u>173,706,054</u>

**Non-Consolidated Schedule of Other Government Transfers  
for the year ended March 31, 2022**

	Main Estimates	Revised Estimates	Actual
<b>Highways and Public Works</b>			
<u>Other transfer payments</u>			
COVID-19 Response Aviation	\$ -	\$ 7,645,000	\$ 8,828,244
Vuntut Gwitchin First Nation - Old Crow Winter Road	2,500,000	2,500,000	1,700,000
Yukon Resource Gateway Project	1,000,000	1,000,000	534,690
- Liard First Nation			434,690
- Little Salmon Carmacks First Nation			100,000
City of Whitehorse	-	-	106,007
Council of Yukon First Nations	100,000	100,000	100,000
Yukon First Nation Chamber of Commerce	-	-	88,402
Yukon University	-	-	50,880
Yukon Contractors Association	43,000	43,000	43,000
Teslin Tlingit Council	-	-	35,000
Canadian Standards Association	-	-	10,000
Carcross/Tagish First Nation	200,000	200,000	-
Yukon Transportation Museum Society, The	12,000	12,000	-
Various transfer payments less than \$10,000	-	-	12,618
<b>Total other government transfers</b>	<b>3,855,000</b>	<b>11,500,000</b>	<b>11,508,841</b>
<b>Justice</b>			
<u>Other transfer payments</u>			
Yukon Legal Services Society (Legal Aid)			2,798,591
- legal services	2,608,000	2,608,000	2,763,591
- community justice and public safety	35,000	35,000	35,000
Human Rights Commission	658,000	658,000	708,000
Community residential centre	550,000	550,000	545,420
- John Howard Society Pacific Region			275,000
- Connective Support Society (prior year funding)			220,000
- Connective Support Society (20-21 Holdback)			50,420
Community Consultative Group	50,000	50,000	9,500
- Liard First Nation			4,500
- Little Salmon/Carmacks First Nation			5,000
Yukon Aboriginal Women's Council-FILU	70,000	70,000	105,740
Indigenous courtworker program	648,000	648,000	592,978
- Kwanlin Dūn First Nation			127,958
- Carcross/Tagish First Nation			36,952
- Carcross/Tagish First Nation (prior year funding)			22,581
- Little Salmon/Carmacks First Nation			36,952
- Little Salmon/Carmacks First Nation (prior year funding)			4,105
- Ross River Dena Council			9,238
- Ross River Dena Council (prior year funding)			(6,255)
- Vuntut Gwitchin First Nation			27,714
- Vuntut Gwitchin First Nation (prior year funding)			2,678
- Tr'ondëk Hwëch'in			36,952
- Tr'ondëk Hwëch'in (Prior Year funding)			4,105
- First Nation of Na-cho Nyäk Dun			36,952
- First Nation of Na-cho Nyäk Dun (Prior year funding)			4,105
- Selkirk First Nation			36,952
- Teslin Tlingit Council			36,952
- Teslin Tlingit Council (prior year funding)			2,182
- Liard First Nation			73,903
- Liard First Nation (Prior year funding)			11,706
- Kluane First Nation			9,238
- Kluane First Nation (prior year funding)			27,714
- Champagne and Aishihik First Nations			18,476
- Champagne and Aishihik First Nations (prior year funding)			31,819

**Non-Consolidated Schedule of Other Government Transfers  
for the year ended March 31, 2022**

	Main Estimates	Revised Estimates	Actual
<b>Justice</b>			
<u>Other transfer payments (continued)</u>			
Kwanlin Dün First Nation-Security initiative-CSO	\$ 400,000	\$ 400,000	\$ 400,000
Yukon Workers' Compensation Health and Safety Board	330,000	330,000	329,500
Community justice projects	307,000	307,000	278,623
- Kwanlin Dün First Nation			61,019
- Kwanlin Dün First Nation (prior year funding)			5,547
- Liard First Nation			61,847
- Liard First Nation (Prior year funding)			5,185
- Teslin Tlingit Council			43,500
- Teslin Tlingit Council (prior year funding)			410
- Champagne and Aishihik First Nations			15,854
- Champagne and Aishihik First Nations (prior year funding)			6,730
- Carcross/Tagish First Nation			16,275
- Carcross/Tagish First Nation (prior year funding)			11,625
- Tr'ondëk Hwëch'in			17,500
- Tr'ondëk Hwëch'in (prior year funding)			7,500
- Vuntut Gwitchin First Nation			12,323
- Vuntut Gwitchin First Nation (prior year funding)			5,159
- Ross River Dena Council			8,150
Gladue project			166,495
Yukon Public Legal Education Association	163,000	163,000	163,000
RCMP			141,183
- biology caseworks & Auxiliary Police Program	106,000	106,000	141,183
- police board funding	5,000	5,000	-
Yukon Women's Transition Home Society-Women's Coalition	-	-	17,628
Yukon Community Crime Stopper Association	10,000	10,000	9,939
Yukon Community Crime Stopper Association GGVAF	-	-	50,215
Boys and Girls Club of Yukon-GGVAF	-	-	79,738
Various transfer payments less than \$10,000	-	-	9,316
<b>Total other government transfers</b>	<b>5,940,000</b>	<b>5,940,000</b>	<b>6,405,867</b>
<b>Tourism and Culture</b>			
<u>Funding programs</u>			
Arts operating funds	825,000	825,000	825,600
Tourism cooperative marketing fund	700,000	700,000	659,735
Arts fund	500,000	500,000	566,495
Advanced artist award	150,000	150,000	161,323
Touring artist fund	100,000	100,000	95,645
New Canadians event fund	45,000	45,000	19,286
	<b>2,320,000</b>	<b>2,320,000</b>	<b>2,328,084</b>
<u>COVID-19 Pandemic - Funding Programs</u>			
Enhancing Tourism Cooperative Marketing Fund	-	300,000	474,492
Tourism non-accommodation sector supplement	-	5,185,000	4,426,321
Tourism relief and recovery plan	400,000	1,000,000	1,127,812
Tourism accommodation sector supplement	-	2,800,000	793,252
	<b>400,000</b>	<b>9,285,000</b>	<b>6,821,877</b>



**Non-Consolidated Schedule of Other Government Transfers  
for the year ended March 31, 2022**

	Main Estimates	Revised Estimates		Actual
<b>Tourism and Culture</b>				
<u>Other transfer payments</u>				
Yukon Arts Centre Corporation				\$ 1,216,657
- operations and maintenance	892,000	892,000	891,657	
- Old Fire Hall programming	175,000	175,000	175,000	
- Arctic arts summit	-	-	150,000	
Museums - general operation, maintenance, and training support	842,000	842,000		942,000
- MacBride Museum Society			232,000	
- operations and maintenance			50,000	
- Copperbelt Museum			180,000	
- Dawson City Museum Society			130,000	
- Yukon Transportation Museum Society, The			80,000	
- Yukon Church Heritage Society			50,000	
- Keno Community Club			50,000	
- Kluane Museum of History Society			50,000	
- Teslin Historical & Museum Society			40,000	
- Town of Faro - Campbell Region Interpretive Centre			40,000	
- Town of Watson Lake - Northern Lights Centre			40,000	
- Village of Mayo - Binet House			40,000	
First Nations cultural centres	800,000	800,000		795,000
- Carcross/Tagish First Nation			130,000	
- Champagne and Aishihik First Nations			130,000	
- Kwanlin Dün Cultural Society			130,000	
- Teslin Tlingit Council			130,000	
- Tr'ondëk Hwëch'in			130,000	
- Little Salmon/Carmacks First Nation			50,000	
- Vuntut Gwitchin First Nation			50,000	
- Selkirk First Nation			45,000	
Dawson City Arts Society				607,926
- operations and maintenance	425,000	425,000	450,000	
- culture quest	157,000	157,000	157,926	
On Yukon time - arts themed events	19,000	19,000		457,534
- Yukon Art Society			15,000	
- Guild Society			15,000	
- Elizabeth Anne Morgan o/a Caribou Hotel			15,000	
- City of Whitehorse			15,000	
- The Society of Something Shows			15,000	
- Carcross Tagish Development Corporation			15,000	
- Yukon Aboriginal Women's Council			15,000	
- Klondike Visitors Association			15,000	
- Queer Yukon Society			15,000	
- Sport Yukon			15,000	
- Larrikin Entertainment Ensemble			15,000	
- Ramshackle Theatre Society			15,000	
- Dawson City Arts Society			15,000	
- Yukon Film Society, The			14,300	
- Yukon Transportation Museum Society, The			14,240	
- Yukon First Nation Chamber of Commerce			14,000	
- Marsh Lake Community Society			12,854	
- Longest Night Society			12,800	
- Nakai Theatre Ensemble			12,400	
- Marsh Lake Tents And Events			12,400	
- Dawson City Music Festival Association			11,880	
- Aiden Tentrees			11,600	
- Yukon Words Society			11,225	
- Mary Gamberg o/a Gamberg Consulting			10,400	

**Non-Consolidated Schedule of Other Government Transfers  
for the year ended March 31, 2022**

	Main Estimates	Revised Estimates	Actual
<b>Tourism and Culture</b>			
<u>Other transfer payments (continued)</u>			
On Yukon time (continued)			
- Heart of Riverdale Community Centre, The		\$ 10,000	
- various recipients		114,435	
Yukon Tourism Development Strategy Implementation			
- Yukon First Nation Culture and Tourism Association	300,000	300,000	300,000
- Experience development	175,000	175,000	117,000
- Council of Yukon First Nations		60,000	
- Sport Yukon		57,000	
Northern Cultural Expressions Society	345,000	345,000	345,000
Museums - assistance	348,000	348,000	336,620
- The Yukon Transportation Museum Society		72,494	
- MacBride Museum Society		63,000	
- Dawson City Museum Society		42,876	
- Kwanlin Dūn Cultural Society		40,000	
- Yukon Church Heritage Society		34,242	
- Teslin Historical & Museum Society		32,950	
- Carcross/Tagish First Nation		31,752	
- Kluane Museum of History Society		19,306	
Wilderness Tourism Association of the Yukon	264,000	264,000	264,000
- operations and maintenance		264,000	
Tourism Industry Association of the Yukon			219,000
- operations and maintenance	219,000	219,000	219,000
- promotion/events	20,000	20,000	-
Yukon Convention Bureau Society	200,000	200,000	199,400
Yukon First Nations Culture and Tourism Association	160,000	160,000	160,000
Yukon Quest International Association (Canada)	150,000	150,000	145,000
Selkirk First Nation - Fort Selkirk	147,000	147,000	147,000
Air North Charter & Training Ltd	75,000	75,000	125,000
Yukon Arts Society - artist in the school	100,000	100,000	107,578
Historic properties assistance program	116,000	116,000	101,876
- City of Dawson		40,000	
- Yukon Historic Resource Fund		32,873	
- Elizabeth Anne Morgan O/A Caribou Hotel		11,606	
- various recipients		17,397	
Yukon Sourdough Rendezvous	75,000	75,000	98,750
Tr'ondëk Hwëch'in - Forty Mile	95,000	95,000	95,000
Council of Yukon First Nations	137,000	137,000	90,269
Yukon Council of Archives	75,000	75,000	75,000
Yukon Historical and Museums Association	74,000	74,000	74,000
Vuntut Gwitchin First Nation - Rampart House	60,000	60,000	60,000
Sport Yukon - sport tourism	43,000	43,000	43,000
Friends of Yukon Permanent Art Collection Society			
- visual arts acquisitions	30,000	30,000	29,970
Association franco-yukonnaise	25,000	25,000	24,704
Stay Another Day			
- various recipients	25,000	25,000	25,000
Yukon Women in Music Society		5,000	
MacBride Museum Society		5,000	
Silver Trail Chamber of Commerce and Tourism Association		5,000	
Canyon City		5,000	
Yukon Conservation Society - Canyon City	18,000	18,000	18,000
Heritage Management Planning			
- Carcross/Tagish First Nation - Conrad Historic Site	15,000	15,000	15,150
Industry - product development and resource assessment	50,000	50,000	14,817
Centre for Human-Wildlife Conflict Solutions			14,817

**Non-Consolidated Schedule of Other Government Transfers  
for the year ended March 31, 2022**

	Main Estimates	Revised Estimates	Actual
<b>Tourism and Culture</b>			
<u>Other transfer payments (continued)</u>			
Dawson City Museum Society	\$ -	\$ -	\$ 10,000
Historic sites inventory	10,000	10,000	10,000
- Village of Carmacks	-	-	10,000
Creative and cultural industries strategy	275,000	275,000	-
Canadian Tourism Commission	110,000	110,000	-
Heritage trails	20,000	20,000	-
Yukon Science Institute, The	20,000	20,000	-
Kwanlin Dün Cultural Society	10,000	10,000	-
Yukon First Nations Culture and Tourism Association	10,000	10,000	-
Friends of the Yukon Archives Society	4,000	4,000	-
Various transfer payments less than \$10,000	5,000	5,000	10,946
	<u>7,115,000</u>	<u>7,115,000</u>	<u>7,281,197</u>
Total other government transfers	<b>9,835,000</b>	<b>18,720,000</b>	<b>16,431,158</b>
<b>Women and Gender Equity Directorate</b>			
<u>Other transfer payments</u>			
Indigenous Women's equality fund	600,000	600,000	596,552
- Yukon Aboriginal Women's Council			200,000
- Liard Aboriginal Women's Society			200,000
- Whitehorse Aboriginal Women's Circle			196,552
Technical Working Groups for Yukon Advisory Committee on M	100,000	100,000	82,211
- Yukon Aboriginal Women's Council			63,745
- Liard Aboriginal Women's Society			11,500
- Whitehorse Aboriginal Women's Circle			6,966
Yukon Aboriginal Women's Council			
- Sally and Sisters	-	65,000	65,000
Women's Equality Fund	197,000	197,000	180,000
- Victoria Faulkner Women's Centre, The			50,000
- Yukon Status of Women's Council			45,000
- Women in Trades and Technology Association			45,000
- Les EssentiElles			40,000
Victoria Faulkner Women's Centre, The			
- Women's Advocate	100,000	100,000	100,000
- A Safe Place	95,000	95,000	74,703
The Prevention of Violence against Aboriginal Women's Initiativ	200,000	200,000	212,904
- First Nation of the Na-Cho Nyak Dun			25,000
- Champagne and Aishihik First Nations			25,000
- Victoria Faulkner Women's Centre, The			19,688
- Yukon Aboriginal Women's Council			25,000
- Selkirk First Nation			25,000
- Whitehorse Aboriginal Women's Circle			18,216
- Kluane First Nation			25,000
- Watson Lake Elders Society			25,000
- Teen Parent Access to Education Society			25,000
Skookum Jim Friendship Centre			
- Women's legal advocate services	93,000	93,000	84,999
Yukon Anti-Poverty Coalition			
- Whitehorse affordable family housing complex	77,000	77,000	81,500
Yukon Women's Transition Home Society			
- Sexualized Assault Support Line	60,000	60,000	60,000
Queer Yukon Society	125,000	500,000	500,000
Women's community projects - various recipients	10,000	10,000	5,000
Total other government transfers	<b>1,657,000</b>	<b>2,097,000</b>	<b>2,042,869</b>

**Non-Consolidated Schedule of Other Government Transfers  
for the year ended March 31, 2022**

	Main Estimates	Revised Estimates	Actual
<b>Yukon Development Corporation (Transfer Payment)</b>			
<u>Other transfer payments</u>			
Interim electrical rebate	\$ 3,500,000	\$ 3,500,000	\$ 3,354,106
Mayo B rate payer support	2,625,000	2,625,000	2,625,000
Innovative renewable energy initiative	1,500,000	2,500,000	1,707,067
Arctic Energy Fund	14,428,000	8,482,000	4,904,978
Investing in Canada infrastructure program	16,860,000	16,940,000	6,710,567
	<b>38,913,000</b>	<b>34,047,000</b>	<b>19,301,718</b>
Total other government transfers			
<b>Yukon Housing Corporation (Transfer Payment)</b>			
<u>Other transfer payments</u>			
Operations and maintenance	7,212,000	7,212,000	6,468,351
Capital	23,786,000	26,372,000	17,372,117
	<b>30,998,000</b>	<b>33,584,000</b>	<b>23,840,468</b>
Total other government transfers			
<b>Restricted Funds</b>			
<u>Other transfer payments</u>			
Carbon amounts distributed	18,168,000	23,168,000	22,489,954
Regional Relief and Recovery Fund	1,100,000	1,100,000	35,000
	<b>19,268,000</b>	<b>24,268,000</b>	<b>22,524,954</b>
Total other government transfers			
<b>Totals</b>			
Funding programs	43,910,000	65,934,000	65,980,860
Other government transfers	346,648,164	379,871,164	383,963,098
	<b>\$ 390,558,164</b>	<b>\$ 445,805,164</b>	<b>\$ 449,943,957</b>

GOVERNMENT OF YUKON

Schedule 10

**Non-Consolidated Schedule of Bad Debt Write-offs  
for the year ended March 31, 2022**

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<b>Department</b>	<b>Number of Accounts</b>	<b>Total</b>
Health and Social Services	79	\$ 382,917
Highways and Public Works	11	7,703
Finance	7	17,928
Education	14	21,210
Community Services	128	54,151
Energy Mines and Resources	4	3,094
Legislative Assembly	1	290
		<hr/>
		<b>\$ 487,292</b>

SECTION III  
SUPPLEMENTARY FINANCIAL STATEMENTS  
(audited)

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YUKON DEVELOPMENT CORPORATION  
FINANCIAL STATEMENTS  
December 31, 2021  
(audited)



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## 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 judgments 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.

A handwritten signature in cursive script, appearing to read "Justin Ferbey".

Justin Ferbey  
President and CEO

A handwritten signature in cursive script, appearing to read "Kaitlyn Bouvier".

Kaitlyn Bouvier  
Chief Financial Officer

June 27, 2022



## 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 2021, 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 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 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 IFRSs, 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance 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.

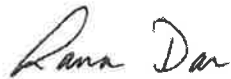
In our opinion, the transactions of the Yukon Development Corporation that came to our notice during the audit of the consolidated financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Yukon Development Corporation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



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

Vancouver, Canada  
27 June 2022

## Yukon Development Corporation


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

December 31,	2021	2020
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 8,041	\$ 5,984
Accounts receivable (Note 5)	22,980	30,127
Inventories (Note 6)	4,354	4,095
Prepaid expenses	1,323	1,443
	<b>36,698</b>	<b>41,629</b>
<b>Non-current</b>		
Right-of-use asset (Note 7)	234	427
Finance lease receivable (Note 8)	85	85
Property, plant and equipment (Note 9)	489,155	476,892
Intangible assets (Note 10)	18,896	17,436
<b>Total assets</b>	<b>545,068</b>	<b>536,469</b>
Regulatory deferral account debit balances (Note 11)	31,804	34,613
<b>Total assets and regulatory deferral account debit balances</b>	<b>\$ 576,872</b>	<b>\$ 571,082</b>
<b>Liabilities</b>		
<b>Current</b>		
Bank indebtedness (Note 12)	\$ 14,965	\$ 31,928
Accounts payable and accrued liabilities (Note 13)	13,598	18,170
Current portion of deferred revenue (Note 17)	2,628	1,658
Current portion of lease liability (Note 7)	150	206
Current portion of long-term debt (Note 14)	3,864	3,608
	<b>35,205</b>	<b>55,570</b>
<b>Non-current</b>		
Post-employment benefits (Note 15)	4,252	9,071
Contributions in aid of construction (Note 16)	95,865	87,979
Deferred revenue (Note 17)	17,015	18,486
Lease liability (Note 7)	98	237
Derivative related liability (Note 26)	2,479	5,050
Long-term debt (Note 14)	204,880	201,181
<b>Total liabilities</b>	<b>359,794</b>	<b>377,574</b>
<b>Equity</b>		
Contributed capital	41,501	41,501
Retained earnings	159,564	142,856
<b>Total equity</b>	<b>201,065</b>	<b>184,357</b>
<b>Total liabilities and equity</b>	<b>560,859</b>	<b>561,931</b>
Regulatory deferral account credit balances (Note 11)	16,013	9,151
<b>Total liabilities, equity and regulatory deferral account credit balances</b>	<b>\$ 576,872</b>	<b>\$ 571,082</b>

#### 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,	2021	2020
<b>Revenues</b>		
Sales of power (Note 18)	\$ 78,353	\$ 70,625
Yukon Government contributions (Note 22)	7,239	7,339
Other (Note 19)	4,754	4,318
	<b>90,346</b>	<b>82,282</b>
<b>Operating expenses</b>		
Operations and maintenance (Note 20)	34,018	41,368
Administration (Note 21)	14,335	13,076
Depreciation and amortization (Notes 7, 9 and 10)	13,755	12,913
	<b>62,108</b>	<b>67,357</b>
<b>Income before other income and other expenses</b>	<b>28,238</b>	<b>14,925</b>
<b>Other income</b>		
Amortization of contributions in aid of construction (Note 16)	1,580	1,368
Allowance for funds used during construction	937	850
Interest income	61	96
	<b>2,578</b>	<b>2,314</b>
<b>Other expenses</b>		
Interest on borrowings	7,638	7,901
Interim electrical rebate program subsidies (Note 1)	3,093	3,137
Unrealized (gain) / loss on interest rate swaps (Note 26)	(2,571)	3,120
Innovative renewable energy initiative program subsidies (Note 1)	1,181	1,297
	<b>9,341</b>	<b>15,455</b>
<b>Net income for the year before net movement in regulatory deferral account balances</b>	<b>21,475</b>	<b>1,784</b>
<b>Net movement in regulatory deferral account balances related to net income (Note 11(d))</b>	<b>(9,672)</b>	<b>(3,326)</b>
<b>Net income (loss) for the year and net movement in regulatory deferral account balances</b>	<b>11,803</b>	<b>(1,542)</b>
<b>Other comprehensive income (loss)</b>		
Item that will not be reclassified to net income in subsequent periods		
Remeasurement of defined benefit pension plans (Note 15)	4,905	(1,214)
<b>Total comprehensive income (loss) for the year</b>	<b>\$ 16,708</b>	<b>\$ (2,756)</b>

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 Loss	Total
<b>Balance at December 31, 2019</b>	<b>\$ 41,501</b>	<b>\$ 145,612</b>	<b>\$ -</b>	<b>\$ 187,113</b>
Net loss for the year and net movement in regulatory deferral account balances	-	(1,542)	-	(1,542)
Other comprehensive loss	-	-	(1,214)	(1,214)
Transfer of remeasurement of defined benefit pension plans to retained earnings	-	(1,214)	1,214	-
<b>Balance at December 31, 2020</b>	<b>\$ 41,501</b>	<b>\$ 142,856</b>	<b>\$ -</b>	<b>\$ 184,357</b>
Net income for the year and net movement in regulatory deferral account balances	-	11,803	-	11,803
Other comprehensive income	-	-	4,905	4,905
Transfer of remeasurement of defined benefit pension plans to retained earnings	-	4,905	(4,905)	-
<b>Balance at December 31, 2021</b>	<b>\$ 41,501</b>	<b>\$ 159,564</b>	<b>\$ -</b>	<b>\$ 201,065</b>

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,	2021	2020
<b>Operating activities</b>		
Cash receipts from customers	\$ 78,565	\$ 69,875
Cash receipts from Yukon Government	9,356	4,222
Cash receipts from contributions in aid of construction	15,447	-
Cash paid to suppliers	(40,517)	(40,868)
Cash paid to employees	(13,400)	(12,022)
Interest paid	(7,821)	(8,232)
Cash receipts from insurance claim settlement	3,762	-
Interest received	74	126
<b>Cash provided by operating activities</b>	<b>45,466</b>	13,101
<b>Financing activities</b>		
Net advances from line of credit	15,878	-
Proceeds from long-term debt	7,659	4,800
Repayment of long-term debt	(3,704)	(3,362)
Lease payments	(195)	(206)
<b>Cash provided by financing activities</b>	<b>19,638</b>	1,232
<b>Investing activities</b>		
Additions to property, plant and equipment	(27,407)	(23,790)
Additions to intangible assets	(2,779)	(5,912)
<b>Cash used in investing activities</b>	<b>(30,186)</b>	(29,702)
<b>Net increase (decrease) in cash</b>	<b>34,918</b>	(15,369)
<b>Cash, beginning of year</b>	<b>(25,964)</b>	(10,595)
<b>Cash, end of year (Note 12)</b>	<b>\$ 8,954</b>	\$ (25,964)

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

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# Yukon Development Corporation

## Notes to Consolidated Financial Statements

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December 31, 2021 (tabular amounts in thousands of Canadian dollars)

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### 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 2180 Second Avenue, Suite 234 Whitehorse, YT, Y1A 5N6.

Yukon Development Corporation's wholly-owned subsidiary, Yukon Energy Corporation (the "Utility") was incorporated under the Yukon *Business Corporations Act*. The Utility generates, transmits, distributes and sells electrical energy in the Yukon and 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 are 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. The Utility's principal place of business is located at #2 Miles Canyon Road, Whitehorse, YT, Y1A 6S7.

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 can 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 immediate future are reviewed and approved. The approval of these costs determines the total revenues the Corporation is allowed to collect from its customers.

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# Yukon Development Corporation

## Notes to Consolidated Financial Statements

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December 31, 2021 (tabular amounts in thousands of Canadian dollars)

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### 1. Nature of operations - 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 equipment (personnel and materials);
- the cost associated with the depreciation of all capital equipment; 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 prudence 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 November 2020, the Corporation filed a GRA for the year 2021 requesting approval of revenue requirement and related rate increases. The GRA requested a rate increase of 11.54%. An interim refundable rate rider (10.08%) was approved effective July 1, 2021. An additional interim refundable rate rider (9.25%) was approved effective December 1, 2021. The YUB issued an order in March, 2022 requiring the Corporation to make changes and complete a Compliance Filing. The Corporation submitted the Compliance Filing in April, 2022. The Corporation expects the process to complete and a final order from the YUB in the third quarter of 2022.

These consolidated financial statements reflect the requested rate increase as the rate increase is for the period starting January 1, 2021. Refer to Note 4 Regulatory deferral 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	February 28, 2023
Mayo Generating Station	December 31, 2025
Whitehorse Generating Station	December 31, 2025

#### d) Capital structure

The Utility's policy which has been approved by the YUB is to maintain a capital structure of 60% debt and 40% equity (Note 27).

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# Yukon Development Corporation

## Notes to Consolidated Financial Statements

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December 31, 2021 (tabular amounts in thousands of Canadian dollars)

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### 1. Nature of operations - continued

#### e) Yukon Government

In June 2021, the Yukon Government authorized the continuation of the Interim Electrical Rebate program (the "rebate") for 12 months to March 31, 2022. 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 \$0.02328/kwh for the period from June 1, 2020 to May 31, 2021 and \$0.02262/kwh for the period from June 1, 2021 to March 31, 2022 applied to residential customers to a maximum of \$3.5 million annually.

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.

### 2. Basis of presentation

#### a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These consolidated financial statements were authorized for issue by the Board of Directors on June 27, 2022.

#### b) Basis of measurement

The financial information included in the consolidated financial statements has been prepared on a historical cost basis, except for some financial instruments, as described in Note 3(f), which are measured at fair value.

### 3. Significant accounting policies

#### 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, transmission, distribution, purchase 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.

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# Yukon Development Corporation

## Notes to Consolidated Financial Statements

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December 31, 2021 (tabular amounts in thousands of Canadian dollars)

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### 3. Significant accounting policies - continued

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.

The Corporation recognizes a contract asset or deferred revenue for the contracts where the performance obligation has not been satisfied. 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.

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.

The Corporation's electricity sales are calculated based on the customers 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 several factors, including estimated consumption by customer, applicable customer rates and the number of days between the last billing date and the end of the period.

#### 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.

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# Yukon Development Corporation

## Notes to Consolidated Financial Statements

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December 31, 2021 (tabular amounts in thousands of Canadian dollars)

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### 3. Significant accounting policies - 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, finance lease receivable, 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 finance lease receivable 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.

##### ii) Financial liabilities

Bank indebtedness, accounts payable and accrued liabilities, and long-term debt 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 rate method.

Transaction costs are presented as a reduction from the carrying value of the related debt and are amortized using the effective interest rate 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.

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 unrealized and realized gains and losses recognized in net income during the period in which the fair value movement occurred.

A financial liability is derecognized when the obligation is discharged or cancelled, or expires.

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# Yukon Development Corporation

## Notes to Consolidated Financial Statements

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December 31, 2021 (tabular amounts in thousands of Canadian dollars)

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### 3. Significant accounting policies - continued

#### 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 in 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.

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
Buildings	20 to 55 years
Transportation	8 to 25 years
Other equipment	5 to 20 years

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.

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 is recognized in net income on a straight-line basis over the estimated useful lives as follows:

Software	5 years
Deferred service costs	12 years
Financial software	10 years
Licensing costs	
Hydro generation	17 to 25 years
Diesel generation	3 years



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## Yukon Development Corporation

### Notes to Consolidated Financial Statements

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December 31, 2021 (tabular amounts in thousands of Canadian dollars)

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#### 3. Significant accounting policies - continued

The water licence for the Aishihik generating station received a 3 year extension. Costs associated with the 3 year extension are being amortized over 3 years (see Note 23).

##### 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.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for 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 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 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, 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").

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# Yukon Development Corporation

## Notes to Consolidated Financial Statements

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December 31, 2021 (tabular amounts in thousands of Canadian dollars)

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### 3. Significant accounting policies - continued

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 deferral account 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.

#### 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. The Corporation defers certain costs or revenues as regulatory deferral account debit balances or regulatory deferral account credit balances on the Consolidated Statement of Financial Position and recognizes changes in the regulatory deferral account balances in the net movement in regulatory deferral account balances in the Consolidated Statement of Operations and Other Comprehensive Income. The amounts recognized as regulatory deferral account balances are expected to be recovered or refunded in future rates, based on approvals by the YUB. The recovery or settlement of regulatory deferral account 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 deferral account debit balances and regulatory deferral account credit balances as described in Note 1(b)).

##### i) Regulatory deferral account debit balances

Regulatory deferral account 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 deferral account credit balances

Regulatory deferral account 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 deferral accounts, 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.

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## Yukon Development Corporation

### Notes to Consolidated Financial Statements

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December 31, 2021 (tabular amounts in thousands of Canadian dollars)

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#### 3. Significant accounting policies - continued

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.

##### **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 same basis as the assets 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.

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# Yukon Development Corporation

## Notes to Consolidated Financial Statements

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December 31, 2021 (tabular amounts in thousands of Canadian dollars)

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### 4. Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires the use of judgement 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 judgements 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 judgements and estimation 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 judgements and estimates made by management in preparing these consolidated financial statements include:

#### **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 judgements 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 amount, timing of future payments or risk-free interest rate can result in a change to the obligation.

#### **Depreciation - Notes 3(g), 7 and 9**

Significant components of property, plant and equipment are depreciated 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 judgements about when the criteria for recognition are met. Changes to management's judgements would affect the carrying amount of the Corporation's intangible assets and amortization recognition.

#### **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.

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## Yukon Development Corporation

### Notes to Consolidated Financial Statements

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December 31, 2021 (tabular amounts in thousands of Canadian dollars)

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#### 4. Significant accounting judgements, estimates and assumptions - continued

##### Revenue - Note 3(a), and Note 18

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 judgement to the measurement of the estimated consumption. Significant judgements have also been made in determining the nature of the Corporation's performance obligations, the appropriate process measure and the contract terms to be used in recognizing the related revenue.

##### Provisions and contingencies - Notes 3(m) and 24

Management is required to make judgements 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 judgements 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 in measuring the provision.

Where the Corporation is defending certain lawsuits management must make judgements, 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 judgements to determine if such arrangements are derivative instruments in their entirety or contain embedded derivatives, in accordance with IFRS 9, *Financial Instruments*. Key judgements 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.

##### Regulatory deferral account balances - Notes 1(b), 3(k) and 11

The Corporation accounts for its regulatory deferral 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 judgements as to the amounts that the YUB will approve the Corporation to collect deferred costs through future rates.

# Yukon Development Corporation

## Notes to Consolidated Financial Statements

December 31, 2021 (tabular amounts in thousands of Canadian dollars)

### 5. Accounts receivable

	2021	2020
Trade accounts receivable		
Wholesale energy sales	\$ 6,171	\$ 5,287
Retail energy sales	5,146	4,371
Due from related parties (Note 22)	8,086	15,496
Other	3,577	4,973
	<b>\$ 22,980</b>	<b>\$ 30,127</b>

Included in Accounts receivable - Other is an amount of \$2,137,000 (2020 - \$3,531,000) related to insurance proceeds.

At December 31, 2021, the aging of accounts receivable is as follows:

	Current	31 - 90 Days	Over 90 Days	Total
Accounts receivable	\$ 15,159	\$ 1,254	\$ 6,577	\$ 22,990
Allowance for doubtful accounts	-	-	(10)	(10)
	<b>\$ 15,159</b>	<b>\$ 1,254</b>	<b>\$ 6,567</b>	<b>\$ 22,980</b>

At December 31, 2020, the aging of accounts receivable is as follows:

	Current	31 - 90 Days	Over 90 Days	Total
Accounts receivable	\$ 22,290	\$ 1,091	\$ 6,756	\$ 30,137
Allowance for doubtful accounts	-	-	(10)	(10)
	<b>\$ 22,290</b>	<b>\$ 1,091</b>	<b>\$ 6,746</b>	<b>\$ 30,127</b>

A reconciliation of the beginning and ending amount of allowance for doubtful accounts is as follows:

	2021	2020
Allowance for doubtful accounts at beginning of year	\$ (10)	\$ (10)
Amounts written off as uncollectable	-	-
Allowance for doubtful accounts at end of year	<b>\$ (10)</b>	<b>\$ (10)</b>

## Yukon Development Corporation

### Notes to Consolidated Financial Statements

December 31, 2021 (tabular amounts in thousands of Canadian dollars)

#### 6. Inventories

	2021	2020
Materials and supplies	\$ 3,488	\$ 3,366
Diesel fuel	750	576
Liquefied natural gas	116	153
	<b>\$ 4,354</b>	<b>\$ 4,095</b>

#### 7. Leases

The Corporation leases industrial land and building space. The lease terms typically run for five years. The right-of-use asset consists of land of \$20,000 (2020 - \$54,000) and building of \$214,000 (2020 - \$373,000).

	2021	2020
<b>Right-of-use asset</b>		
As at January 1	\$ 427	\$ 639
Depreciation expense	(193)	(212)
At December 31	<b>\$ 234</b>	<b>\$ 427</b>
<b>Lease liabilities</b>		
Lease liabilities	\$ 248	\$ 443
Less current portion	150	206
Non-current portion	<b>\$ 98</b>	<b>\$ 237</b>
<b>Maturity analysis</b>		
Less than one year	\$ 156	\$ 172
One to five years	99	255
More than five years	-	-
Total undiscounted lease liabilities	<b>\$ 255</b>	<b>\$ 427</b>

Amounts recognized in net income		
Depreciation expense on right-of-use assets	\$ 193	\$ 212
Interest expense on lease liabilities	\$ 11	\$ 20
Expense relating to short-term leases	<b>\$ 3,965</b>	<b>\$ 2,315</b>

# Yukon Development Corporation

## Notes to Consolidated Financial Statements

December 31, 2021 (tabular amounts in thousands of Canadian dollars)

### 8. Direct financing lease

The Corporation's investments in direct financing leases are summarized as follows:

	2021	2020
Direct financing leases	\$ 85	\$ 85
Less: current portion	-	-
	<b>\$ 85</b>	<b>\$ 85</b>

In 2003, the Corporation financed an electric boiler system for the Yukon Hospital Corporation at a cost of \$595,898. The repayment terms on this lease stipulate that one half of the realized energy cost savings resulting from the boiler usage during the year will be repaid against the investment. Interest on this investment is earned at the rate of 7.5% per annum and recognized as interest income.

### 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
<b>Cost:</b>						
At December 31, 2019	\$ 303,995	\$ 193,907	\$ 19,868	\$ 5,172	\$ 7,609	<b>\$ 530,551</b>
Additions	-	-	-	-	25,591	<b>25,591</b>
Transfers	6,046	1,094	810	528	(8,478)	-
Disposals	(14)	-	(280)	-	-	<b>(294)</b>
At December 31, 2020	310,027	195,001	20,398	5,700	24,722	<b>\$ 555,848</b>
Additions	-	-	-	-	26,425	<b>26,425</b>
Transfers	15,284	31,074	981	-	(47,339)	-
Disposals	(880)	(1,095)	(114)	(216)	-	<b>(2,305)</b>
At December 31, 2021	<b>\$ 324,431</b>	<b>\$ 224,980</b>	<b>\$ 21,265</b>	<b>\$ 5,484</b>	<b>\$ 3,808</b>	<b>\$ 579,968</b>
<b>Accumulated depreciation:</b>						
At December 31, 2019	\$ 32,492	\$ 28,750	\$ 4,581	\$ 1,650	\$ -	<b>\$ 67,473</b>
Depreciation	6,390	4,257	756	360	-	<b>11,763</b>
Disposals	-	-	(280)	-	-	<b>(280)</b>
At December 31, 2020	38,882	33,007	5,057	2,010	-	<b>\$ 78,956</b>
Depreciation	6,791	4,323	680	565	-	<b>12,359</b>
Disposals	(69)	(175)	(106)	(152)	-	<b>(502)</b>
At December 31, 2021	<b>\$ 45,604</b>	<b>\$ 37,155</b>	<b>\$ 5,631</b>	<b>\$ 2,423</b>	<b>\$ -</b>	<b>\$ 90,813</b>
<b>Net book value:</b>						
At December 31, 2020	\$ 271,145	\$ 161,994	\$ 15,341	\$ 3,690	\$ 24,722	<b>\$ 476,892</b>
At December 31, 2021	<b>\$ 278,827</b>	<b>\$ 187,825</b>	<b>\$ 15,634</b>	<b>\$ 3,061</b>	<b>\$ 3,808</b>	<b>\$ 489,155</b>

The AFUDC capitalized for 2021 was \$937,000 (2020 - \$850,000). The AFUDC rate estimate for 2021 was 2.60% (2020 - 2.73%).



# Yukon Development Corporation

## Notes to Consolidated Financial Statements

December 31, 2021 (tabular amounts in thousands of Canadian dollars)

### 10. Intangible assets

A reconciliation of the changes in the carrying amount of intangible assets is as follows:

	Software	Deferred Service Costs	Financial Software	Aishihik Water License	Thermal and Water Licensing	Total
<b>Cost:</b>						
At December 31, 2019	\$ 1,440	\$ 443	\$ 3,215	\$ 6,275	\$ 4,007	\$ 15,380
Additions	246	-	2,972	2,269	425	5,912
Disposals	-	-	-	-	-	-
At December 31, 2020	1,686	443	6,187	8,544	4,432	21,292
Additions	133	-	793	1,616	121	2,663
Disposals	(516)	-	-	-	-	(516)
At December 31, 2021	\$ 1,303	\$ 443	\$ 6,980	\$ 10,160	\$ 4,553	\$ 23,439
<b>Accumulated amortization:</b>						
At December 31, 2019	\$ 673	\$ 384	\$ 1,702	\$ -	\$ 159	\$ 2,918
Amortization	263	59	284	299	33	938
Disposals	-	-	-	-	-	-
At December 31, 2020	936	443	1,986	299	192	3,856
Amortization	236	-	628	306	33	1,203
Disposals	(516)	-	-	-	-	(516)
At December 31, 2021	\$ 656	\$ 443	\$ 2,614	\$ 605	\$ 225	\$ 4,543
<b>Net book value:</b>						
At December 31, 2020	\$ 750	\$ -	\$ 4,201	\$ 8,245	\$ 4,240	\$ 17,436
At December 31, 2021	\$ 647	\$ -	\$ 4,366	\$ 9,555	\$ 4,328	\$ 18,896

Additions to Financial Software, Aishihik Water Licensing and Thermal and Water Licensing for 2021 and 2020 were almost exclusively internally generated. Additions to other categories were almost exclusively externally purchased.

# Yukon Development Corporation

## Notes to Consolidated Financial Statements

December 31, 2021 (tabular amounts in thousands of Canadian dollars)

### 11. Regulatory accounts

#### a) Regulatory deferral account debit balances

	Feasibility Studies (i)	Regulatory Costs (ii)	Dam Safety (iii)	Deferred Overhauls (iv)	Uninsured Losses (v)	Fuel Price Adjustment (vi)	Subtotal see next page
<b>Cost:</b>							
At December 31, 2019	\$ 23,707	\$ 4,715	\$ 148	\$ 2,768	\$ 1,838	\$ 1,639	\$ 34,615
Costs incurred	1,064	4,643	174	-	4,764	-	10,645
Regulatory provision	-	(199)	-	-	(267)	3,485	3,019
Disposals	(1)	(1,981)	-	-	-	(2,867)	(4,849)
Contributions received/receivable	-	(427)	-	-	(3,531)	-	(3,958)
At December 31, 2020	24,770	6,751	322	2,768	2,604	2,257	39,472
Costs incurred	1,343	1,789	81	-	3,654	-	6,867
Regulatory provision	-	-	-	-	(411)	1,557	1,146
Disposals	(4,450)	(598)	(148)	-	(104)	(2,491)	(7,791)
Contributions received/receivable	-	(279)	-	-	(2,737)	-	(3,016)
At December 31, 2021	\$ 21,663	\$ 7,663	\$ 255	\$ 2,768	\$ 3,006	\$ 1,323	\$ 36,678
<b>Accumulated amortization:</b>							
At December 31, 2019	\$ 6,866	\$ 1,223	\$ 89	\$ 683	\$ 636	\$ -	\$ 9,497
Amortization	1,928	485	29	587	212	-	3,241
Disposals	(1)	(552)	-	-	-	-	(653)
At December 31, 2020	8,793	1,056	118	1,270	848	-	12,085
Amortization	2,168	414	55	581	204	-	3,422
Disposals	(4,450)	(598)	(148)	-	-	-	(5,196)
At December 31, 2021	\$ 6,511	\$ 872	\$ 25	\$ 1,851	\$ 1,052	\$ -	\$ 10,311
<b>Net book value:</b>							
At December 31, 2020	\$ 15,977	\$ 5,695	\$ 204	\$ 1,498	\$ 1,756	\$ 2,257	\$ 27,387
At December 31, 2021	\$ 15,152	\$ 6,791	\$ 230	\$ 917	\$ 1,954	\$ 1,323	\$ 26,367
Net increase (decrease) in regulatory deferral account debit balances (which are recognized in the net movement in regulatory deferral account balances related to net income on the Consolidated Statement of Operations and Other Comprehensive Income):							
December 31, 2020	\$ (864)	\$ 2,203	\$ 145	\$ (587)	\$ 754	\$ 618	\$ 2,269
December 31, 2021	\$ (825)	\$ 1,096	\$ 26	\$ (581)	\$ 198	\$ (934)	\$ (1,020)
Remaining recovery years							
At December 31, 2020	1 to 6 years	1 to 33 years	1 year	1 to 6 years	Indeterminate	1 year	-
At December 31, 2021	1 to 5 years	1 to 32 years	5 years	1 to 5 years	Indeterminate	1 year	-
Absent rate regulation, net income for the year and net movement in regulatory deferral account balances on the Consolidated Statement of Operations and Other Comprehensive Income would increase (decrease) by:							
December 31, 2020	\$ 864	\$ (2,203)	\$ (145)	\$ 587	\$ (754)	\$ (618)	\$ (2,269)
December 31, 2021	\$ 825	\$ (1,096)	\$ (26)	\$ 581	\$ (198)	\$ 934	\$ 1,020

# Yukon Development Corporation

## Notes to Consolidated Financial Statements

December 31, 2021 (tabular amounts in thousands of Canadian dollars)

### 11. Regulatory accounts - continued

#### Regulatory deferral account debit balances - continued

	Carry Forward	Vegetation Management (vii)	2017/18 GRA (viii)	2021 GRA (ix)	Total
<b>Cost:</b>					
At December 31, 2019	\$ 34,615	\$ 2,216	\$ 12,320	\$ -	\$ 49,151
Costs incurred	10,645	-	-	-	10,645
Regulatory provision	3,019	-	-	-	3,019
Disposals	(4,849)	-	(6,423)	-	(11,272)
Contributions received/receivable	(3,958)	-	-	-	(3,958)
At December 31, 2020	\$ 39,472	\$ 2,216	\$ 5,897	\$ -	\$ 47,585
Cost incurred	6,867	-	-	-	6,867
Regulatory provision	1,146	-	-	8,779	9,925
Disposals	(7,791)	-	(5,897)	(4,449)	(18,137)
Contributions received/receivable	(3,016)	-	-	-	(3,016)
At December 31, 2021	\$ 36,678	\$ 2,216	\$ -	\$ 4,330	\$ 43,224
<b>Accumulated amortization:</b>					
At December 31, 2019	\$ 9,497	\$ 666	\$ -	\$ -	\$ 10,163
Amortization	3,241	221	6,423	-	9,885
Disposals	(653)	-	(6,423)	-	(7,076)
At December 31, 2020	12,085	887	-	-	12,972
Amortization	3,422	222	5,897	4,449	13,990
Disposals	(5,196)	-	(5,897)	(4,449)	(15,542)
At December 31, 2021	\$ 10,311	\$ 1,109	\$ -	\$ -	\$ 11,420
<b>Net book value:</b>					
At December 31, 2020	\$ 27,387	\$ 1,329	\$ 5,897	\$ -	\$ 34,613
At December 31, 2021	\$ 26,367	\$ 1,107	\$ -	\$ 4,330	\$ 31,804
Net increase (decrease) in regulatory deferral account debit balances (which are recognized in the net movement in regulatory deferral account balances related to net income on the Consolidated Statement of Operations and Other Comprehensive Income):					
December 31, 2020	\$ 2,269	\$ (221)	\$ (6,423)	\$ -	\$ (4,375)
December 31, 2021	\$ (1,020)	\$ (222)	\$ (5,897)	\$ 4,330	\$ (2,809)
Remaining recovery years					
At December 31, 2020		6 years	1 year		
At December 31, 2021		5 years	0 years	2 years	
Absent rate regulation, net income for the year and net movement in regulatory deferral account balances on the Consolidated Statement of Operations and Other Comprehensive Income would increase (decrease) by:					
December 31, 2020	\$ (2,269)	\$ 221	\$ 6,423	\$ -	\$ 4,375
December 31, 2021	\$ 1,020	\$ 222	\$ 5,897	\$ (4,330)	\$ 2,809

#### (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. 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.

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# Yukon Development Corporation

## Notes to Consolidated Financial Statements

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December 31, 2021 (tabular amounts in thousands of Canadian dollars)

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### 11. Regulatory accounts - continued

#### (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, hearing costs from before 2012 and demand side management costs (consumer energy conservation program). The Corporation is directed to defer and amortize the costs over terms at the discretion of the YUB. In February 2021, the Corporation lost an appeal relating to a decision by the YUB denying certain Demand Side Management costs. As a result, the Corporation wrote off costs with a net book value as at December 31, 2020 of \$1,329,000. The regulatory provision for the year reflects an amount transferred of \$0 (2020 - \$199,000) to the regulatory deferral account credit balance class Hearing Reserve (See Note 11(b)(ii)). In the absence of rate regulation, IFRS requires these costs to be expensed as incurred.

#### (iii) 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.

#### (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.

#### (v) 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 \$411,000 (2020 - \$267,000) and amortization of the forecast 2020 accumulated balance of \$2,048,000 (2020 - 2016 accumulated balance of \$1,059,000) over ten years (\$205,000 per year; 2020 - \$212,000 per year over five years). Costs incurred during 2021 of \$3,654,000 (2020 - \$4,764,000) include \$2,445,000 (2020 - \$3,631,000) of costs due to repairs required at the WH1 and WH2 penstocks. During 2021 the Corporation recorded \$2,368,000 of penstock insurance proceeds and expects to recover a significant portion of the balance of costs from insurance proceeds in 2022 (see Note 19). In the absence of rate regulation, IFRS requires these costs to be expensed as incurred and the expected insurance proceeds recognized as revenue.

#### (vi) Fuel price adjustment

OIC 1995/90 directs the YUB to permit the Corporation to adjust electricity rates to reflect the 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. In 2017 the Corporation updated the long-term average cost to better reflect current market conditions. For all of 2019 Rider F was a refund of 0.011 cents per kWh. For the period January 1, 2020 through October 31, 2020 Rider F was a charge to customers of 0.970 cents per kWh. For the period November 1, 2020 through June 30, 2021 the charge increased to 1.371 cents per kWh. Effective July 1, 2021, the charge was reduced to 0.000 cents per kWh. In the absence of rate regulation, IFRS requires these costs to be expensed as incurred and revenues be recognized as earned.

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# Yukon Development Corporation

## Notes to Consolidated Financial Statements

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December 31, 2021 (tabular amounts in thousands of Canadian dollars)

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### 11. Regulatory accounts - continued

#### (vii) 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. In the absence of rate regulation, IFRS requires these costs to be expensed as incurred.

#### (viii) 2017/18 GRA

The Corporation recognizes a regulatory deferral account 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 the amount approved by the YUB in November 2019, less amounts subsequently received from customers. At December 31, 2021 the amount was fully collected.

#### (ix) 2021 GRA

The Corporation recognizes a regulatory deferral account 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. The ending balance at December 31 comprises the Corporation's remaining revenue shortfall to be collected from customers in future years.

#### (x) Deferred gains and losses

Deferred gains and losses represent amounts from disposals of property, plant and equipment that have or will be submitted for approval by the YUB to be deferred. There are no deferred gains or losses during any of the reporting years.

# Yukon Development Corporation

## Notes to Consolidated Financial Statements

December 31, 2021 (tabular amounts in thousands of Canadian dollars)

### 11. Regulatory accounts - continued

#### b) Regulatory deferral account credit balances

	Deferred Insurance Proceeds (i)	Hearing Reserve (ii)	Low Water Reserve Fund (iii)	Future Removal and Site Restoration (iv)	Contracts with Customers (v)	McQuesten Substation (vi)	Total
<b>Cost:</b>							
At December 31, 2019 \$	11,122	\$ 682	\$ (2,013)	\$ 2,791	\$ 5,095	\$ -	\$ 17,677
Costs incurred	-	(137)	(488)	(52)	-	-	(677)
Regulatory provision	-	51	-	-	31	-	82
Cash received	-	-	(11)	-	-	-	(11)
Cash refunded	-	-	1	-	-	-	1
At December 31, 2020	11,122	596	(2,511)	2,739	5,126	-	17,072
Costs incurred	-	(101)	-	-	-	-	(101)
Regulatory provision	-	250	5,288	-	30	1,834	7,402
Cash received	-	-	-	-	-	-	-
Cash refunded	-	-	5	-	-	-	5
At December 31, 2021 \$	11,122	\$ 745	\$ 2,782	\$ 2,739	\$ 5,156	\$ 1,834	\$ 24,378
<b>Accumulated amortization:</b>							
At December 31, 2019 \$	6,894	\$ 583	\$ -	\$ -	\$ -	\$ -	\$ 7,477
Amortization	249	195	-	-	-	-	444
At December 31, 2020	7,143	778	-	-	-	-	7,921
Amortization	249	194	-	-	-	-	443
At December 31, 2021 \$	7,392	\$ 972	\$ -	\$ -	\$ -	\$ -	\$ 8,364
<b>Net book value:</b>							
At December 31, 2020 \$	3,979	\$ (182)	\$ (2,511)	\$ 2,739	\$ 5,126	\$ -	\$ 9,151
At December 31, 2021 \$	3,730	\$ (227)	\$ 2,782	\$ 2,739	\$ 5,156	\$ 1,834	\$ 16,014
Net (increase) decrease in regulatory deferral account credit balances (which are recognized in the net movement of regulatory deferral account balances related to net income on the Consolidated Statement of Operations and Other Comprehensive Income):							
December 31, 2020 \$	249	\$ 281	\$ 498	\$ 52	\$ (31)	\$ -	\$ 1,049
December 31, 2021 \$	249	\$ 45	\$ (5,293)	\$ -	\$ (30)	\$ (1,834)	\$ (6,863)
Remaining recovery years							
At December 31, 2020	16 years	Indeterminate	Indeterminate	Indeterminate	47 years	53 years	
At December 31, 2021	15 years	Indeterminate	Indeterminate	Indeterminate	46 years	52 years	
Absent rate regulation, net income for the year and net movement in regulatory deferral account balances on the Consolidated Statement of Operations and Other Comprehensive Income would increase (decrease) by:							
December 31, 2020 \$	(249)	\$ (281)	\$ (498)	\$ (52)	\$ 31	\$ -	\$ (1,049)
December 31, 2021 \$	(249)	\$ (45)	\$ 5,293	\$ -	\$ 30	\$ 1,834	\$ 6,863

#### (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. In the absence of rate regulation, IFRS requires the gain to have been fully recognized as income in the year received.

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# Yukon Development Corporation

## Notes to Consolidated Financial Statements

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December 31, 2021 (tabular amounts in thousands of Canadian dollars)

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### 11. Regulatory accounts - continued

#### (ii) Hearing reserve

The Corporation has established a deferral account for future regulatory hearing costs. In 2017 the Corporation adjusted the annual provision and recognition of the accumulated balance to more accurately reflect expected hearing costs. The regulatory provision for the year reflects an annual provision of \$250,000 (2020 - \$250,000) less \$0 (2020 - \$199,000) of costs transferred from the regulatory deferral account debit balance class Regulatory Costs (See Note 11(a)(ii)). In the absence of rate regulation, IFRS requires these costs to be expensed as incurred.

#### (iii) 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. YUB Order 2019-08 amended how the LWRF is calculated.

The LWRF attracts interest based upon short/intermediate term bond rates. Any negative balance attracts interest at the lowest short-term bond rates available to the Corporation through its line of credit. 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. The YUB has set 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. YUB Order 2019-02 set the refund rider to 0.00 cents/kWh effective April 1, 2019.

In the absence of rate regulation, IFRS requires any amounts earned or incurred related to the LWRF to be included in the Corporation's net income in the year incurred.

#### (iv) 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. As a result of the YUB Order 2005-12, effective January 1, 2005, the provision is not to exceed the cumulative value of the provision at December 31, 2004 of \$5,757,000.

Costs of dismantling capital assets, including site remediation, will be applied to this regulatory deferral account 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.

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# Yukon Development Corporation

## Notes to Consolidated Financial Statements

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December 31, 2021 (tabular amounts in thousands of Canadian dollars)

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### 11. Regulatory accounts - continued

#### (v) 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 deferral account credit balance.

#### (vi) 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 deferral account credit balance.

#### (c) Regulatory account expenses

Regulatory account expenses represent costs incurred related to regulatory account debit balances of \$6,867,000 (2020 - \$10,645,000) and regulatory account credit balances of \$101,000 (2020 - \$677,000).

#### (d) Net movement in regulatory deferral account balances related to net income

Net movement in regulatory deferral account balances related to net income is \$9,672,000 (2020 - \$3,326,000) and represents the adjustment to net income for the year before net movement in regulatory deferral account balances for the effects of rate regulation in accordance with IFRS 14. The net movement figure is comprised of a decrease of \$2,809,000 for regulatory account debit balances and an increase of \$6,863,000 for regulatory account credit balances for rate regulation compared to the amounts that would be recorded under IFRS absent rate regulation. The net movement figure of \$3,326,000 for 2020 is comprised of a decrease of \$4,375,000 for regulatory account debit balances and a decrease of \$1,049,000 for regulatory account credit balances for rate regulation compared to the amounts that would be recorded under IFRS absent rate regulation.



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## Yukon Development Corporation

### Notes to Consolidated Financial Statements

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December 31, 2021 (tabular amounts in thousands of Canadian dollars)

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#### 12. Bank indebtedness

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

	2021	2020
Bank balance	\$ 3,104	\$ 3,137
Lines of credit	(18,069)	(35,065)
	<b>\$ (14,965)</b>	<b>\$ (31,928)</b>

Due to changing circumstances, for the purposes of the consolidated statement of cash flows, a certain line of credit no longer forms part of the Corporation's cash management and instead is classified as financing activities. In the consolidated statement of cash flows, cash is comprised of:

	2021	2020
Cash	\$ 8,041	\$ 5,964
Bank balance	\$ 3,104	\$ 3,137
Line of credit (amount not classified as financing activity)	(2,191)	(35,065)
	<b>\$ 8,954</b>	<b>\$ (25,964)</b>

#### 13. Accounts payable and accrued liabilities

	2021	2020
Trade payables	\$ 10,635	\$ 15,940
Employee compensation	1,690	1,427
Due to related parties (Note 22)	438	660
Other	835	143
	<b>\$ 13,598</b>	<b>\$ 18,170</b>

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## Yukon Development Corporation

### Notes to Consolidated Financial Statements

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December 31, 2021 (tabular amounts in thousands of Canadian dollars)

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#### 14. Long-term debt

The Corporation's long-term debt is summarized as follows:

	2021	2020
<b>Bond</b>		
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).	\$ 98,567	\$ 98,521
<b>The Toronto Dominion Bank</b>		
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 (ii).	7,831	8,240
<b>The Toronto Dominion Bank</b>		
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 (iii).	21,527	22,189
<b>The Toronto Dominion Bank</b>		
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 (iv).	6,295	6,497
<b>The Toronto Dominion Bank</b>		
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 (v).	4,640	4,789
<b>The Toronto Dominion Bank</b>		
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 (vi).	7,518	-

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## Yukon Development Corporation

### Notes to Consolidated Financial Statements

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December 31, 2021 (tabular amounts in thousands of Canadian dollars)

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#### 14. Long-term debt - continued

##### Yukon Government

The Corporation entered into a refinance agreement for construction financing. Annual principal payments of \$1,000,000 are due on March 31. The interest rate is adjusted annually on April 1 to be the one-year Canadian Dollar Offered Rate plus Yukon Government's borrowing premium with the balance due on March 31, 2023.

36,200 37,200

##### 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 with the final payment due in 2049. The interest rate at 5.02% (2020 - 5.34%) is a blended rate based on the cost of debt and the actual rate of return earned by the Utility.

3,500 3,625

##### 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 with the final payment due in 2094. The interest rate of 2.73% (2020 - 3.52%) is based on the actual rate of return earned by the Utility.

3,158 3,201

##### 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 with the final payment due in 2040. The interest rate of 2.88% (2020 - 3.03%) is based on a blended rate based on the cost of debt and the actual rate of return earned by the Utility.

19,367 20,386

##### 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, repayable in varying installments, due in 2028.

141 141

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**Total** 208,744 204,789

Less: current portion 3,864 3,608

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**\$ 204,880 \$ 201,181**

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#### (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.

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# Yukon Development Corporation

## Notes to Consolidated Financial Statements

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December 31, 2021 (tabular amounts in thousands of Canadian dollars)

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### 14. Long-term debt - continued

(ii) **Toronto Dominion Bank Loan and Interest Rate Swap**

On December 28, 2012, the Corporation entered into a loan and interest rate swap with Toronto Dominion Bank to arrange financing for the purpose of continuing to develop the electrical infrastructure in the Yukon. On September 11, 2020, the loan and interest rate swap was amended. The amendment changed the interest rate from 2.69% to 2.06% and the termination date from December 28, 2022 to September 28, 2035.

(iii) **Toronto Dominion Bank Loan and Interest Rate Swap**

On August 23, 2018, the Corporation entered into a loan and interest rate swap with Toronto Dominion Bank to arrange financing for the purpose of continuing to develop the electrical infrastructure in the Yukon. On September 11, 2020, the loan and interest rate swap was amended. The amendment changed the interest rate from 3.67% to 3.40% and the termination date from August 23, 2038 to August 23, 2043.

(iv) **Toronto Dominion Bank Loan and Interest Rate Swap**

On July 15, 2019, the Corporation entered into a loan and interest rate swap with Toronto Dominion Bank to arrange financing for the purpose of continuing to develop the electrical infrastructure in the Yukon. On September 11, 2020, the loan and interest rate swap was amended. The amendment changed the interest rate from 2.90% to 2.64% and the termination date from July 14, 2039 to July 14, 2044.

(v) **Toronto Dominion Bank Loan and Interest Rate Swap**

On November 4, 2020, the Corporation entered into a loan and interest rate swap with Toronto Dominion Bank to arrange financing for the purpose of continuing to develop the electrical infrastructure in the Yukon. The interest rate swap matures November 4, 2045.

(vi) **Toronto Dominion Bank Loan and Interest Rate Swap**

On April 26, 2021, the Corporation entered into a loan and interest rate swap with Toronto Dominion Bank to arrange financing for the purpose of continuing to develop the electrical infrastructure in the Yukon. The interest rate swap matures April 30, 2046.

### Long-term debt repayment

Scheduled repayments for all long-term debt are as follows:

2022	\$ 3,864
2023	38,111
2024	2,959
2025	3,009
2026	3,059
Thereafter	157,742

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**\$ 208,744**

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The change in long-term debt arising from financing activities during the year related to principal repayment of \$3,704,000 (2020 - \$3,362,000) and the issuance of additional debt in the amount of \$7,659,000 (2020 - \$4,800,000).

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# Yukon Development Corporation

## Notes to Consolidated Financial Statements

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**December 31, 2021** (tabular amounts in thousands of Canadian dollars)

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### 14. Long-term debt - continued

#### Fair value

The fair value of long-term debt at December 31, 2021 is \$243 million (December 31, 2020 - \$257 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.

### 15. Post-employment benefits

#### Characteristics of benefit plans

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.

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 2021, these were \$568,000 (2020 - \$510,000).

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 deficit that may exist. For the employee defined benefit pension plan the Corporation is currently required to pay \$246,200 for 2022. This amount may change in future years and may be summarized as follows:

<u>Start Date</u>	<u>Minimum Annual Payment</u>	<u>End Date</u>
January 1, 2013	\$24,900	December 31, 2027
January 1, 2014	\$49,300	December 31, 2028
January 1, 2018	\$61,000	December 31, 2032
January 1, 2019	\$36,000	December 31, 2033
January 1, 2020	\$75,000	December 31, 2034

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.

#### Risks associated with defined benefit 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.

# Yukon Development Corporation

## Notes to Consolidated Financial Statements

December 31, 2021 (tabular amounts in thousands of Canadian dollars)

### 15. Post-employment benefits - continued

#### Net defined benefit liability

	2021	2020
<b>Present value of benefit obligations</b>		
Balance, beginning of year	\$ 31,318	\$ 28,075
Employee contributions	48	45
Current service cost	468	409
Interest cost	785	872
Benefits paid	(814)	(772)
Actuarial gains on experience	(856)	(96)
Actuarial (gains) losses on financial assumptions	(2,168)	2,785
<b>Balance, end of year</b>	<b>\$ 28,781</b>	<b>\$ 31,318</b>

	2021	2020
<b>Fair value of plan assets</b>		
Balance, beginning of year	22,247	20,386
Interest income on plan assets	554	628
Gains on plan assets	1,963	1,475
Employee contributions	48	45
Employer contributions	681	551
Benefits paid	(814)	(772)
Administrative costs	(68)	(66)
<b>Balance, end of year</b>	<b>24,611</b>	<b>22,247</b>
<b>Effect of asset ceiling</b>	<b>82</b>	<b>-</b>
<b>Net defined benefit liability</b>	<b>\$ 4,252</b>	<b>\$ 9,071</b>

#### Components of benefit plan cost

Current service cost	\$ 468	\$ 409
Interest cost	785	872
Interest income on plan assets	(554)	(628)
Administrative costs	68	66
<b>Defined benefit expense in Consolidated Statement of Operations</b>	<b>767</b>	<b>719</b>
<b>Defined contribution expense</b>	<b>568</b>	<b>510</b>
<b>Total benefit expense in Consolidated Statement of Operations</b>	<b>\$ 1,335</b>	<b>\$ 1,229</b>
Actuarial (gains) losses on obligation	(3,024)	2,689
Gains on plan assets	(1,963)	(1,475)
Effect of asset ceiling	82	-
<b>Total remeasurement included in Other Comprehensive Income</b>	<b>(4,905)</b>	<b>1,214</b>
<b>Total benefit cost recognized in the Consolidated Statement of Operations and Other Comprehensive Income</b>	<b>\$ (3,570)</b>	<b>\$ 2,443</b>

# Yukon Development Corporation

## Notes to Consolidated Financial Statements

December 31, 2021 (tabular amounts in thousands of Canadian dollars)

### 15. Post-employment benefits - continued

#### Distribution of plan assets of defined benefit pension plans:

The fair values of the defined benefit pension plans' assets are based on market values as reported by the plans' custodians as at each applicable Consolidated Statement of Financial Position date.

The distribution of assets by major asset class is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Equities	42.6%	51.9%
Fixed income securities	36.5%	39.0%
Real estate	20.9%	9.1%

#### Significant assumptions:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Discount rate - accrued benefit obligation	3.00%	2.50%
Assumed rate of salary escalation	2.80%	2.80%
Pension growth	2.00%	2.00%

#### Sensitivity Analysis:

The sensitivities of key assumptions 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.

Assumptions and sensitivity to the recognized post-employment benefits liability balance at December 31, 2021

Assumption	+1%	-1%	+1%	-1%
Discount rate	-13%	16%	\$(3,758)	\$4,714
Salary growth	1%	-1%	156	(149)
Pension growth	15%	-12%	4,226	(3,472)
Life expectancy (1 year movement)	3%	-3%	830	(836)

Assumptions and sensitivity to the recognized post-employment benefits liability balance at December 31, 2020

Assumption	+1%	-1%	+1%	-1%
Discount rate	-14%	18%	\$(4,428)	\$5,622
Salary growth	1%	-1%	231	(220)
Pension growth	16%	-13%	4,878	(3,449)
Life expectancy (1 year movement)	3%	-3%	940	(944)

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.

# Yukon Development Corporation

## Notes to Consolidated Financial Statements

December 31, 2021 (tabular amounts in thousands of Canadian dollars)

### 15. Post-employment benefits - continued

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 14.9 years (2020 - 16.3 years). The Corporation expects to make payments of \$606,800 (2020 - \$766,800) 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
<b>Cost:</b>				
At December 31, 2019	\$ 71,300	\$ 16,696	\$ 1,739	\$ 89,735
Additions	12,395	-	-	12,395
At December 31, 2020	83,695	16,696	1,739	102,130
Additions	9,266	200	-	9,466
At December 31, 2021	\$ 92,961	\$ 16,896	\$ 1,739	\$ 111,596
<b>Accumulated amortization:</b>				
At December 31, 2019	\$ 8,002	\$ 3,315	\$ 1,466	\$ 12,783
Additions	991	334	43	1,368
At December 31, 2020	8,993	3,649	1,509	14,151
Additions	1,204	333	43	1,580
At December 31, 2021	\$ 10,197	\$ 3,982	\$ 1,552	\$ 15,731
<b>Net book value:</b>				
At December 31, 2020	\$ 74,702	\$ 13,047	\$ 230	\$ 87,979
At December 31, 2021	\$ 82,764	\$ 12,914	\$ 187	\$ 95,865



# Yukon Development Corporation

## Notes to Consolidated Financial Statements

December 31, 2021 (tabular amounts in thousands of Canadian dollars)

### 17. Deferred revenue

	Customer Contributions	Decommissioning Fund	Total
At January 1, 2020	\$ 17,886	\$ 2,769	\$ 20,655
Additions	1,071	30	1,101
Revenue recognized in Sales of Power (Note 18)	(1,612)	-	(1,612)
At December 31, 2020	\$ 17,345	\$ 2,799	\$ 20,144
Additions	1,111	13	1,124
Revenue recognized in Sales of Power	(1,625)	-	(1,625)
At December 31, 2021	\$ 16,831	\$ 2,812	\$ 19,643

Customer contributions represent monies paid or assets contributed by customers for connection to the grid. The contributions are recognized into revenue when the performance obligation is satisfied.

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. Under a power purchase agreement, the customer has the financial responsibility for decommissioning activities to be performed by the Corporation on its behalf. Any amounts not required for decommissioning will be refunded to the customer. This money accrues interest at the rate equal to the three month Canadian Dealer Offered Rate ("CDOR"). This amount will be recognized to revenue when uncertainty associated with its recognition is satisfied.

### 18. Sales of power

	2021	2020
Wholesale	\$ 46,502	\$ 44,721
Industrial	19,438	13,832
General service	8,051	8,165
Residential	3,895	3,767
Secondary sales	330	8
Sentinel and street lights	137	132
	\$ 78,353	\$ 70,625

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## Yukon Development Corporation

### Notes to Consolidated Financial Statements

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December 31, 2021 (tabular amounts in thousands of Canadian dollars)

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#### 19. Other revenue

During 2020 penstock inspections, deformation was noticed in WH1 and WH2 penstocks and major repairs were required before the units could be put back into service. The repairs of WH1 were completed in 2020 but the repairs of WH2 continued in 2021. During the year, the Corporation incurred \$2,445,000 (2020 - \$3,631,000) of costs due to repairs required at the penstocks (see Note 11(a)(v)) and recorded \$2,368,000 (2020 - \$3,531,000) of insurance proceeds in revenue. The Corporation has recorded a receivable of \$2,137,000 (2020 - \$3,531,000).

#### 20. Operations and maintenance expenses

	2021	2020
Fuel	\$ 8,935	\$ 15,217
Regulatory account expenses (Note 11 (c))	6,968	11,322
Wages and benefits	6,696	6,508
Contractors	4,929	3,943
Rent	2,971	2,138
Loss on asset disposal	1,803	-
Materials and consumables	1,284	1,847
Travel	340	314
Communication	92	79
	<b>\$ 34,018</b>	<b>\$ 41,368</b>

#### 21. Administration expenses

	2021	2020
Wages and benefits	\$ 7,053	\$ 6,315
Insurance and taxes	2,392	2,192
External labour	1,897	1,842
Materials, consumables and general	1,866	1,753
Licences and fees	922	722
Board fees	115	141
Travel	90	111
	<b>\$ 14,335</b>	<b>\$ 13,076</b>

#### 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 finance lease with the Yukon Hospital Corporation is disclosed in Note 8.

## Yukon Development Corporation

### Notes to Consolidated Financial Statements

December 31, 2021 (tabular amounts in thousands of Canadian dollars)

#### 22. Related party transactions - continued

The following table summarizes the Corporation's related party transactions with the Yukon Government for the year:

	2021	2020
<b>Revenues</b>		
Contributions for Interim Electrical Rebate program	\$ 3,372	\$ 3,418
Contributions for bond interest expense	2,625	2,625
Contributions for Innovative Energy Renewable Initiatives	1,242	1,296

At the end of the year, the amounts receivable from and due to the Yukon Government are as follows:

	2021	2020
<b>Balances</b>		
Long-term debt	\$ 36,200	\$ 37,200
Accounts receivable	\$ 8,086	\$ 15,496
Accounts payable	\$ 438	\$ 660

Included in accounts receivable is an amount of \$6,715,000 for capital projects funded by YG and the federal government (2020 - \$12,695,000) as well as an amount of \$686,000 related to the Interim Electrical Rebate (2020 - \$2,443,000). 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 comprise of members of senior management and the Board of Directors, a total of 25 individuals (2020 - 26 individuals). Key management personnel compensation is as follows:

Year ended December 31,	2021	2020
Short-term employee benefits	\$ 1,947	\$ 1,795
Post-employment benefits	209	198
	<b>\$ 2,156</b>	<b>\$ 1,993</b>

#### 23. Commitments

##### Aishihik water licence

The Yukon Water Board issued a water use licence in 2002, valid until December 31, 2019, for the Corporation's Aishihik Lake facility. In addition to maintaining a minimum and maximum water level, this licence commits the Corporation to meet a number of future requirements including annual fish monitoring programs.

Due to outstanding issues with affected stakeholders, the Corporation was unable to secure a long term renewal of the licence prior to expiry. During 2019, a two month extension was granted and then, in order to ensure continued generation from this plant, the Corporation made application for a short term (three year) renewal to the existing licence. This application was approved and a renewed licence was granted by the YWB effective March 1, 2020. This short term licence includes additional monitoring and potential operational adjustments, the cost of which will be charged to the fiscal year in which they occur.

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## Yukon Development Corporation

### Notes to Consolidated Financial Statements

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December 31, 2021 (tabular amounts in thousands of Canadian dollars)

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#### 23. Commitments - continued

The Corporation continues to work with affected parties with the objective of a longer term licence agreement prior to the expiry of the extension. Fish monitoring programs are also required under an authorization provided by the federal government Department of Fisheries and Oceans, which is valid until December 31, 2022.

##### **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, 2021 as the product or service had not been provided. The total commitments at year end are \$20,856,000 (December 31, 2020 - \$30,930,000).

#### 24. Contingencies

##### **Aishihik Third Turbine Project**

This project was commissioned into service in December 2011. On March 2, 2012, the general contractor filed a claim with the Supreme Court of Yukon for \$4,000,000 plus interest and costs alleging the Corporation has not paid for work performed. During 2017, the Yukon Supreme Court issued an award in favor of the contractor. The Corporation successfully appealed the award in 2018. A re-trial was held in April 2020; the decision of the judge was received on February 1, 2021. The trial resulted in a net award in favour of the Corporation. During 2021 the Corporation received a payment of \$487,000. The Corporation's claims for cost and interest are still to be adjudicated.

##### **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. These significant uncertainties around the timing of any potential future cash outflows are such that a reliable 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.

#### 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 new environmental contamination was found. As at December 31, 2021 no new 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 present obligation to remediate.

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## Yukon Development Corporation

### Notes to Consolidated Financial Statements

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December 31, 2021 (tabular amounts in thousands of Canadian dollars)

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#### 26. Risk management and financial instruments

At December 31, 2021, the Corporation's financial instruments included cash, accounts receivable, finance lease receivables, bank indebtedness, accounts payable and accrued liabilities, long-term debt and interest rate swaps. The fair values of cash, accounts receivable, finance lease receivables, 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.

As at December 31, 2021, the Corporation had five (2020 - four) interest rate swap agreements in place. The three agreements from 2019 were amended on September 11, 2020 (see Note 14). The first agreement has a notional principal amount of \$7.8 million (2020 - \$8.2 million) and the agreement effectively changes the Corporation's interest rate exposure on this notional amount from a floating rate to a fixed rate of 2.06%. The second agreement has a notional principal amount of \$21.5 million (2020 - \$22.2 million) and the agreement effectively changes the Corporation's interest rate exposure on this notional amount from a floating rate to a fixed rate of 3.40%. The third agreement has a notional principal amount of \$6.3 million (2020 - \$6.5 million) and the agreement effectively changes the Corporation's interest rate exposure on this notional amount from a floating rate to a fixed rate of 2.64%. The fourth agreement has a notional principal amount of \$4.6 million (2020 - \$4.8 million) and the agreement effectively changes the Corporation's interest rate exposure on this notional amount from a floating rate to a fixed rate of 2.06%. The fifth agreement has a notional principal amount of \$7.5 million (2020 - \$0) and the agreement effectively changes the Corporation's interest rate exposure on the notional amount from a floating rate to a fixed rate of 2.88%.

The fair value of the interest rate swap agreements on December 31, 2021 was a liability of \$2,479,000 (2020 - \$5,050,000). The increase in the fair value in 2021 of \$2,571,000 (2020 - decrease of \$3,120,000) is recognized on the Consolidated Statement of Operations and Other Comprehensive Income as an unrealized gain (loss). A 100 basis point increase/decrease in the interest rate assumption would have resulted in an increase/decrease in the interest rate swap agreements fair value of \$5,020,000 (2020 - \$4,710,000).

The Corporation has access to \$25 million in lines of credit. Effective June 6, 2019, the line of credit was increased temporarily to \$34.0 million. Effective April 8, 2020, the line of credit was increased temporarily to \$41.5 million. Effective May 31, 2020, the line of credit was increased temporarily to \$51 million. Effective April 22, 2021, the line of credit was increased temporarily to \$58 million. The temporary increase expires June 30, 2022. \$50.5 million of the line of credit accrues interest on withdrawals at prime rate minus 0.75% per annum. The remaining \$7.5 million accrues interest on withdrawals at prime rate minus 0.85% per annum. Due to the short-term nature of the amount drawn on the lines of credit and the Corporation's cash balances with the same financial institutions (Note 12) the interest rate risk is minimal.

# Yukon Development Corporation

## Notes to Consolidated Financial Statements

December 31, 2021 (tabular amounts in thousands of Canadian dollars)

### 26. Risk management and financial instruments - continued

#### 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:

	2021	2020
Cash	\$ 8,041	\$ 5,964
Accounts receivable	22,980	30,127
Finance lease receivables	85	85
	<b>\$ 31,106</b>	<b>\$ 36,176</b>

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 considered minimal as the Corporation has experienced insignificant bad debt in prior years. In addition, 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, 2021 are \$7,821,000 (2020 - \$7,837,000) which management believes will be received in full.

#### 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. Rate regulation assists the Corporation with liquidity management by providing consistent revenues and a consistent debt to equity ratio.

#### Fair values

The following table illustrates the fair value hierarchy of the Corporation's financial instruments as at December 31, 2021:

	Quoted prices in active markets (Level 1)	Other observable inputs (Level 2)	Unobservable inputs (Level 3)	Total
Derivative related liability	-	\$2,479	-	<b>\$2,479</b>
Long-term debt	-	-	\$240,880	<b>\$240,880</b>

# Yukon Development Corporation

## Notes to Consolidated Financial Statements

December 31, 2021 (tabular amounts in thousands of Canadian dollars)

### 26. Risk management and financial instruments - continued

The following table illustrates the fair value hierarchy of the Corporation's financial instruments as at December 31, 2020:

	Quoted prices in active markets (Level 1)	Other observable inputs (Level 2)	Unobservable inputs (Level 3)	Total
Derivative related liability	-	\$5,050	-	<b>\$5,050</b>
Long-term debt	-	-	\$256,657	<b>\$256,657</b>

### 27. Capital management

The Utility's capital is its shareholder's equity which is comprised of share capital, contributed surplus and retained earnings. The Utility manages its equity by managing revenues, expenses, assets and liabilities to ensure the Utility effectively achieves its objectives while remaining a going concern.

The Utility maintains a balance in retained earnings as an indicator of the Utility's equity position. The Utility has a policy which defines its capital structure at a ratio of 60% debt and 40% equity. This policy has been reviewed and accepted by the YUB.

The Utility monitors its capital on the basis of the ratio of total debt to total capitalization. Debt is calculated as total borrowings, which is comprised of long-term debt, including the portion of long-term debt due within one year, as well as the decommissioning fund (Note 17). Short-term debt related to assets under construction at the Statement of Financial Position date is excluded from the calculation of total debt, as the assets are similarly excluded from the determination of rate base.

Total capitalization is calculated as total debt plus total shareholder's equity as shown on the Utility's Statement of Financial Position.

The table below summarizes the Utility's total debt to total capitalization position:

	2021	2020
Long-term debt due within one year	\$ 6,537	\$ 6,280
Long-term debt	167,037	166,056
Total debt	<b>173,574</b>	172,336
Add decommissioning fund (note 17)	2,812	2,799
Total debt to include in the calculation	<b>\$ 176,386</b>	\$ 175,135

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## Yukon Development Corporation

### Notes to Consolidated Financial Statements

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December 31, 2021 (tabular amounts in thousands of Canadian dollars)

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#### 27. Capital management - continued

	2021	2020
Share capital	\$ 39,000	\$ 39,000
Contributed surplus	15,968	15,968
Retained earnings	82,684	64,249
<b>Total shareholder's equity</b>	<b>137,652</b>	<b>119,217</b>
<b>Total capitalization</b>	<b>\$ 314,038</b>	<b>\$ 294,352</b>
<b>Total debt to total capitalization</b>	<b>56 %</b>	<b>59 %</b>

There were no changes in the Utility's approach to capital management during the period.

#### 28. Subsequent events

In January 2022, the Corporation executed an Electricity Purchase Agreement ("EPA") with Tlingit Homeland Energy LP ("the Seller"). The agreement commits the Corporation to the purchase of all electricity generated from a hydrogeneration facility to be constructed in Atlin, BC ("the Plant"), for an initial 40-year period. The Seller will build, own and operate the Plant and related transmission assets. The Plant is expected to be complete and operational in 2024. The EPA is subject to a number of conditions precedent including, among others, a review by the YUB, ongoing consultation with First Nations in the project area, approvals from the Taku River Tlingit First Nation Government and Yukon Government, and all government grant funding and project permits being obtained by the Seller. An estimate of the financial impact of the EPA on the Corporation's future results of operations and financial position cannot be made at this time.

#### 29. 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, 2021 are also prepared.



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YUKON HOSPITAL CORPORATION  
FINANCIAL STATEMENTS  
March 31, 2022  
(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 Executive Committee of the Board of Trustees.

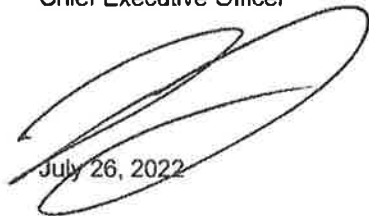
These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The consolidated financial statements include some amounts, such as the determination of amounts related to the estimated useful lives of capital assets, the defined benefit pension plan obligation, the calculation of allowance for doubtful accounts and the liabilities for accrued severance, retirement and sick leave benefits, 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 Corporation is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls. The Board exercises this responsibility for financial reporting through the delegation of the approval of the consolidated financial statements by the Executive Committee consisting of three 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 approve the consolidated financial statements and related financial reporting matters.


These consolidated financial statements have been independently audited in accordance with Canadian generally accepted auditing standards by the Auditor General of Canada, and her report is included with these consolidated financial statements.

Jason Bilsky  
Chief Executive Officer



July 26, 2022

Kelly Steele  
Chief Financial Officer



July 26, 2022



## 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 subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 March 2022, 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 2022, 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance 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.

A handwritten signature in black ink, appearing to read 'Sophie Bernard', written in a cursive style.

Sophie Bernard, CPA, CGA  
Principal  
for the Auditor General of Canada

Vancouver, Canada  
26 July 2022

# Yukon Hospital Corporation

## Consolidated Statement of Financial Position

As at March 31  
(in thousands of dollars)

	2022	2021
	\$	\$
<b>ASSETS</b>		
Current assets		
Cash (note 4)	7,746	2,130
Accounts receivable (note 18)	4,629	9,208
Inventory (note 3)	3,952	3,473
Prepaid expenses	833	788
Short-term contributions receivable (note 7)	3,793	3,663
	<u>20,953</u>	<u>19,262</u>
Non-current assets		
Accrued pension benefit (note 5)	56,073	51,339
Capital assets (note 6)	162,547	162,858
Long-term contributions receivable (note 7)	18,817	22,608
	<u>237,437</u>	<u>236,805</u>
	<u>258,390</u>	<u>256,067</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities (note 18)	9,599	9,311
Accrued payroll and benefits (note 18)	6,890	6,864
Short-term debt (note 8)	25,673	29,334
Deferred revenue (note 9)	1,867	469
	<u>44,029</u>	<u>45,978</u>
Non-current liabilities		
Long-term debt (note 10)	85	85
Employee future benefits other than pensions (note 11)	2,868	2,945
Deferred capital contributions (note 12)	159,219	159,724
Asset retirement obligation	285	285
	<u>162,457</u>	<u>163,039</u>
	<u>206,486</u>	<u>209,017</u>
<b>NET ASSETS</b>		
Investment in capital assets (note 13)	3,626	3,317
Restricted for First Nations Health Program, external (note 14)	176	419
Restricted for capital purchases, internal	1,030	410
Restricted for pension, internal (note 5)	56,073	51,339
Unrestricted	(9,001)	(8,435)
	<u>51,904</u>	<u>47,050</u>
	<u>258,390</u>	<u>256,067</u>
Contractual obligations (note 17)		

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

On behalf of the Board,

  
Chairman

  
Director



# Yukon Hospital Corporation

## Consolidated Statement of Operations

For the year ended March 31

(in thousands of dollars)

	2022	2021
	\$	\$
<b>Revenues</b>		
Government of Yukon contribution (note 16)	92,567	84,815
Amortization of deferred capital contributions (note 12)	7,557	7,180
Patients	4,677	3,196
Other government contracts (note 16)	3,005	2,396
Fundraising	1,043	1,135
Other	712	722
Cafeteria	195	180
Interest	42	49
	<u>109,798</u>	<u>99,673</u>
<b>Expenses</b>		
Compensation and benefits	57,988	54,448
Supplies	16,227	15,953
Amortization of capital assets (note 6)	9,048	9,203
Other (note 15)	8,942	6,203
Contracted services	7,798	7,479
Equipment and building services	3,679	3,160
Interest on short-term debt	1,358	1,496
Fundraising	333	329
Loss on disposal of capital assets	74	-
Pension benefits cost (note 5)	(503)	5,359
	<u>104,944</u>	<u>103,630</u>
<b>Surplus (Deficiency) of revenues over expenses</b>	<u>4,854</u>	<u>(3,957)</u>

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)	2022 Total	2021 Total
	\$	\$	\$	\$	\$	\$	\$
Balance, beginning of year	3,317	419	410	51,339	(8,435)	47,050	51,007
Surplus (deficiency) of revenues over expenses	(1,491)	(243)	620	4,734	1,234	4,854	(3,957)
Net change in investment in capital assets (note 13)	1,800	-	-	-	(1,800)	-	-
Balance, end of year	<b>3,626</b>	<b>176</b>	<b>1,030</b>	<b>56,073</b>	<b>(9,001)</b>	<b>51,904</b>	<b>47,050</b>

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)

	2022 \$	2021 \$
<b>Operating Activities</b>		
Surplus (Deficiency) of revenues over expenses	4,854	(3,957)
Items not involving cash		
Amortization of capital assets (note 6)	9,048	9,203
Loss on disposal of capital assets	74	-
Amortization of deferred capital contributions (note 12)	(7,557)	(7,180)
Bad debt expense (note 15)	784	442
(Increase) decrease in prepaid expenses	(45)	(165)
Decrease (increase) in accrued pension benefit	(4,734)	1,810
Increase in non-cash working capital balances	5,305	(3,158)
<b>Cash generated (used) in operating activities</b>	<b>7,729</b>	<b>(3,005)</b>
<b>Capital Activities</b>		
Purchases of capital assets	(9,165)	(9,038)
<b>Cash used in capital activities</b>	<b>(9,165)</b>	<b>(9,038)</b>
<b>Financing Activities</b>		
Repayment of short-term debt	(3,661)	(3,539)
Cash received for capital purchases	10,713	14,396
<b>Cash generated through financing activities</b>	<b>7,052</b>	<b>10,857</b>
<b>Increase (Decrease) in cash</b>	<b>5,616</b>	<b>(1,186)</b>
<b>Cash, beginning of year</b>	<b>2,130</b>	<b>3,316</b>
<b>Cash, end of year</b>	<b>7,746</b>	<b>2,130</b>
<b>Interest paid</b>	<b>1,358</b>	<b>1,496</b>
<b>Interest received</b>	<b>42</b>	<b>49</b>

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

# Yukon Hospital Corporation

## Notes to the Consolidated Financial Statements

March 31, 2022

(in thousands of dollars)

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### 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 wholly-owned subsidiary, the Foundation. All significant inter-company transactions and balances have been eliminated on consolidation.

#### c) Cash

This balance 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.

# Yukon Hospital Corporation

## Notes to the Consolidated Financial Statements

March 31, 2022

(in thousands of dollars)

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### 2. Significant Accounting Policies (continued)

#### e) Capital Assets (continued)

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.

Capital Asset	Estimated Useful Life
Computer, hardware & systems development	2-10 years
Equipment & vehicles	5-15 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 contributions. 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 other provinces and uninsured patients, operational revenue and ancillary services are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue for funded programs is recognized in the period expenses are incurred.

Interest income is recorded on an accrual basis and is recognized as revenue when earned.

#### 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.

# Yukon Hospital Corporation

## Notes to the Consolidated Financial Statements

March 31, 2022

(in thousands of dollars)

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### 2. Significant Accounting Policies (continued)

#### g) Inter-entity Transactions (continued)

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.

Short-term debt includes a demand loan with the Government of Yukon. The loan is repayable in full at the end of the term of the loan. Interest compounds on a semi-annual basis and is accrued within accounts payable and accrued liabilities on the Consolidated Statement of Financial Position.

#### 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 value 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, 2022.

<b>Financial Assets</b>	<b>Measurement Basis</b>
Cash	Cost
Accounts receivable	Cost
Contributions receivable	Cost
<b>Financial Liabilities</b>	<b>Measurement Basis</b>
Accounts payable and accrued liabilities	Cost

# Yukon Hospital Corporation

## Notes to the Consolidated Financial Statements

March 31, 2022

(in thousands of dollars)

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### 2. Significant Accounting Policies (continued)

#### j) Financial Instruments (continued)

Accrued payroll and benefits	Cost
Short-term debt	Amortized Cost
Long-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.

# Yukon Hospital Corporation

## Notes to the Consolidated Financial Statements

March 31, 2022

(in thousands of dollars)

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### 2. Significant Accounting Policies (continued)

#### 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.

#### n) Asset Retirement Obligation

Liabilities are recognized for statutory, contractual or legal obligations, associated with the retirement of capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion is included in the Consolidated Statement of Operations.

#### 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 useful lives of capital assets, determination of the defined benefit pension plan obligation, calculation of allowance for doubtful accounts 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.



# Yukon Hospital Corporation

## Notes to the Consolidated Financial Statements

March 31, 2022

(in thousands of dollars)

### 3. Inventory

	2022	2021
	\$	\$
Pharmacy	1,927	1,440
Operating Room	978	866
Material Management	641	881
Laboratory	406	286
Total Inventory	<u>3,952</u>	<u>3,473</u>

### 4. Restricted Funds

Included in cash are the following amounts:

	2022	2021
	\$	\$
Externally restricted – capital	298	183
Externally restricted – other	275	297
	<u>573</u>	<u>480</u>

#### 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.

	2022	2021
	\$	\$
Balance, beginning of year	183	492
Contributions received during the year	118	164
Amounts used for capital purchases during the year	(3)	(473)
Balance, end of year	<u>298</u>	<u>183</u>

#### 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.

	2022	2021
	\$	\$
Balance, beginning of year	297	247
Contributions received during the year	46	142
Amounts disbursed during the year	(68)	(92)
Balance, end of year	<u>275</u>	<u>297</u>

# Yukon Hospital Corporation

## Notes to the Consolidated Financial Statements

March 31, 2022

(in thousands of dollars)

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### 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 2022, Group 1 members were required to contribute to the plan at a rate of 7.90% (calendar 2021 – 7.90%) of annualized earnings up to the Year's Maximum Pensionable Earnings ("YMPE") plus 9.90% (calendar 2021 – 9.90%) of annualized earnings in excess of YMPE. Group 2 members were required to contribute to the plan at a rate of 6.80% (calendar 2021 – 6.80%) of annualized earnings up to the YMPE plus 8.80% (calendar 2021 – 8.80%) 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 \$172,523 as at March 31, 2022 (2021 - \$169,366).

An actuarial valuation for accounting purposes was performed as at March 31, 2022 using the projected benefits method prorated on services. 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, 2023.

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.

#### *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.

# Yukon Hospital Corporation

## Notes to the Consolidated Financial Statements

March 31, 2022

(in thousands of dollars)

### 5. Pension Costs and Obligations (continued)

#### Contributions

Historically, the contribution rates for employee and employer contributions were 40% and 60% respectively. Changes to the plan in January 2015 saw a gradual increase of contribution rates to a 50/50 cost-share. This was achieved by January 2019.

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:

	2022	2021
<b>Weighted Average Assumptions for Net Period Pension Cost for Fiscal Year</b>		
Discount rate	6.00%	6.00%
Expected long-term rate of return on plan assets	6.00%	6.00%
Rate of compensation increase (exclusive of seniority, merit)	2.50%	2.50%
Expected average remaining service lifetime (EARSL)	9.0	8.9
Inflation rate	2.00%	2.00%
<b>Weighted Average Assumptions for Benefit Obligation at Fiscal Year</b>		
Discount rate	6.00%	6.00%
Rate of compensation increase (exclusive of seniority, merit)	2.50%	2.50%
Expected average remaining service lifetime (EARSL)	9.0	8.9

As at March 31, 2022, pension fund assets are valued at market value. No adjustment is made for benefits payable or contributions receivable.

	2022	2021
	\$	\$
<b>Change in Accrued Benefit Obligation</b>		
Accrued benefit obligation, beginning of year	110,091	104,494
Current period benefit cost (employee and employer), excludes provision for non-investment expenses	5,661	5,778
Interest cost	6,498	6,327
Transfers in/service buybacks	-	267
Benefits paid	(9,248)	(4,133)
Actuarial (gains) losses	1,687	(2,642)
Accrued benefit obligation, end of year	<u>114,689</u>	<u>110,091</u>

# Yukon Hospital Corporation

## Notes to the Consolidated Financial Statements

March 31, 2022

(in thousands of dollars)

### 5. Pension Costs and Obligations (continued)

	2022 \$	2021 \$
<b>Change in Plan Assets</b>		
Fair value of plan assets, beginning of year	169,366	127,640
Actual return on plan assets	5,676	39,456
Employer contributions	4,231	3,549
Employee contributions	2,836	2,876
Transfers in/service buybacks	-	267
Benefits paid	(9,248)	(4,133)
Actual plan expenses	(338)	(289)
Fair value of plan assets, end of year	<u>172,523</u>	<u>169,366</u>
<b>Reconciliation of Funded Status</b>		
Accrued benefit obligation	114,689	110,091
Fair value of plan assets	(172,523)	(169,366)
Funded surplus	<u>(57,834)</u>	<u>(59,275)</u>
Unamortized actuarial gains (losses)	1,761	7,936
Accrued pension benefit asset	<u>(56,073)</u>	<u>(51,339)</u>
<b>Pension Benefits Cost</b>		
Current period benefit cost, includes provision for non-investment expenses	6,035	6,135
Amortization of actuarial losses	(114)	3,500
Employee contributions	(2,836)	(2,876)
Benefit expense	<u>3,085</u>	<u>6,759</u>
Interest on expected average accrued benefit obligation	6,498	6,327
Expected return on plan assets	<u>(10,086)</u>	<u>(7,727)</u>
Pension benefits cost	<u>(503)</u>	<u>5,359</u>

As at December 31, 2021 the pension plan had a solvency deficit of \$16,294 (December 31, 2020 - \$43,308) if valued on the basis that the pension plan were terminated/wound up as at December 31, 2021. The solvency ratio of the plan is 93% (82% in 2020). In accordance with the *Pension Benefits Standards Act, 1985*, the Corporation is required to make special payments to eliminate the solvency shortfall. The Corporation is permitted to cover up to a specified maximum with a conforming letter of credit. As at March 31, 2022 the Corporation has a conforming letter of credit totaling \$33,810 (2021 - \$27,703). The actuary has determined that the special payment shortfall for calendar 2022 is \$3,767 (2021 - \$6,904).

During the year, the Corporation received \$0 (2021 - \$0) from the Government of Yukon related to the calendar year 2020 special payment in the form of a loan and the Corporation contributed this amount to the pension plan. This loan from the Government of Yukon is included in short-term debt in the Consolidated Statement of Financial Position (note 8).

**Yukon Hospital Corporation**  
**Notes to the Consolidated Financial Statements**

March 31, 2022

(in thousands of dollars)

**6. Capital Assets**

	Land	Land Improvements	Buildings	Building Improvements	Equipment & Vehicles	Computer Hardware & Systems Development	Construction In Progress	2022 Total	2021 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	1,751	1,480	194,648	6,007	26,756	8,464	10,375	249,481	241,116
Acquisitions	-	-	-	207	1,722	49	6,860	8,838	9,272
Transfers	-	-	-	-	961	4,494	(5,482)	(27)	(193)
Disposals	-	-	-	-	(1,083)	(59)	-	(1,142)	(714)
Cost, end of year	1,751	1,480	194,648	6,214	28,356	12,948	11,753	257,150	249,481
Accumulated amortization, beginning of year	-	559	59,380	2,915	16,568	7,201	-	86,623	78,134
Amortization expense	-	136	5,051	431	2,378	1,052	-	9,048	9,203
Disposals	-	-	-	-	(1,009)	(59)	-	(1,068)	(714)
Accumulated amortization, end of year	-	695	64,431	3,346	17,937	8,194	-	94,603	86,623
Net book value	1,751	785	130,217	2,868	10,419	4,754	11,753	162,547	162,858

# Yukon Hospital Corporation

## Notes to the Consolidated Financial Statements

March 31, 2022

(in thousands of dollars)

### 7. Contributions Receivable

The Corporation received financing from CIBC for the construction of the Crocus Ridge building, Watson Lake Hospital, and Dawson City Hospital (note 8). The Government of Yukon has committed funds since 2011-12 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
	\$	\$	\$
<b>March 31, 2022</b>			
Crocus Ridge building	8,250	(1,002)	7,248
Watson Lake Hospital	9,521	(1,459)	8,062
Dawson City Hospital	8,500	(1,200)	7,300
	26,271	(3,661)	22,610

Short-term contributions receivable			3,793
Long-term contributions receivable			18,817
			22,610

	Commitment	Principal Payment	Total
	\$	\$	\$
<b>March 31, 2021</b>			
Crocus Ridge building	9,201	(951)	8,250
Watson Lake Hospital	10,909	(1,388)	9,521
Dawson City Hospital	9,700	(1,200)	8,500
	29,810	(3,539)	26,271

Short-term contributions receivable			3,663
Long-term contributions receivable			22,608
			26,271

# Yukon Hospital Corporation

## Notes to the Consolidated Financial Statements

March 31, 2022

(in thousands of dollars)

### 8. Short-Term Debt

	<b>2022</b>	<b>2021</b>
	\$	\$
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.	<b>8,062</b>	9,521
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.	<b>7,300</b>	8,500
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.	<b>7,248</b>	8,250
Demand term loan with Government of Yukon with interest on letter of credit portion at 65 bps. Annual interest rate is prime (3.95%). Term of loan is 15 years, with final payment due on December 11, 2034.	<b>3,063</b>	3,063
	<b>25,673</b>	29,334

Due to the conditions in the loans with CIBC and the Government of Yukon, all debt has been classified as current as CIBC and the Government of Yukon have the ability to call the loans at any time.

O.I.C 2019/121 *Financial Administration Act* – Health Act, Yukon Hospital Corporation Loan Regulation, was made to allow the Minister responsible for the Department of Health and Social Services to make a loan of public money in the purpose of assisting the Corporation in meeting the prescribed tests and standards for Solvency required under the Pension Benefits Standards Act, 1985 (Canada). In 2022, the Government of Yukon loaned the Corporation \$0 (2021 – \$0) to meet the solvency requirement and \$0 (2021 - \$0) for letter of credit interest payments.

# Yukon Hospital Corporation

## Notes to the Consolidated Financial Statements

March 31, 2022

(in thousands of dollars)

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### 8. Short-Term Debt (continued)

#### Principal Repayment Schedule

Principal repayment on the indebtedness over the next five years and thereafter are as follows:

	\$
2023	3,793
2024	3,931
2025	4,076
2026	4,229
2027	3,908
2028 and thereafter	<u>5,736</u>
	<u>25,673</u>

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 \$441 (2021 - \$519) of variable interest payments representing an average variable rate of 1.80% (2021 - 1.98%) to a fixed interest payment of \$1,224 (2021 - \$1,401), representing an average fixed rate of 5.01% (2021 - 5.33%). These exchanges were made on a net cash basis.

### 9. Deferred Revenue

The balance is comprised of \$1,867 (2021 - \$469) of other externally restricted funds.

### 10. Long-Term Debt

In 2003, Yukon Development Corporation, a common control entity of the Government of Yukon, financed an electric boiler system for the Corporation for a total cost of \$596. The long-term debt bears interest of 7.5% which is payable in an annual installment. The principal is repayable based on 50% of the realized annual energy savings. The long-term debt is secured by a general security agreement on building improvements with a net book value of \$30 (2021 - \$60).

An initial payment on principal of \$200 was made by the Corporation in 2004 and since then \$311 has been repaid from the realized annual energy savings including \$0 repaid in the current year based on realized energy savings of \$0 (2020 - \$0). The final payment of \$85 (2021 - \$85) is due in 2023.



# Yukon Hospital Corporation

## Notes to the Consolidated Financial Statements

March 31, 2022

(in thousands of dollars)

### 11. Employee Future Benefits Other Than Pensions

In addition to pension benefits, the Corporation provides severances, 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.

	2022	2021
	\$	\$
Severance	2,474	2,487
Sick leave	787	800
Less: short-term portion (included in accrued payroll and benefits)	(393)	(342)
	<u>2,868</u>	<u>2,945</u>

### 12. 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:

	2022	2021
	\$	\$
<b>Balance, beginning of year</b>	<b>159,724</b>	<b>155,890</b>
Restricted Government of Yukon contributions	6,615	11,119
Restricted non-government contributions	437	(105)
Amount amortized to revenue	(7,557)	(7,180)
<b>Balance, end of year</b>	<b><u>159,219</u></b>	<b><u>159,724</u></b>

### 13. Investment in Capital Assets

a) Net assets invested in capital assets is calculated as follows:

	2022	2021
	\$	\$
Capital assets (note 6)	162,547	162,858
Amounts financed by deferred capital contributions (net of unexpended externally restricted contributions)	(158,921)	(159,541)
	<u>3,626</u>	<u>3,317</u>

# Yukon Hospital Corporation

## Notes to the Consolidated Financial Statements

March 31, 2022

(in thousands of dollars)

### 13. Investment in Capital Assets (continued)

#### b) Change in amortization

	2022	2021
	\$	\$
Amortization of deferred capital contributions	7,557	7,180
Amortization of capital assets	<u>(9,048)</u>	<u>(9,203)</u>
	<u>(1,491)</u>	<u>(2,023)</u>

#### c) Net change in invested capital assets

	2022	2021
	\$	\$
Purchase of capital assets (net of contributed land)	8,838	9,079
Transfers	(27)	-
Amounts funded by deferred capital contributions	(6,937)	(11,324)
Disposal of capital assets (net of accumulated amortization)	(74)	-
	<u>1,800</u>	<u>(2,245)</u>

#### Contributed Land

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.

#### 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.

In fiscal 2022, no equipment was transferred to the Corporation by either party.

### 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

# Yukon Hospital Corporation

## Notes to the Consolidated Financial Statements

March 31, 2022

(in thousands of dollars)

### 14. First Nations Health Program (continued)

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.

	2022 \$	2021 \$
<b>Revenues</b>		
Government of Yukon contribution (note 16)	1,200	1,200
Government of Yukon – Other	20	-
Other	9	-
Interest	1	3
	<u>1,230</u>	<u>1,203</u>
<b>Expenses</b>		
Payroll	1,304	1,098
Sundry	98	13
Travel	39	29
Material and supplies	18	54
Honorariums	10	8
Equipment	3	1
Amortization	1	-
	<u>1,473</u>	<u>1,203</u>
Surplus of revenues over expenses	(243)	0
Opening surplus	419	419
Net surplus, restricted for FNHP	<u>176</u>	<u>419</u>

# Yukon Hospital Corporation

## Notes to the Consolidated Financial Statements

March 31, 2022

(in thousands of dollars)

### 15. Other Expenses

	2022	2021
	\$	\$
Software maintenance	1,507	710
Legal and professional fees	1,470	510
Property tax	1,331	1,341
Delivery/courier/taxi	937	743
Bad debt	784	442
Communications	719	695
Recruitment and relocation	479	298
Conference fees/travel	443	331
Insurance	427	374
Miscellaneous	340	299
Membership fees	337	292
Honorariums	96	104
Advertising	72	64
	<u>8,942</u>	<u>6,203</u>

### 16. Related Party Transactions

	2022	2021
	\$	\$
<b>Government of Yukon contribution</b>		
Basic funding	80,889	73,372
First Nations Health Program (note 14)	1,200	1,200
<b>Total basic funding</b>	<u>82,089</u>	<u>74,572</u>
COVID-19 funding	5,830	6,533
Other	4,628	3,710
Other – First Nations Health Program (note 14)	20	-
<b>Total Government of Yukon contribution</b>	<u>92,567</u>	<u>84,815</u>

Revenue received from the Government of Yukon for services was \$92,567 for 2022 (2021 - \$84,815). The 2022 contribution includes \$93 (2021 - \$93) flow-through funding provided to the Foundation.

	2022	2021
	\$	\$
<b>Other government contracts</b>		
Government Service contracts	982	967
Cost recovery arrangement	2,023	1,429
<b>Total other government contracts</b>	<u>3,005</u>	<u>2,396</u>

# Yukon Hospital Corporation

## Notes to the Consolidated Financial Statements

March 31, 2022

(in thousands of dollars)

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### 16. Related Party Transactions (continued)

In fiscal 2022, 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 \$2,023 (2021 - \$1,429) 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 \$1,895 (2021 - \$1,325). 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 2022 was \$484 (2021 - \$533).

#### Other Related Party Transactions

In addition to those related party transactions disclosed elsewhere in these consolidated financial statements (notes 5, 7, 8, 9, 10, 12, 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, 2022 there were \$364 (2021 - \$321) of accounts payable and accrued liabilities and \$3,140 (2021 - \$6,726) 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. 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 2022.

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.

# Yukon Hospital Corporation

## Notes to the Consolidated Financial Statements

March 31, 2022

(in thousands of dollars)

### 16. Related Party Transactions (continued)

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 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.

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.

Details of the leases are outlined as follows:

	Annual Lease Payments \$	Term Years
Crocus Ridge 1 <sup>st</sup> and 2 <sup>nd</sup> 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	

# Yukon Hospital Corporation

## Notes to the Consolidated Financial Statements

March 31, 2022

(in thousands of dollars)

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### 17. Contractual Obligations

The Corporation has contractual commitments whereby the minimum required payments for the next five years and thereafter are as follows:

	\$
2023	9,602
2024	4,832
2025	3,977
2026	3,392
2027 and thereafter	3,650
	<u>25,453</u>

Contractual commitments fall under the following major categories; capital projects, medical and other equipment service agreements, software maintenance agreements and professional/service level agreements.

### 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.

# Yukon Hospital Corporation

## Notes to the Consolidated Financial Statements

March 31, 2022

(in thousands of dollars)

### 18. Financial Risks (continued)

#### *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 patient revenue and historical repayment information.

The maximum exposure to credit risk for accounts receivable by type of customer is as follows:

	2022	2021
	\$	\$
Government of Yukon	2,731	6,726
Consumers	883	1,331
Other	589	698
Other governments	426	453
	<u>4,629</u>	<u>9,208</u>

The Corporation's accounts receivable has a carrying value of \$4,629 as at March 31, 2022 (2021 - \$9,208). As at March 31, 2022, approximately 41% (2021 - 31%) of accounts receivable were over 90 days past due, whereas 50% (2021 - 67%) were current or less than 30 days past due. The Corporation's allowance for doubtful accounts is \$1,140 as at March 31, 2022 (2021 - \$605).

#### *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 \$9,599 as at March 31, 2022 (2021 - \$9,311). As at March 31, 2022, approximately 7% (2021 - 1%) of accounts payable were over 90 days past due, whereas 51% (2021 - 68%) were current or less than 30 days past due. The Corporation's accrued payroll and benefits has a carrying value of \$6,890 as at March 31, 2022 (2021 - \$6,863) and is payable in the next fiscal year.



# Yukon Hospital Corporation

## Notes to the Consolidated Financial Statements

March 31, 2022

(in thousands of dollars)

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### 18. Financial Risks (continued)

The Corporation's short-term debt has remaining undiscounted contractual cash flows of \$31,393 as at March 31, 2022 (2021 - \$36,279) 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). The Corporation's long-term debt has remaining undiscounted contractual cash flows of \$91 as at March 31, 2022 (2021 - \$91).

#### 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 commitment 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

**Yukon Hospital Corporation**  
**Notes to the Consolidated Financial Statements**

March 31, 2022

(in thousands of dollars)

**19. Capital Management (continued)**

(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.

The Corporation computes its capital as follows:

	2022	2021
	\$	\$
Restricted for capital purchases, internal	1,030	410
Restricted for pension	56,073	51,339
Unrestricted	(9,001)	(8,435)
	<u>48,102</u>	<u>43,314</u>

**20. Impact of COVID-19**

The World Health Organization declared the Coronavirus COVID-19 (COVID-19) outbreak a pandemic on March 11, 2020. In response to the impacts of COVID-19, the Corporation continues to experience a change in demand for its services and is working diligently to mitigate the financial impacts.

**Other government contract revenue and expenses**

For the year ended March 31, 2022, the Government of Yukon committed \$5,830 (2021 - \$6,533) (Note 16) to cover COVID-19 related incremental expenses and loss of revenues. These amounts have been recorded in various expense accounts in the Consolidated Statement of Operations as determined by the nature of the expense. During the year, the Corporation incurred COVID-related expenses of \$5,622 (2021 - \$6,619). As at March 31, 2022, \$0 (2021 - \$451) of the Government of Yukon contribution committed is recognized in accounts receivable on the Consolidated Statement of Financial Position.

**Future impact on operations**

The ongoing effects of COVID-19 on financial markets, regulations, and experience are uncertain and still evolving. It is not possible to reliably estimate the impact that COVID-19 will have on the financial results and condition of the Corporation in future periods. Financial areas that may be impacted include government funding and the pension plan experience and/or assumptions that could affect future valuation results.

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YUKON HOUSING CORPORATION  
FINANCIAL STATEMENTS  
March 31, 2022  
(audited)

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**YUKON HOUSING CORPORATION**  
**Management's Responsibility for Financial Reporting**

The financial statements contained in this annual report 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 by-laws 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 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 Finance Audit and Risk Management Committee reviews the audited financial statements with the external auditor before making recommendations to the Board of Directors for 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.

A handwritten signature in black ink, appearing to read "Mary Cameron".

Mary Cameron  
President

A handwritten signature in black ink, appearing to read "Marcel Holder Robinson".

Marcel Holder Robinson, CPA, CGA  
Director, Finance and Risk Management

October 11, 2022



## 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 2022, and the statement of operations and accumulated surplus, statement of change in (net debt) net financial assets 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 2022, 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.

#### *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 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.

A handwritten signature in cursive script that reads "David Irving".

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

Edmonton, Canada  
11 October 2022



Yukon Housing Corporation  
Statement of Financial Position  
as at March 31, 2022

	2022	2021
	(thousands of dollars)	
<b>Financial assets</b>		
Cash (Note 3)	\$ 4,504	\$ 15,947
Accounts receivable (Note 4)	4,970	8,604
Due from the Government of Yukon (Note 15(a))	3,152	1,896
Mortgages and loans receivable (Note 5 and Note 14)	32,417	39,152
	<u>45,043</u>	<u>65,599</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	7,534	5,075
Environmental liability (Note 6)	184	216
Deferred revenue (Note 7)	3,293	7,527
Long-term debt (Note 8 and Note 14)	10,794	12,462
Post-employment benefits (Note 9)	2,509	2,173
Advances - Government of Yukon (Note 11)	23,001	39,091
	<u>47,315</u>	<u>66,544</u>
<b>(Net debt) net financial assets</b>	<u>(2,272)</u>	<u>(945)</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 12 and Schedule B)	111,554	93,011
Prepaid expenses (Note 19)	3,453	3,398
	<u>115,007</u>	<u>96,409</u>
<b>Accumulated surplus</b>	<u>\$ 112,735</u>	<u>\$ 95,464</u>
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 Housing Corporation  
Statement of Operations and Accumulated Surplus  
for the year ended March 31, 2022

	2022		2021
	Main Estimates (Note 1(c))	Actual	Actual
	(thousands of dollars)		
<b>Revenues</b>			
Rental income	\$ 6,665	\$ 7,627	\$ 7,247
Funding from Canada Mortgage and Housing Corporation			
- National Housing Strategy	4,288	5,202	3,031
- Social Housing Agreement	3,594	3,594	3,668
- Northern Funding Agreement	-	210	263
- Investment in Affordable Housing	-	47	531
- Social Infrastructure Fund	-	248	92
- Community Housing Initiative	2,250	3,000	-
- Northern Carve Out	825	-	-
Interest income	1,512	1,409	1,556
Other	20	823	99
Tenant damage charge back recovery	60	93	68
Recovery of loan receivable allowances	-	-	7
	<u>19,214</u>	<u>22,253</u>	<u>16,562</u>
<b>Expenses (Note 13)</b>			
Social and staff housing operations (Schedule A)	16,924	12,977	14,882
Lending and grant programs (Schedule A)	11,689	6,615	9,650
Amortization (Note 13 and Schedule B)	3,900	4,079	3,917
Corporate services (Schedule A)	2,762	3,259	2,722
Administration (Schedule A)	2,779	2,178	1,898
Rent supplement programs	1,408	1,529	1,266
Subsidies - private social housing organizations	617	366	417
	<u>40,079</u>	<u>31,003</u>	<u>34,752</u>
<b>Deficit for the year before government funding</b>	<b>(20,865)</b>	<b>(8,750)</b>	<b>(18,190)</b>
<b>Government of Yukon funding</b>			
Capital transfer revenue	23,786	17,372	17,412
Operations and maintenance transfer revenue	7,212	6,468	6,108
Low Carbon Economy Fund	2,771	1,679	2,064
Rental assistance - in-kind (Note 15(b))	-	502	502
	<u>33,769</u>	<u>26,021</u>	<u>26,086</u>
<b>Surplus for the year</b>	<b>12,904</b>	<b>17,271</b>	<b>7,896</b>
Accumulated surplus at beginning of year	95,464	95,464	87,568
<b>Accumulated surplus at end of year</b>	<b>\$ 108,368</b>	<b>\$ 112,735</b>	<b>\$ 95,464</b>

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



Yukon Housing Corporation

Statement of Change in (Net Debt) Net Financial Assets  
for the year ended March 31, 2022

	2022		2021
	Main Estimates (Note 1(c))	Actual	Actual
	(thousands of dollars)		
<b>Surplus for the year</b>	\$ 12,904	\$ 17,271	\$ 7,896
<b>Effect of change in tangible capital assets</b>			
Acquisitions	(11,103)	(22,638)	(10,066)
Amortization of tangible capital assets	3,900	4,079	3,917
Disposal of tangible capital assets (net book value)	-	-	29
Write-down of tangible capital assets	-	16	223
	(7,203)	(18,543)	(5,897)
<b>Effect of change in other non-financial assets</b>			
Consumption of prepaid expenses	-	73	133
Purchase of prepaid expenses	-	(128)	(3,398)
	-	(55)	(3,265)
<b>(Decrease) increase in net financial assets (net debt)</b>	<b>5,701</b>	<b>(1,327)</b>	<b>(1,266)</b>
Net financial assets (net debt) at beginning of year	(945)	(945)	321
<b>(Net debt) net financial assets at end of year</b>	<b>\$ 4,756</b>	<b>\$ (2,272)</b>	<b>\$ (945)</b>

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



Yukon Housing Corporation  
Statement of Cash Flow  
for the year ended March 31, 2022

	2022	2021
	(thousands of dollars)	
<b>Operating transactions</b>		
Surplus for the year	\$ 17,271	\$ 7,896
Adjustments for non-cash items		
Transfer revenue from Government of Yukon (Note 11)	(16,090)	-
Amortization of tangible capital assets (Note 13 and Schedule B)	4,079	3,917
Post-employment benefits expense (Note 9)	385	450
Bad debt expense (Schedule A)	157	110
Loss on disposals of tangible capital assets (Schedule B)	-	29
Gains from tangible capital asset additions (Note 12)	(669)	-
Write-downs (Schedule B)	16	223
Mortgages receivable allowances / discounts (Note 5)	(370)	142
	<u>4,779</u>	<u>12,767</u>
Changes in accruals of operating cash receipts or (payments)	1,844	230
Cash provided by operating transactions	<u>6,623</u>	<u>12,997</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(21,768)	(10,066)
Cash (used for) capital transactions	<u>(21,768)</u>	<u>(10,066)</u>
<b>Investing transactions</b>		
Issuances of mortgages receivable	(3,997)	(4,325)
Repayments of mortgages receivable	8,409	6,399
Repayments of land sales agreements receivable	958	4,243
Cash provided by investing transactions	<u>5,370</u>	<u>6,317</u>
<b>Financing transactions</b>		
Repayments of long-term debt	(710)	(733)
Repayments of land sales agreements payable	(958)	(4,742)
Advances from the Government of Yukon (Note 11)	-	7,256
Cash (used for) provided by financing transactions	<u>(1,668)</u>	<u>1,781</u>
<b>(Decrease) increase in cash</b>	<b>(11,443)</b>	<b>11,029</b>
Cash at beginning of year (Note 3)	<u>15,947</u>	<u>4,918</u>
<b>Cash at end of year (Note 3)</b>	<b>\$ 4,504</b>	<b>\$ 15,947</b>
Interest received in the year	\$ 1,527	\$ 1,649
Interest paid in the year	69	84

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



Yukon Housing Corporation  
Notes to the financial statements  
for the year ended March 31, 2022

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**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 improve the quality of housing in Yukon and help Yukoners resolve their housing needs.

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.

Pursuant to Section 45(1) of the *Housing Corporation Act*, the Commissioner in Executive Council has established Housing Advisory Boards in the communities of Carcross, Carmacks, Dawson City, Faro, Haines Junction, Mayo, Ross River, Teslin, Watson Lake and Whitehorse. Local Housing Advisory Boards involve local community members in the decision making process regarding housing in their community. They provided advisory services to the Corporation and a review function in appeals of decisions made by the Corporation. During the past year, these housing advisory boards became inactive.

(c) Main estimates

The Main Estimates figures are from the Main Estimates approved in the Yukon Legislative Assembly in 2021. 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(j)). Advances provided by the Government of Yukon in excess of the transfer payments are recorded as a liability of the Corporation (Note 11).

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) and Schedule A).



Yukon Housing Corporation  
Notes to the financial statements  
for the year ended March 31, 2022

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**2. Significant accounting policies (continued)**

(b) Cash

Cash includes cash on hand, bank balances and bank indebtedness repayable on demand.

(c) Housing inventory

The Corporation recognizes a house for sale as inventory when all of the following criteria are met prior to the date of the financial statements: sale of the asset is approved; the asset is in a condition to be sold; the asset is publicly seen to be for sale; there is an active market for the asset; there is a plan in place for selling the asset; and it is reasonably anticipated that the sale to the third party will be completed within one year. The asset held for sale is measured at the lower of its carrying amount or fair value less cost to sell.

(d) Mortgages and loans receivable

Mortgages receivable are fully secured and recorded at 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.

Under the Social Housing Agreement signed with Canada Mortgage and Housing Corporation (CMHC) in 1998, the Corporation may be required to subsidize a debtor's repayment of a Rural and Native Housing Home Ownership Program mortgage. These subsidies vary in amount depending on the income of the recipients and are expensed when incurred. CMHC funding provided to the Corporation includes an amount for subsidies.

Under the Home Repair Program, the Corporation may subsidize a debtor's repayment. These subsidies, reviewed annually, are based on the debtor's ability to pay. Each year, the Corporation records an allowance for Home Repair Program subsidies based on loans receiving a subsidy at year end.

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 costs using the effective interest method. The discounted value and the effective interest rate are determined using the prime rate adjusted for risk 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.

Loans receivable from lots sold to purchasers for residential, commercial and recreational purposes under land sales agreements are recorded at the lower of cost or net recoverable value.





Yukon Housing Corporation  
Notes to the financial statements  
for the year ended March 31, 2022

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2. Significant accounting policies (continued)

(e) Tangible capital assets

Tangible capital assets are recorded at cost, net of accumulated amortization. Interest on loans during construction of capital assets is capitalized. Assets under construction are not amortized until available for use.

Amortization is calculated using the straight-line method, over the estimated useful lives of assets.

Social housing projects	40 years
Social housing betterment	15 years
Staff housing projects and other facilities:	
Standard construction	40 years
Mobile home units	20 years
Office building	40 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.

(f) Environmental liabilities

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 net of expected recoveries 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.

(g) 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.



Yukon Housing Corporation  
Notes to the financial statements  
for the year ended March 31, 2022

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**2. Significant accounting policies (continued)**

(h) Retirement benefits

All eligible employees participate in the Public Service Pension 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 Public Service Pension Plan.

(i) 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.

Rental income is recorded on an accrual basis.

(j) Expenses

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

(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 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, valuation of post-employment benefits, estimation of contingencies and environmental liabilities.

The estimation of the environmental liabilities 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 liabilities 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.



Yukon Housing Corporation  
Notes to the financial statements  
for the year ended March 31, 2022

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**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)).



Yukon Housing Corporation  
Notes to the financial statements  
for the year ended March 31, 2022

3. Cash

	2022	2021
	(thousands of dollars)	
Cash		
Bank balances	\$ 4,501	\$ 15,944
Cash on hand	3	3
	<u>\$ 4,504</u>	<u>\$ 15,947</u>

The Corporation has an overdraft facility with its bank of up to \$11,000,000 at bank prime less 0.85% (2021 - bank prime less 0.85%). At year end, the bank prime rate was 2.70% (2021 - 2.45%). The overdraft is guaranteed by the Government of Yukon.

4. Accounts receivable

	2022	2021
	(thousands of dollars)	
Due from Canada Mortgage and Housing Corporation		
- National Housing Strategy	\$ 4,472	\$ 4,041
- Northern Funding Agreement	-	2,400
- Investment in Affordable Housing	-	1,575
- Social Housing Agreement	236	239
Receivable from tenants	896	874
Other receivables	457	407
Less: Valuation allowance for receivable from tenants	(1,023)	(875)
Less: Valuation allowance for other receivables	(68)	(57)
	<u>\$ 4,970</u>	<u>\$ 8,604</u>

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, 2022 the amount receivable under the SHA is \$236,000 (2021 - \$239,000).

On April 1, 2014 the Corporation entered into an agreement with CMHC to access funding under the Investment in Affordable Housing (IAH) agreement. Under this five year agreement (2014/2015 to 2018/2019) CMHC agreed to contribute up to \$7,875,000 (\$1,575,000 each year) for project commitments made by the Corporation to improve access to affordable, sound, suitable and sustainable housing for households in need. The funding was fully cost matched by the Corporation. As at March 31, 2022 the amount receivable under the IAH is \$0 (2021 - \$1,575,000).

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 (2019/20 to 2027/2028) CMHC agreed to contribute up to \$28,269,700 (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. As at March 31, 2022 the amount receivable under the NHS is \$4,472,050 (2021 - \$4,041,000).



Yukon Housing Corporation  
Notes to the financial statements  
for the year ended March 31, 2022

**4. Accounts receivable (continued)**

On April 1, 2018 the Corporation entered into an agreement with CMHC under the Northern Funding Agreement, which was made under the IAH agreement. Under this one year agreement (2018/2019) CMHC agreed to contribute up to \$2,400,000 for project commitments made by the Corporation to increase the affordable housing that meets the needs of households in the Yukon. As at March 31, 2022 the amount receivable under the Northern Funding Agreement is \$0 (2021 - \$2,400,000).

**5. Mortgages and loans receivable**

	Stated interest rates %	2022 (thousands of dollars)	2021 (thousands of dollars)
Mortgages receivable			
Home Ownership	0.00 - 4.41	\$ 22,406	\$ 26,338
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 2026. Rural and Native Home Ownership mortgages receiving subsidies (Note 2(d)) at March 31, 2022 were \$6,000 (2021 - \$13,000).			
Owner Build	3.64 - 4.35	5,081	6,191
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 2025.			
Developer Build	3.64 - 4.35	3,000	1,500
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 2025.			
Repair and Upgrade	0.00 - 4.95	1,499	2,194
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 2029. Mortgages receiving subsidies (Note 2(d)) and forgiveness at March 31, 2022 were \$29,000 (2021 - \$30,000).			
Energy Management	3.70	1	3
Loans with terms up to 17 years, secured by registered charges against real property or chattel mortgages, repayable in periodic instalments with maturities up to 2022.			



Yukon Housing Corporation  
Notes to the financial statements  
for the year ended March 31, 2022

5. Mortgages and loans receivable (continued)

	Stated	2022	2021
	interest rates %	(thousands of dollars)	
Housing Industry Loans	1.75 - 4.95	492	2,401
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 2027.			
Subtotal mortgages receivable		32,479	38,627
Less: Allowance for Home Repair Program subsidies		(29)	(24)
Less: Discount for loans receivable with concessionary terms*		(491)	(619)
Less: Allowance for impaired loans		(181)	(428)
Net mortgages receivable		31,778	37,556
Land sales agreements receivable	5.00	639	1,596
Unsecured loans on residential, commercial and recreational lots, repayable in blended annual payments at fixed rates of interest with maturities up to 2024.			
Total loans receivable		\$ 32,417	\$ 39,152

\*The total remaining principal \$ 1,495 is for 11 loans.

These mortgages and loans receivable earn interest at the following weighted average rates:

	2022	2021
Mortgages receivable	3.45%	3.63%
Land sales agreements receivable	5.00%	5.00%



Yukon Housing Corporation  
Notes to the financial statements  
for the year ended March 31, 2022

**6. Environmental liability**

Changes in the environmental liability are as follows:

	2022	2021
	(thousands of dollars)	
Balance at beginning of year	\$ 216	\$ 216
Actual expenditures in current year relating to fuel oil spills	(32)	-
Balance at end of year	<u>\$ 184</u>	<u>\$ 216</u>

Notable sites within the environmental liability include:

In fall 2010, it was confirmed that approximately 20,000 liters of fuel oil spilled under two Yukon Housing Corporation properties in Dawson City. The remediation plan and projected future costs were prepared by independent consultants, and the remediation started in the summer of 2011. To facilitate remediation the apartment building was demolished and removed. In fall 2012, it was determined that the residence adjacent to the apartment building would need to be removed to complete remediation of the site. The projected future expenditures at year end associated with this spill are estimated at \$36,389 (2021 - \$50,000).

In the summer of 2015, a split fuel line occurred under a house in Dawson City. Approximately 800 liters of fuel leaked from the oil storage tank. The projected future expenditures at year end associated with this spill are estimated at \$100,000 (2021- \$100,000).

Projected future expenditures at year end for site monitoring of \$48,000 (2021 - \$66,000) are for ongoing ground water and soils monitoring for remediated oil spill sites in Old Crow and Watson Lake (2021 - Old Crow and Watson Lake).

**7. Deferred revenue**

	2022	2021
	(thousands of dollars)	
Canada Mortgage and Housing Corporation (CMHC) funding		
- National Housing Strategy	\$ 2,494	\$ 3,464
- Rapid Housing Initiative	-	3,000
- Investment in Affordable Housing	275	320
- Social Infrastructure Fund	-	248
- Yukon First Nations - Multi-unit Residential Building Workshop	145	145
- Northern Funding Agreement	140	111
Unearned rent	239	199
Unearned revenue	-	40
	<u>\$ 3,293</u>	<u>\$ 7,527</u>

Unearned rent relates to prepayments made by tenants for future months.



Yukon Housing Corporation  
Notes to the financial statements  
for the year ended March 31, 2022

8. Long-term debt

	Stated <u>interest rates</u> %	<u>2022</u> (thousands of dollars)	<u>2021</u>
Mortgages payable to chartered banks and CMHC (guaranteed by the Government of Yukon)	1.99 - 2.81	\$ 733	\$ 1,089
Loans with a variety of terms, repayable in blended monthly payments at fixed rates of interest and with maturities up to 2028, secured by fixed charges against housing projects with net book value of \$2,042,310 (2021 - \$2,259,174).			
Loans payable to chartered banks and CMHC (guaranteed by the Government of Yukon)	7.50 - 9.50	522	624
Unsecured loans repayable in blended periodic installments at fixed rates of interest to maturity and with maturities up to 2028.			
Loans payable to the Government of Yukon	0.00	8,900	9,153
Repayable without interest in periodic instalments to 2027.			
Land sales agreements due to the Government of Yukon, unsecured	0.00	639	1,596
Repayable without interest in periodic instalments to 2025.			
Total long-term debt		<u>\$ 10,794</u>	<u>\$ 12,462</u>

The mortgages and loans payable bear interest at the following weighted average interest rates:

	<u>2022</u>	<u>2021</u>
Mortgages payable to chartered banks and CMHC	2.53%	2.46%
Loans payable to chartered banks and CMHC	7.91%	7.90%

Principal repayments required over the next five years are as follows:

	Loans Payable				Total
	Mortgages Payable	Banks and CMHC	Government of Yukon	Land Sales Agreements	
	(thousands of dollars)				
2023	\$ 354	\$ 110	\$ 250	\$ 493	\$ 1,207
2024	129	119	250	101	599
2025	54	128	250	45	477
2026	55	139	5,150	-	5,344
2027	57	11	3,000	-	3,068
Thereafter	84	15	-	-	99
Total	<u>\$ 733</u>	<u>\$ 522</u>	<u>\$ 8,900</u>	<u>\$ 639</u>	<u>\$ 10,794</u>

At March 31, 2022, the Corporation did not have any outstanding Government of Yukon Land Sales Agreements principal payments.





Yukon Housing Corporation  
Notes to the financial statements  
for the year ended March 31, 2022

**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:

	2022	2021
	(thousands of dollars)	
Accrued benefit liability, beginning of year	\$ 2,173	\$ 2,241
Receipt from Government departments for staff transfers	73	196
Add: Post-employment benefits expenses		
Current service costs	222	199
Interest on accrued benefit liability	73	71
Amortization of net actuarial (gains)losses	17	(16)
Less: Benefits paid during the year	(49)	(518)
Accrued benefit liability, end of year	2,509	2,173
Unamortized net actuarial gain	(328)	(44)
Accrued benefit obligation, end of year	<u>\$ 2,181</u>	<u>\$ 2,129</u>

The significant actuarial assumptions were:

	2022	2021
Discount rate	4.00%	3.20%
Inflation	2.00%	2.00%
Expected average remaining service life of active employees	11.6 years	11.6 years
Seniority and Promotional Salary Increases - based on the annual rates from the Public Service Pension Plan	March 31, 2017 valuation report	

The most recent actuarial valuation made for these post-employment benefits was as of March 31, 2020. The next required valuation would be as of March 31, 2023.

Included in the total accrued benefit obligation at March 31, 2022 are vacation leave of \$560,000 (2021 - \$571,000) and accumulated sick leave of \$422,000 (2021 - \$421,000).

The post-employment benefit expense for the financial year is \$386,000 (2021 - \$450,000)



Yukon Housing Corporation  
Notes to the financial statements  
for the year ended March 31, 2022

**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 \$1.02 (2021 - \$1.01) for every dollar contributed by the employee, and \$5.91 (2021 - \$3.59) for every dollar contributed by the employee for the portion of the employee's salary above \$191,300 (2021 - \$181,600). For new employees who are participating in the Plan on or after January 1, 2013, the Corporation contributes \$1.00 (2021 - \$1.00) for every dollar contributed by the employee, and \$5.91 (2021 - \$3.59) for every dollar contributed by the employee for the portion of the employee's salary above \$191,300 (2021 - \$181,600).

Contributions during the year were as follows:

	2022	2021
	(thousands of dollars)	
Employer's contribution	\$ 640	\$ 579
Employees' contribution	628	567

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.

	2022	2021
	(thousands of dollars)	
Balance at beginning of year	\$ 39,091	\$ 31,835
Cash advanced during the year	7,750	30,776
Operations and maintenance transfer payment	(6,468)	(6,108)
Capital transfer payment	(17,372)	(17,412)
	<u>(16,090)</u>	<u>7,256</u>
Balance at end of year	<u>\$ 23,001</u>	<u>\$ 39,091</u>

During the year, the Corporation in substance repaid \$16,090,000 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.



Yukon Housing Corporation  
Notes to the financial statements  
for the year ended March 31, 2022

**12. Tangible capital assets**

	Cost	Accumulated Amortization	(thousands of dollars)	
			Net Book Value	Net Book Value
Land	\$ 5,189	\$ -	\$ 5,189	\$ 4,814
Social housing	145,712	50,125	95,587	77,004
Staff housing	22,465	13,857	8,608	8,879
Office building	1,954	1,555	399	446
Other facilities	538	537	1	2
Furnishings and equipment	3,598	1,828	1,770	1,866
Computer systems	295	295	-	-
(Schedule B)	<u>\$ 179,751</u>	<u>\$ 68,197</u>	<u>\$ 111,554</u>	<u>\$ 93,011</u>

At March 31, 2022, there were construction projects in progress in the amount of \$19,062,000 (2021 - \$7,979,000). There was no interest incurred for the construction of tangible capital assets in the current year or previous year.

Included in the cost of land are 8 vacant lots with a carrying value of \$21,000.

During the year, the Corporation took ownership of building including land from Options for Independence Society of Yukon (OFI) in exchange of discharging a mortgage owed to the Corporation. The building including land were appraised at \$2,330,000, while the mortgage had \$1,736,000 of principal outstanding. The Corporation has recorded a gain of \$594,000 which is included in Other revenues.

The Government of Yukon is using the space to provide housing with supports and programming for people with Fetal Alcohol Spectrum Disorder. As part of an arrangement with Government of Yukon, the Corporation does not charge rent but instead charges Health & Social Services for operation and maintenance costs.

During the year, the Corporation has received a contribution of land from the Municipality of Watson Lake appraised at \$75,000. The Corporation has recorded revenue of \$75,000 which is included in Other revenues. The Corporation will begin construction of a new housing complex to support housing needs in the community in the spring of 2022 with an anticipated completion date in 2023 at an estimated cost of \$4,500,000.

**13. Expenses by object**

	(thousands of dollars)	
	2022	2021
Transfer payments (Grants/Program advances)	\$ 6,455	\$ 9,581
Materials, supplies and utilities	8,608	10,326
Personnel, training and post-employment benefits	8,538	7,799
Amortization	4,079	3,917
Other	2,445	2,392
Contract and special services	440	272
Communication and transportation	371	383
Interest on long-term debt	67	82
	<u>\$ 31,003</u>	<u>\$ 34,752</u>



Yukon Housing Corporation  
Notes to the financial statements  
for the year ended March 31, 2022

**14. Financial instruments**

The balances in Cash, Accounts receivable, Due from the Government of Yukon, and Accounts payable and accrued liabilities have fair values that approximate their carrying amount due to their short term to maturity.

Fair value information is not disclosed for Advances - Government of Yukon (Note 11) because it arose as a result of related party transactions and bears no interest. There is no active market for such instruments.

The fair values of the Corporation's mortgages and loans receivable and long-term debt were based on management's best estimates and were determined using the present value of future cash flows discounted at the March 31, 2022 estimated market rate for mortgages and loans with similar maturities.

The carrying amount and estimated fair values of mortgages and loans receivable and long-term debt are as follows:

	2022		2021	
	(thousands of dollars)			
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Mortgages and loans receivable				
Mortgages receivable net of allowances	\$ 31,778	\$ 30,744	\$ 37,556	\$ 38,931
Land sales agreements receivable	639	616	1,596	1,766
	<u>\$ 32,417</u>	<u>\$ 31,360</u>	<u>\$ 39,152</u>	<u>\$ 40,697</u>
Long-term debt				
Loans payable to the Government of Yukon	8,900	7,415	9,153	7,235
Land sales agreements due to the Government of Yukon	639	616	1,596	1,498
Mortgages payable to chartered banks and CMHC	733	713	1,089	825
Loans payable to chartered banks and CMHC	522	540	624	655
	<u>\$ 10,794</u>	<u>\$ 9,284</u>	<u>\$ 12,462</u>	<u>\$ 10,213</u>

These financial instruments do not have active markets.

Until settled, the fair value of mortgages and loans receivable and long-term debt will fluctuate with changes in interest rates. Management believes the carrying amount of mortgages and loans receivable will be fully recovered.



Yukon Housing Corporation  
Notes to the financial statements  
for the year ended March 31, 2022

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**15. Related party transactions and balances**

In addition to those related party transactions disclosed elsewhere in these financial statements (Notes 8, 11, 12 and 17), the Corporation enters into transactions with related entities in the normal course of business.

(a) Due from (to) the Government of Yukon

	2022	2021
	(thousands of dollars)	
Accounts payable	\$ (1,076)	\$ (1,693)
Accounts receivable	390	430
Amount due re: Canada - Yukon Low Carbon Economy Fund	3,838	3,159
Net amount due from the Government of Yukon	<u>\$ 3,152</u>	<u>\$ 1,896</u>

(b) Other transactions

The Government of Yukon provides life insurance and medical benefits to the Corporation's retired personnel, which are provided without charge and not recorded in the financial statements.

The value of administrative services provided by the Government of Yukon to the Corporation is estimated in 2022 to be \$32,088 (2021 - \$28,238). The value of territorial agent services provided by the Corporation to the Government of Yukon for 2022 is estimated to be \$144,683 (2021 - \$122,970). These services are provided without charge and not recorded in the financial statements.

The employees of the Corporation are paid by the Government of Yukon. The Corporation reimbursed the Government for personnel expenses (Note 13 and Schedule A) paid of \$8,064,000 during 2022 (2021 - \$8,080,000) which 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 2022 to be \$502,000 (2021 - \$502,000) based on the Government of Yukon's amortization expense.

During 2022, the Corporation was charged \$327,000 (2021 - \$1,007,000) by the Government of Yukon for information technology support services, office rental, office supplies, computer software licensing, vehicle rental services and other upgrades. These charges are recorded at the exchange amount.

At the end of 2021, the Corporation has re-imbursed Government of Yukon, Highways and Public Works (HPW), for the scope and design of the Old Crow multi use facility project that HPW is managing on behalf of the Corporation and Health and Social Services.



Yukon Housing Corporation  
Notes to the financial statements  
for the year ended March 31, 2022

**16. Contractual obligations and contingencies**

	2022	2023	2024
	(thousands of dollars)		
Outstanding contractual obligations to complete the funding of mortgages receivable at end of year	\$ 6,879	\$ 1,315	\$ 160
Outstanding contractual obligations to complete agreements and contract commitments at end of year	\$ 3,466	-	-
Annual subsidies to private social housing organizations	375	375	375
	<u>\$ 10,720</u>	<u>1,690</u>	<u>535</u>

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 mortgage matures on July 1, 2025 and the amount payable as at March 31, 2022 was \$310,000 (2021 - \$398,000). Management believes that the Corporation would be able to repay the mortgage in full through the sale of the Co-operative's assets (against which the mortgage is made) in the event of a default.

The Corporation acted as an agent when it received \$5,000,000 from CMHC, which the Corporation flowed through to Safe At Home Society (SAHS). Because this is a flow through arrangement, the cash inflows and the cash outflows have not been included in revenue and expenses on the Statement of Operations and Accumulated Surplus and has not had an impact on the Statement of Cash Flow. If SAHS 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, 2022:

	Expiry Date	2023	2024-2030	Total
		(thousands of dollars)		
CMHC Social Housing Agreement	2030	\$ 3,518	\$ 11,059	\$ 14,577
CMHC Bilateral Agreement				
CMHC Northern Housing	2028	2,400	12,000	14,400
CMHC Canada Community Housing	2028	327	9,732	10,059
CMHC Yukon Priorities Housing	2027	895	2,916	3,811
CMHC Canada Housing Benefit	2028	1,155	6,600	7,755
Canada - Yukon Low Carbon Economy Leadership Fund (Government of Yukon)	2024	3,190	3,503	6,693
Office space lease (Government of Yukon)	2024	96	96	192
		<u>\$ 11,581</u>	<u>\$ 45,906</u>	<u>\$ 57,487</u>



Yukon Housing Corporation  
Notes to the financial statements  
for the year ended March 31, 2022

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**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
2022	\$ 190,534
2021	-
2020	-
2019	-
2018	-

**19. Prepaid Expense**

	2022	2021
	(thousands of dollars)	
Prepaid Expense		
Prepaid Lease	\$ 3,325	\$ 3,325
Other	128	73
	<u>\$ 3,453</u>	<u>\$ 3,398</u>

The Corporation has prepaid \$3,300,000 to lease 10 units for the next twenty years in the Normandy Manor development project. The lease will start when the building construction is completed in 2022-23 fiscal year.

**20. Comparative Figures**

Certain comparative figures have been reclassified to conform to the current year's presentation.



Yukon Housing Corporation

Schedule of Program Costs, Corporate Services Costs and Administration Expenses  
for the year ended March 31, 2022

Schedule A

	2022	2021
	(thousands of dollars)	
<b>Social and staff housing operations</b>		
Personnel	\$ 4,069	\$ 4,108
General maintenance	3,475	5,352
Utilities	3,435	3,240
Property taxes	1,113	1,130
Building services - in-kind (Note 15(b))	502	502
Bad debts - tenant receivable	157	110
Housing program administration	145	104
Interest on long-term debt	66	82
Write-down of / loss on disposal of tangible capital assets	15	252
Property rentals	-	2
	<u>\$ 12,977</u>	<u>\$ 14,882</u>
<b>Lending and grant programs</b>		
Affordable housing contributions	\$ 5,760	\$ 8,847
Personnel	505	407
Community partnering contributions	329	39
Bad debts - loans receivable	20	78
Program materials	1	1
Northern housing trust grants and contracts	-	194
Concessionary loans discount	-	84
	<u>\$ 6,615</u>	<u>\$ 9,650</u>
<b>Corporate services</b>		
Personnel	\$ 2,807	\$ 2,340
Information technology systems and support	267	337
Professional fees	185	45
	<u>\$ 3,259</u>	<u>\$ 2,722</u>
<b>Administration</b>		
Personnel, training and post-employment benefits	\$ 1,157	\$ 945
Communications	191	221
Travel and transportation	180	162
Professional fees	173	146
Office space	120	111
Rentals - office and equipment	106	90
Office and sundry	104	88
Boards and committees	81	81
Program promotion	66	54
	<u>\$ 2,178</u>	<u>\$ 1,898</u>





Yukon Housing Corporation  
 Schedule of Tangible Capital Assets  
 for the year ended March 31, 2022

Schedule B

	Land	Social Housing	Staff Housing	Office Building	Other Facilities	Furnishings and Equipment	Computer Systems	2022 Total	2021 Total
(thousands of dollars)									
Cost of tangible capital assets at beginning of year <sup>1</sup>	\$ 4,814	\$ 124,127	\$ 22,089	\$ 1,954	\$ 538	\$ 3,473	\$ 295	\$ 157,290	\$ 147,918
Acquisitions <sup>1</sup>	375	21,753	376	-	-	134	-	22,638	10,066
Write-downs	-	(14)	-	-	-	(2)	-	(16)	(223)
Disposals	-	(154)	-	-	-	(7)	-	(161)	(471)
Cost of tangible capital assets at end of year <sup>1</sup>	5,189	145,712	22,465	1,954	538	3,598	295	179,751	157,290
Accumulated amortization at beginning of year	-	47,123	13,210	1,508	536	1,607	295	64,279	60,804
Amortization	-	3,156	647	47	1	228	-	4,079	3,917
Disposals	-	(154)	-	-	-	(7)	-	(161)	(442)
Accumulated amortization at end of year	-	50,125	13,857	1,555	537	1,828	295	68,197	64,279
Net book value <sup>1</sup>	\$ 5,189	\$ 95,587	\$ 8,608	\$ 399	\$ 1	\$ 1,770	\$ -	\$ 111,554	\$ 93,011
Construction in progress	\$ -	\$ 19,037	\$ 25	\$ -	\$ -	\$ -	\$ -	\$ 19,062	\$ 7,979

<sup>1</sup> Includes construction in progress

YUKON LIQUOR CORPORATION  
FINANCIAL STATEMENTS  
March 31, 2022  
(audited)

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

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



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Dennis Berry  
President



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Luzelle Nagel  
Chief Financial Officer

June 30, 2022



## INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Yukon Liquor Corporation

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the financial statements of the Yukon Liquor Corporation (the Corporation), which comprise the statement of financial position as at 31 March 2022, 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 a summary of significant accounting policies.

#### *Qualified Opinion on the Financial Performance*

In our opinion, except for the possible effects on the comparative information of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying statement of comprehensive income presents fairly, in all material respects, the financial performance of the Corporation for the year ended 31 March 2022 in accordance with International Financial Reporting Standards (IFRSs).

#### *Opinion on the Financial Position and Cash Flows*

In our opinion, the accompanying statements of financial position and cash flows present fairly, in all material respects, the financial position of the Corporation as at 31 March 2022 and its cash flows for the year then ended in accordance with IFRSs.

#### *Basis for Opinions, Including Basis for Qualified Opinion on the Financial Performance*

On 11 March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). As a result, measures were put in place that impacted our ability to observe the counting of physical inventories as at 31 March 2020. We were also unable to satisfy ourselves concerning those inventory quantities by alternative means. Since opening inventories enter into the determination of the financial performance, we were unable to determine whether any adjustments might have been necessary in respect of the cost of goods sold reported in the statement of comprehensive income for the year ended 31 March 2021. Our audit opinion on the financial statements for the year ended 31 March 2021 was modified accordingly because of the possible effects of this limitation in scope. Our opinion on the current year's financial statements is also modified because of the possible effects of this matter on the comparability of the current year's figures and the comparative information.

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 unmodified opinion on the financial position and cash flows and our qualified opinion on the financial performance.

#### *Other Information*

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### *Opinion*

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

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

the preceding year. In addition, in our opinion, proper books of account have been kept by the Yukon Liquor Corporation and the financial statements are in agreement therewith.

*Responsibilities of Management for Compliance with Specified Authorities*

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

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

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



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

Edmonton, Canada  
30 June 2022



**YUKON LIQUOR CORPORATION**  
**Statement of Financial Position**  
**As at March 31**

	2022	2021
	(in thousands of Canadian dollars)	
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 2,343	\$ 1,882
Accounts receivable	198	120
Inventories (Note 5)	4,149	3,546
Prepaid expenses	-	27
	6,690	5,575
Property and equipment (Note 6)	1,626	2,022
Intangible assets (Note 7)	83	126
Right-of-use assets (Note 17)	657	967
	\$ 9,056	\$ 8,690
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 8)	\$ 2,016	\$ 1,424
Deferred revenue	43	106
Due to the Government of Yukon (Note 9)	2,229	1,750
Current portion of lease liabilities (Note 17)	315	309
Deferred government grant (Note 16)	96	133
	4,699	3,722
Non-pension benefit liability (Note 10)	1,801	1,657
Lease liabilities (Note 17)	360	675
	6,860	6,054
<b>TOTAL LIABILITIES</b>	<b>6,860</b>	<b>6,054</b>
<b>Equity (Note 11)</b>	<b>2,196</b>	<b>2,636</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 9,056</b>	<b>\$ 8,690</b>

Commitments (Note 18)

**APPROVED FOR ISSUE ON JUNE 30, 2022**



President



Chief Financial Officer

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

**YUKON LIQUOR CORPORATION**  
**Statement of Comprehensive Income**  
**For the year ended March 31**

	2022	2021
	(in thousands of Canadian dollars)	
Revenue (Note 14)	\$ 48,959	\$ 47,650
Cost of goods sold (Note 15)	29,497	28,183
<b>GROSS PROFIT</b>	<b>19,462</b>	<b>19,467</b>
<b>OTHER INCOME</b>		
Fees, permits and licenses	129	88
Miscellaneous	51	55
Government grant	36	49
	<b>216</b>	<b>192</b>
<b>EXPENSES</b>		
Salaries, wages and benefits	7,987	8,009
Rent, utilities and maintenance	1,040	847
Bank charges	598	585
Professional services	572	741
Depreciation of property and equipment	348	333
Depreciation of right-of-use assets	310	310
Travel and communications	176	207
Other	111	135
Computer systems	93	69
General and office supplies	70	82
Loss on disposal of property and equipment	48	-
Amortization of intangible assets	43	82
Interest on lease liabilities	17	24
	<b>11,413</b>	<b>11,424</b>
<b>INCOME FROM OPERATIONS</b>	<b>8,265</b>	<b>8,235</b>
<b>OTHER COMPREHENSIVE INCOME, NOT TO BE RECLASSIFIED SUBSEQUENTLY TO NET INCOME</b>		
Actuarial gain (loss) (Note 10)	116	(102)
<b>COMPREHENSIVE INCOME</b>	<b>\$ 8,381</b>	<b>\$ 8,133</b>

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

**YUKON LIQUOR CORPORATION**  
**Statement of Changes in Equity**  
**For the year ended March 31**

	2022	2021
	(in thousands of Canadian dollars)	
<b>EQUITY - BEGINNING OF YEAR</b>	<b>\$ 2,636</b>	<b>\$ 2,695</b>
Net income before other comprehensive income	8,265	8,235
Other comprehensive income	116	(102)
Profit to be remitted to the Government of Yukon ( <i>Note 11</i> )	(8,821)	(8,192)
<b>EQUITY - END OF YEAR</b>	<b>\$ 2,196</b>	<b>\$ 2,636</b>

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

**YUKON LIQUOR CORPORATION**  
**Statement of Cash Flows**  
**For the year ended March 31**

	2022	2021
	(in thousands of Canadian dollars)	
<b>OPERATING ACTIVITIES</b>		
Cash receipts:		
Sales	\$ 48,879	\$ 47,588
Fees, permits and licenses and miscellaneous	117	143
Cash disbursements:		
Purchases of inventories	(29,523)	(29,861)
Salaries, wages and benefits	(7,723)	(8,085)
General and administrative expenses	(2,620)	(2,661)
Cash flow from operating activities	<u>9,130</u>	<u>7,124</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment and intangible assets	-	(364)
Cash flow used by investing activities	<u>-</u>	<u>(364)</u>
<b>FINANCING ACTIVITIES</b>		
Remittance of profit to the Government of Yukon	(8,343)	(8,173)
Payment of lease liabilities	(309)	(326)
Interest paid on lease liabilities	(17)	(24)
Cash flow used by financing activities	<u>(8,669)</u>	<u>(8,523)</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>461</b>	<b>(1,763)</b>
Cash - beginning of year	1,882	3,645
<b>CASH - END OF YEAR*</b>	<b>\$ 2,343</b>	<b>\$ 1,882</b>

\*Cash, end of year is comprised of bank account balances maintained for liquor and for cannabis operations with end of year balances (in thousands of Canadian dollars) of \$1,787 (2021 - \$1,295) and \$556 (2021 - \$587) respectively.

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

# YUKON LIQUOR CORPORATION

## Notes to Financial Statements

March 31, 2022

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### 1. Authority and operations

Yukon Liquor Corporation (the Corporation) was established in 1977 under the *Liquor Act* by the Government of Yukon in Canada. It is not a "corporation" under the *Business Corporations Act*, but 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.

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

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% (2021 - 12%) and is applied to selling prices of all liquor products.

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

#### *Cannabis Fund*

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

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

### 2. Basis of presentation

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

### 3. Significant accounting policies

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

# YUKON LIQUOR CORPORATION

## Notes to Financial Statements

March 31, 2022

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### 3. Significant accounting policies (*continued*)

#### (a) Use of estimates

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

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

#### (b) Financial instruments

##### *Financial assets*

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

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

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

##### *Financial liabilities*

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

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

The Corporation's financial liabilities includes lease liabilities, see note 3 (j) for measurement.

#### (c) Inventories

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

# YUKON LIQUOR CORPORATION

## Notes to Financial Statements

March 31, 2022

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### 3. Significant accounting policies *(continued)*

#### (d) Property and equipment

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

Land	Indefinite
Buildings	20 years
Leasehold improvements	5 years
Furniture and office equipment	5 years
Operating equipment	5 years
Heavy equipment	15 years
Systems equipment	5 years

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

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

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

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

#### (e) Intangible assets

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

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

# YUKON LIQUOR CORPORATION

## Notes to Financial Statements

March 31, 2022

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### 3. Significant accounting policies (*continued*)

#### (f) 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 prorated on service. Actuarial gains and losses are recognized immediately in other comprehensive income. Other retirement benefits include extended health care and life insurance for retirees, which are paid by the Government of Yukon and not accrued for or expensed by the Corporation.

#### (g) Revenue recognition

Revenue is generated from sales to customers through wholesale and retail stores for liquor products as well as through retail stores and e-commerce 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. Revenue also excludes liquor tax which is remitted to the Government of Yukon in accordance with the *Liquor Tax Act*.

Licence 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.

#### (h) Government grants

Government grants received from the Government of Yukon are recognized in the period in which the funding is committed by the Government of Yukon and when the terms and eligibility of the expenses have been met.

Grants received related to operating expenditures are recognized in the statement of comprehensive income.

Grants received for the purpose of acquiring property and equipment or intangible assets are recognized initially as deferred government grant. Deferred government grant is then recognized in the statement of comprehensive income on a straight-line basis over the estimated useful life of the related asset.



**YUKON LIQUOR CORPORATION**  
**Notes to Financial Statements**  
**March 31, 2022**

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**3. Significant accounting policies (continued)**

(i) Expense recognition

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

(j) Leases

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

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

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

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

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

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

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

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

**YUKON LIQUOR CORPORATION**  
**Notes to Financial Statements**  
**March 31, 2022**

**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. The following analysis provides information about the Corporation's risk exposure and concentration as of March 31, 2022.

*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 \$197,620 as of March 31, 2022 (2021 - \$120,000). There is a 1.4% (2021 - 7%) concentration of accounts receivable with one customer.

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

	2022	2021
	(in thousands of Canadian dollars)	
Current	\$ 195	\$ 120
91 days or greater	3	-
<b>Total trade accounts receivable</b>	<b>\$ 198</b>	<b>\$ 120</b>

The Corporation measures the loss allowance at an amount equal to the lifetime Expected Credit Loss (ECL) for its accounts receivable. For the years ended March 31, 2022 and 2021, the Corporation has estimated the ECL to be nominal. Accounts written off could still be subject to enforcement activities. No accounts are written off directly to the provision for credit losses. As at March 31, 2022 and 2021, the loss allowance was nil.

*Liquidity risk*

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

The Corporation's accounts payable and accrued liabilities had a carrying value of \$2,016,000 as at March 31, 2022 (2021 - \$1,424,000). As at March 31, 2022, approximately 2.35% (2021 - 1.74%) of accounts payable were over 90 days past due. Due to the Government of Yukon had a carrying value of \$2,229,000 as of March 31, 2022 (2021 - \$1,750,000). As at March 31, 2022 approximately 1% (2021 - 1%) of due to the Government of Yukon were over 90 days past due.

Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant other price risks arising from these financial instruments.

**YUKON LIQUOR CORPORATION**  
**Notes to Financial Statements**  
**March 31, 2022**

**5. Inventories**

	2022 (in thousands of Canadian dollars)	2021 (in thousands of Canadian dollars)
Liquor		
Beer	\$ 1,082	\$ 1,047
Spirits	1,329	1,318
Wine	925	820
	<u>3,336</u>	<u>3,185</u>
Cannabis		
Dried	537	278
Extracts	186	62
Edibles and other	90	21
	<u>813</u>	<u>361</u>
Total inventories	<u>\$ 4,149</u>	<u>\$ 3,546</u>

**6. Property and equipment**

	Cost	Accumulated depreciation	2022 Net book value (in thousands of Canadian dollars)	2021 Net book value
Land	\$ 202	\$ -	\$ 202	\$ 202
Buildings	5,356	4,705	651	745
Leasehold improvements	381	370	11	13
Furniture and office equipment	970	813	157	288
Operating equipment	412	266	146	159
Heavy equipment	589	270	319	422
Systems equipment	680	540	140	193
	<u>\$ 8,590</u>	<u>\$ 6,964</u>	<u>\$ 1,626</u>	<u>\$ 2,022</u>
Schedule 1				

**7. Intangible assets**

	2022 (in thousands of Canadian dollars)	2021 (in thousands of Canadian dollars)
Systems development cost	\$ 539	\$ 539
Systems development accumulated amortization	(456)	(413)
Web development cost	-	67
Web development accumulated amortization	-	(67)
	<u>\$ 83</u>	<u>\$ 126</u>

Internally generated assets with a cost of \$67,000 (2021 - \$nil) and net book value of \$ nil were disposed of during the year. Additions for the year amounted to \$nil (2021- \$26,000). Amortization for the year amounted to \$43,094 (2021 - \$81,745).

**YUKON LIQUOR CORPORATION**  
**Notes to Financial Statements**  
**March 31, 2022**

**8. Accounts payable and accrued liabilities**

	2022	2021
	(in thousands of Canadian dollars)	
Trade payable	\$ 935	\$ 611
Accrued liabilities	886	634
Current portion of non-pension benefit liability (Note 10)	195	179
	<b>\$ 2,016</b>	<b>\$ 1,424</b>

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

	2022	2021
	(in thousands of Canadian dollars)	
Reimbursement for costs paid on behalf of the Corporation	\$ 955	\$ 968
Remittances due to the Government of Yukon pursuant to:		
<i>Liquor Act</i> (Note 13)	493	221
<i>Cannabis Control and Regulation Act</i> (Note 13)	247	41
<i>Liquor Tax Act</i> (Note 13)	414	398
<i>Environment Act</i> - Beverage Container Regulations	120	122
	<b>\$ 2,229</b>	<b>\$ 1,750</b>

**10. Employee benefits**

*Pension plan*

Substantially all of the employees of the Corporation are covered by the public service pension plan (the Plan), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The general contribution rate effective at year end was \$1.02 (2021 - \$1.01) for every dollar contributed by the employee, and \$5.91 (2021 - \$3.59) for every dollar contributed by the employee for the portion of the employee's salary above \$191,300 (2021 - \$181,600). For new employees who are participating in the plan on or after January 1, 2013, the Corporation contributes \$1.00 (2021 - \$1.00) for every dollar contributed by the employee, and \$5.91 (2021 - \$3.59) for every dollar contributed by the employee for the portion of the employee's salary above \$191,300 (2021 - \$181,600). Total contributions to the Plan of \$1,039,934 (2021 - \$1,047,378) were recognized in salaries, wages and benefits; of which \$514,460 (2021 - \$516,223) were contributed by employees and \$525,474 (2021 - \$531,155) 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.

**YUKON LIQUOR CORPORATION**  
**Notes to Financial Statements**  
**March 31, 2022**

**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:

	2022	2021
	(in thousands of Canadian dollars)	
Severance benefit	\$ 944	\$ 839
Vacation and special leave	757	706
Sick leave	295	291
Accrued benefit obligation, end of year	<u>\$ 1,996</u>	<u>\$ 1,836</u>

The results measured at March 31 are summarized as follows:

	2022	2021
	(in thousands of Canadian dollars)	
<u>Reconciliation of accrued benefit obligation</u>		
Accrued benefit obligation, beginning of year	\$ 1,836	\$ 1,873
Components recognized in salaries, wages and benefits		
Current service cost	248	229
Past service cost	146	(191)
Interest cost on accrued benefit obligation	64	75
Actuarial (gain) loss recognized in other comprehensive income	(116)	102
Benefits paid	(182)	(252)
Accrued benefit obligation, end of year	<u>\$ 1,996</u>	<u>\$ 1,836</u>

	2022	2021
	(in thousands of Canadian dollars)	
<u>Classification of accrued benefit obligation</u>		
Current portion of non-pension benefit liability	\$ 195	\$ 179
Non-current portion	1,801	1,657
Total accrued benefit obligation	<u>\$ 1,996</u>	<u>\$ 1,836</u>

The reduction in the employee sick leave benefits liability over the next twelve months is expected to be \$26,000 (2021 – \$23,000).

**YUKON LIQUOR CORPORATION**  
**Notes to Financial Statements**  
**March 31, 2022**

**10. Employee benefits (continued)**

	<u>2022</u>	<u>2021</u>
	<small>(in thousands of Canadian dollars)</small>	
<u>Reconciliation of actuarial gains recognized in Other Comprehensive Income (OCI)</u>		
Cumulative actuarial gain recognized in OCI, beginning of year	\$ (7)	\$ (109)
Actuarial loss from member experiences	3	14
Actuarial (gain) loss from economic assumption changes	(119)	88
Cumulative actuarial gain recognized in OCI, end of year	<u>\$ (123)</u>	<u>\$ (7)</u>

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

	<u>2022</u>	<u>2021</u>
Discount rate	4.00%	3.20%
Salary escalation rate per annum	2.00%	2.00%

A quantitative sensitivity analysis as at March 31, 2022 shows the impact of the change in the significant actuarial assumptions on the non-pension benefit obligation:

	<u>1% increase</u>	<u>1% decrease</u>
	<small>(in thousands of Canadian dollars)</small>	
Discount rate	\$ (136)	\$ 152
Salary escalation rate per annum	183	(197)

The most recent full actuarial valuation in respect of the non-pension benefits plan was prepared as of March 31, 2020, and extrapolated to March 31, 2022. The weighted average of the maturity plan as at March 31, 2022 is 7.2 years.

**11. Equity**

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

	<u>2022</u>	<u>2021</u>
	<small>(in thousands of Canadian dollars)</small>	
Property and equipment	\$ 1,626	\$ 2,022
Intangible assets	83	126
Right-of-use assets	657	967
Lease liabilities	(675)	(984)
Section 12.3(b) adjustment (1)	505	505
Equity, end of year	<u>\$ 2,196</u>	<u>\$ 2,636</u>

(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.

**YUKON LIQUOR CORPORATION**

**Notes to Financial Statements**

**March 31, 2022**

**11. Equity (continued)**

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

	<i>Liquor Act</i>	<i>Cannabis Control and Regulation Act</i>	2022 Total
	(in thousands of Canadian dollars)		
Comprehensive income for the year	\$ 7,925	\$ 456	\$ 8,381
Depreciation of property and equipment	314	34	348
Amortization of intangible assets	29	14	43
Loss on disposal of property and equipment	48	-	48
Depreciation of right-of-use assets	310	-	310
Principal repayments of lease liabilities	(309)	-	(309)
Current year's profit to be remitted	<b>\$ 8,317</b>	<b>\$ 504</b>	<b>\$ 8,821</b>

	<i>Liquor Act</i>	<i>Cannabis Control and Regulation Act</i>	2021 Total
	(in thousands of Canadian dollars)		
Comprehensive income for the year	\$ 7,945	\$ 188	\$ 8,133
Depreciation of property and equipment	311	22	333
Amortization of intangible assets	45	37	82
Additions to property and equipment	(338)	-	(338)
Additions to intangible assets	(12)	(14)	(26)
Depreciation of right-of-use assets	310	-	310
Principal repayments of lease liabilities	(302)	-	(302)
Profit to be remitted for the year	<b>\$ 7,959</b>	<b>\$ 233</b>	<b>\$ 8,192</b>

**YUKON LIQUOR CORPORATION**  
**Notes to Financial Statements**  
**March 31, 2022**

**12. 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.

**13. Related party balances and transactions**

The Corporation is related to all departments and public agencies of the Government of Yukon. The Corporation enters into transactions with these entities in the normal course of business.

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

	2022	2021
	<u>(in thousands of Canadian dollars)</u>	
Current year's profit to be remitted (Note 11)	\$ 8,317	\$ 7,959
Balance due to (from) at the beginning of the year	221	(84)
Less: remitted during the year	<u>(8,045)</u>	<u>(7,654)</u>
Due to the Government of Yukon at the end of the year	<b><u>\$ 493</u></b>	<b><u>\$ 221</u></b>

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

	2022	2021
	<u>(in thousands of Canadian dollars)</u>	
Current year's profit to be remitted (Note 11)	\$ 504	\$ 233
Balance at the beginning of the year	41	327
Less: remitted during the year	<u>(298)</u>	<u>(519)</u>
Due to the Government of Yukon at the end of the year	<b><u>\$ 247</u></b>	<b><u>\$ 41</u></b>



**YUKON LIQUOR CORPORATION**  
**Notes to Financial Statements**  
**March 31, 2022**

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

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

	2022	2021
	(in thousands of Canadian dollars)	
Balance due at the beginning of the year	\$ 398	\$ 403
Liquor tax collected during the year	5,018	4,979
Less: remitted during the year	(5,002)	(4,984)
Due to the Government of Yukon at the end of the year	<b>\$ 414</b>	<b>\$ 398</b>

*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 to the Corporation with an estimated value of \$816,000 (2021 - \$816,000). The Government of Yukon also provides mail services with an estimated value of \$28,094 (2021 - \$28,231). The Corporation provides Territorial Agent services in rural community liquor stores on behalf of the Government of Yukon with an estimated value of \$525,000 (2021 - \$513,000).

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.

*Agreements with the Government of Yukon*

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 \$267,000 (2021 - \$261,000) to the Government of Yukon.

The Government of Yukon provides certain property management services to the Corporation. During the year the Corporation was charged \$102,000 (2021 - \$57,000) for work done on its properties.

The Corporation has service agreements with the Government of Yukon for the provision of information, communication and technology services. During the year the Corporation was charged \$206,000 (2021 - \$287,000) 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 (2021 - \$263,000) for these services.

*Key management compensation*

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

	2022	2021
	(in thousands of Canadian dollars)	
Salaries and short-term employee benefits	\$ 905	\$ 1,026
Post-employment benefits	156	159
Other long-term employee benefits	16	13

**YUKON LIQUOR CORPORATION**  
**Notes to Financial Statements**  
**March 31, 2022**

**14. Revenue**

	2022	2021
	(in thousands of Canadian dollars)	
Liquor		
Beer	\$ 16,756	\$ 16,553
Spirits	16,858	16,502
Wine	8,254	8,525
	<u>41,868</u>	<u>41,580</u>
Cannabis		
Dried	5,054	4,587
Extracts	1,465	1,174
Edibles and other	572	309
	<u>7,091</u>	<u>6,070</u>
Total revenue	<u>\$ 48,959</u>	<u>\$ 47,650</u>

**15. Cost of goods sold**

	2022	2021
	(in thousands of Canadian dollars)	
Liquor		
Beer	\$ 11,678	\$ 11,393
Spirits	8,121	7,764
Wine	4,210	4,375
	<u>24,009</u>	<u>23,532</u>
Cannabis		
Dried	3,911	3,512
Extracts	1,129	896
Edibles and other	448	243
	<u>5,488</u>	<u>4,651</u>
Total cost of goods sold	<u>\$ 29,497</u>	<u>\$ 28,183</u>

**16. Deferred government grant**

The Corporation received funding from the Government of Yukon during fiscal 2019 for capital expenditures related to cannabis operations.

**YUKON LIQUOR CORPORATION**  
**Notes to Financial Statements**  
**March 31, 2022**

**17. Leases**

The Corporation has leases that relate to the Whitehorse, Haines Junction and Mayo liquor stores with lease terms from 1 year up to 5 years. The Corporation does not have an option to purchase the buildings at the expiry of the lease periods. Subsequent to year-end, the Corporation entered into a new contract for a 1 year lease extension to its Mayo liquor store location. The Mayo lease agreement is a short-term lease and therefore no right-of-use asset and no lease liability are recognized.

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

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

Right-of-use asset	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension options	No. of leases with options to purchase	No. of leases with variable payments linked to an index	No. of leases with termination options
Retail stores	2	0-2 years	1 year	1	0	0	0

	2022 (in thousands of Canadian dollars)	2021 (in thousands of Canadian dollars)
<u>Payments not included in the measurement of the lease liability</u>		
Short-term leases	\$ 68	\$ 68
<u>Amounts recognized in the statement of comprehensive income</u>		
Interest paid on lease liabilities	\$ 17	\$ 24
Depreciation on right-of-use assets	310	310
	<u>\$ 327</u>	<u>\$ 334</u>

**YUKON LIQUOR CORPORATION**  
**Notes to Financial Statements**  
**March 31, 2022**

**17. Leases (continued)**

	<u>2022</u>	<u>2021</u>
	<small>(in thousands of</small>	<small>Canadian dollars)</small>
<u>Right-of-use assets by class of assets</u>		
Buildings - cost	\$ 1,549	\$ 1,549
Buildings - accumulated depreciation	(892)	(582)
Carrying amount	<u>\$ 657</u>	<u>\$ 967</u>
	<u>2022</u>	<u>2021</u>
	<small>(in thousands of Canadian dollars)</small>	<small>(in thousands of Canadian dollars)</small>
<u>Lease liabilities are presented in the statement of financial position</u>		
Current portion of lease liabilities	\$ 315	\$ 309
Long-term portion of lease liabilities	360	675
	<u>\$ 675</u>	<u>\$ 984</u>

The lease liabilities are secured by the related underlying assets.

Future minimum lease payments at March 31, 2022 were as follows:

	<u>2022</u>	<u>2021</u>
	<small>(in thousands of Canadian dollars)</small>	<small>(in thousands of Canadian dollars)</small>
<u>Minimum lease payments due</u>		
Less than 1 year		
Lease payments	\$ 326	\$ 326
1 to 5 years		
Lease payments	366	691

**18. Commitments**

In the normal course of operations, the Corporation enters into multi-year agreements for the provision of freight and other goods and services. The total of these commitments as at March 31, 2022 for future years is \$1,677,030 (March 31, 2021 - \$2,568,659).

**YUKON LIQUOR CORPORATION**  
**Notes to Financial Statements**  
**March 31, 2022**

**19. Reclassification and comparative figures**

In order to provide more relevant information about the Corporation's computer systems development and expenses the Corporation has reclassified assets from property and equipment to intangible assets in the statement of financial position and has presented computer systems expenses previously included in other expenses as a separate line item in the statement of comprehensive income. There is no impact on the statement of changes in equity or statement of cash flows.

The following table summarizes the impacts on the Corporation's financial statements.

	March 31, 2021 (Previously reported)	Increase / (Decrease)	March 31, 2021 (Reclassified)
(in thousands of dollars)			
<u>Statement of Financial Position</u>			
Property and equipment	\$ 2,148	\$ (126)	\$ 2,022
Intangible assets	-	126	126
	<u>\$ 2,148</u>	<u>\$ -</u>	<u>\$ 2,148</u>
 <u>Statement of Comprehensive Income</u>			
Other expenses	\$ 204	\$ (69)	\$ 135
Computer systems expenses	-	69	69
Depreciation of property and equipment	393	(60)	333
Amortization of intangible assets	22	60	82
	<u>\$ 619</u>	<u>\$ -</u>	<u>\$ 619</u>

**YUKON LIQUOR CORPORATION**  
**Schedule of Property and Equipment**  
**For the Year Ended March 31, 2022**

**(Schedule 1)**

	Land	Buildings	Leasehold improvements	Furniture and office equipment	Operating equipment	Heavy equipment	Systems equipment	2022 Total	2021 Total
(in thousands of Canadian dollars)									
Cost, beginning of year	\$ 202	\$ 5,407	\$ 381	\$ 978	\$ 455	\$ 725	\$ 651	\$ 8,799	\$ 8,467
Acquisitions	-	-	-	-	-	-	-	-	338
Disposals	-	(1)	-	(8)	(84)	(95)	(21)	(209)	(7)
Transfers	-	(50)	-	-	41	(41)	50	-	-
Cost, end of year	\$ 202	\$ 5,356	\$ 381	\$ 970	\$ 412	\$ 589	\$ 680	\$ 8,590	\$ 8,798
Accumulated depreciation, beginning of year	-	4,662	368	690	296	303	458	6,777	6,450
Depreciation	-	51	2	123	49	38	85	348	333
Disposals	-	-	-	-	(83)	(67)	(11)	(161)	(7)
Transfers	-	(8)	-	-	4	(4)	8	-	-
Accumulated depreciation, end of year	\$ -	\$ 4,705	\$ 370	\$ 813	\$ 266	\$ 270	\$ 540	\$ 6,964	\$ 6,776
<b>Net book value</b>	<b>\$ 202</b>	<b>\$ 651</b>	<b>\$ 11</b>	<b>\$ 157</b>	<b>\$ 146</b>	<b>\$ 319</b>	<b>\$ 140</b>	<b>\$ 1,626</b>	<b>\$ 2,022</b>

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YUKON UNIVERSITY  
FINANCIAL STATEMENTS

March 31, 2022

(audited)



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## Management's Responsibility for Financial Reporting

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The consolidated financial statements are the responsibility of management and the Board of Governors of the Yukon University (the University). The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards with Section 4200 series for government not-for-profit organizations. The consolidated financial statements include estimates based on the experience and judgment of management.

Management is responsible for maintaining the books of account, financial and management controls, and information systems, together with management practices designed to provide reasonable assurance that reliable and accurate financial information is available on a timely basis, that assets are safeguarded and controlled, that resources are managed economically and efficiently in the attainment of University objectives and that operations are carried out effectively.

Management is also responsible for designing systems and practices to provide reasonable assurance that transactions are in accordance with the *Yukon University Act*, bylaws, and policies of the University.

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 University's auditor, the Auditor General of Canada, and her report is included herein.



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Dr. Lesley Brown  
President



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Dr. Shelagh Rowles  
Interim VP, Finance and Administrative  
Services

September 23, 2022



## 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 2022, 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 2022, 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance 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  
23 September 2022

**YUKON UNIVERSITY**  
**Consolidated Statement of Financial Position**  
**As at March 31**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 4)	\$ 7,662,685	\$ 8,506,296
Accounts receivable (Note 3)	12,750,018	7,716,264
Inventories	82,372	175,637
Prepaid expenses	580,783	448,704
<b>Total Current Assets</b>	<b>21,075,858</b>	<b>16,846,901</b>
<b>NON-CURRENT</b>		
Restricted cash and cash equivalents (Note 5)	828,695	1,111,510
Restricted investments (Note 6)	6,151,215	4,815,042
Accrued pension benefit asset (Note 7a)	24,342,500	20,529,300
Capital assets (Note 8)	8,504,021	8,735,325
<b>Total Non-current Assets</b>	<b>39,826,431</b>	<b>35,191,177</b>
<b>TOTAL ASSETS</b>	<b>\$ 60,902,289</b>	<b>\$ 52,038,078</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 9)	\$ 4,762,532	\$ 4,368,312
Deferred revenue (Note 10)	197,808	204,494
Deferred contributions (Note 11)	8,205,905	5,551,419
Vacation leave and employee future benefits (Note 12)	4,203,154	3,735,513
Loan payable (Note 13)	996,431	996,431
<b>Total Current Liabilities</b>	<b>18,365,830</b>	<b>14,856,169</b>
<b>NON-CURRENT</b>		
Deferred capital contributions (Note 14)	5,323,007	5,520,768
Other employee future benefits (Note 7b)	6,430,510	6,294,100
<b>Total Non-current Liabilities</b>	<b>11,753,517</b>	<b>11,814,868</b>
	<b>30,119,347</b>	<b>26,671,037</b>
<b>NET ASSETS</b>		
Unrestricted	(1,507,937)	(2,295,837)
Invested in capital assets	3,181,014	3,214,557
Externally restricted for endowments (Note 15)	4,255,242	3,240,606
Internally restricted for pension	24,342,500	20,529,300
Internally restricted for capital assets	546,241	542,597
	<b>30,817,060</b>	<b>25,231,223</b>
Accumulated remeasurement (losses)/gains	(34,118)	135,818
	<b>30,782,942</b>	<b>25,367,041</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 60,902,289</b>	<b>\$ 52,038,078</b>

Contractual rights and Contractual obligations (Notes 20, 21)

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

Approved by the Board of Governors

  
 \_\_\_\_\_  
 David Morrison, Chair Board of Governors

  
 \_\_\_\_\_  
 Chris Milner, Chair Finance, Audit and Risk Committee

**YUKON UNIVERSITY**  
**Consolidated Statement of Operations**  
**For the year ended March 31, 2022, with comparative information for the 9-month period**  
**ended March 31, 2021**

	Year ended March 31, 2022	9-month period ended March 31, 2021
<b>REVENUES</b>		
Government of Yukon contributions <i>(Note 17)</i>	\$ 35,605,231	\$ 28,671,025
Other contributions <i>(Note 11)</i>	8,274,156	4,469,548
Tuition <i>(Note 10)</i>	2,706,565	2,338,913
Contracts <i>(Note 10)</i>	1,730,861	1,166,117
Miscellaneous income <i>(Note 18)</i>	1,216,055	720,069
Sales, rental and services	1,106,138	784,880
Student assistance/scholarships	563,059	725,055
Amortization of deferred capital contributions <i>(Note 14)</i>	455,814	445,913
Interest income	89,066	44,437
	<u>51,746,945</u>	<u>39,365,957</u>
<b>EXPENSES (Note 16)</b>		
Direct instruction	14,414,593	12,176,681
Direct instructional support	10,926,641	8,300,454
General administration	7,417,400	6,226,999
Service received without charge <i>(Note 16)</i>	5,073,476	3,821,869
Research	4,759,481	3,769,541
Facility services and utilities	1,695,971	1,383,168
Cost of sales	1,334,845	895,431
Amortization of capital assets	978,379	806,730
Student assistance/scholarships	530,846	401,901
Miscellaneous	44,112	23,303
	<u>47,175,744</u>	<u>37,806,077</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 4,571,201</u>	<u>\$ 1,559,880</u>

*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, 2022, with comparative information for the 9-month period ended March 31, 2021**

	Unrestricted	Invested in Capital Assets	Externally Restricted for Endowments	Internally Restricted for Pension	Internally Restricted for Capital Assets	Accumulated Remeasurement Gains/(Losses)	Year ended March 31, 2022	9-month period ended March 31, 2021
<b>NET ASSETS - BEGINNING OF PERIOD</b>	\$ (2,295,837)	\$ 3,214,557	\$ 3,240,606	\$ 20,529,300	\$ 542,597	\$ 135,818	\$ 25,367,041	\$ 23,175,912
Excess of revenues over expenses	754,357	-	-	3,813,200	3,644	-	4,571,201	1,559,880
Capital assets acquired net of disposals	(747,075)	747,075	-	-	-	-	-	-
Deferred capital contributions invested in capital assets (Note 14)	258,053	(258,053)	-	-	-	-	-	-
Amortization of capital assets	978,379	(978,379)	-	-	-	-	-	-
Amortization of deferred capital contributions (Note 14)	(455,814)	455,814	-	-	-	-	-	-
Remeasurement gains/(losses)	-	-	-	-	-	(169,936)	(169,936)	593,049
Endowment contributions	-	-	985,372	-	-	-	985,372	16,386
Net investment income	-	-	29,264	-	-	-	29,264	21,814
<b>NET ASSETS - END OF PERIOD</b>	\$ (1,507,937)	\$ 3,181,014	\$ 4,255,242	\$ 24,342,500	\$ 546,241	\$ (34,118)	\$ 30,782,942	\$ 25,367,041

*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, 2022, with comparative information for the 9-month period ended March 31, 2021**

	<b>Year ended March 31, 2022</b>	<b>9-month period ended March 31, 2021</b>
<b>Accumulated remeasurement gains/(losses), beginning of period</b>	<b>\$ 135,818</b>	<b>\$ (457,231)</b>
Unrealized (losses) / gains attributable to: Restricted investments	<u>(169,936)</u>	<u>593,049</u>
<b>ACCUMULATED REMEASUREMENT (LOSSES) / GAINS, END OF PERIOD</b>	<b><u>\$ (34,118)</u></b>	<b><u>\$ 135,818</u></b>

*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, 2022, with comparative information for the 9-month period**  
**ended March 31, 2021**

	Year ended March 31, 2022	9-month period ended March 31, 2021
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 4,571,201	\$ 1,559,880
Items not affecting cash:		
Amortization of capital assets	978,379	806,730
Amortization of deferred capital contributions	(455,814)	(445,913)
(Gain)/ loss on disposal of capital assets	(248,277)	58,907
	<u>4,845,489</u>	<u>1,979,604</u>
Changes in non-cash working capital balances		
Accounts receivable	(5,033,754)	976,644
Accounts payable	394,220	1,232,433
Deferred revenue	(6,686)	17,704
Deferred contributions	2,654,486	2,210,664
Inventories	93,266	18,970
Prepaid expenses	(132,079)	(301,066)
Vacation leave and employee future benefits	467,641	823,640
Increase in accrued pension benefit asset	(3,813,200)	(641,100)
Increase in non-current other employee future benefits	136,410	336,700
	<u>(5,239,696)</u>	<u>4,674,589</u>
Cash (used for) provided by operating activities	<u>(394,207)</u>	<u>6,654,193</u>
<b>INVESTING ACTIVITIES</b>		
Decrease (Increase) in restricted cash and cash equivalents	282,816	(471,027)
Increase in restricted investments	(1,506,109)	(210,916)
Cash used for investing activities	<u>(1,223,293)</u>	<u>(681,943)</u>
<b>CAPITAL ACTIVITIES</b>		
Capital assets acquired	(794,722)	(656,159)
Proceeds from disposal of capital assets	295,922	-
Cash used for capital activities	<u>(498,800)</u>	<u>(656,159)</u>
<b>FINANCING ACTIVITIES</b>		
Net investment income from endowments	29,264	21,814
Endowment contributions (including transfers)	985,372	16,386
Receipt of deferred capital contributions	258,053	480,964
Cash provided by financing activities	<u>1,272,689</u>	<u>519,164</u>
<b>(DECREASE) INCREASE IN CASH</b>	<b>(843,611)</b>	<b>5,835,255</b>
Cash - beginning of period	<u>8,506,296</u>	<u>2,671,041</u>
<b>CASH - END OF PERIOD</b>	<b>\$ 7,662,685</b>	<b>\$ 8,506,296</b>
<b>SUPPLEMENTARY INFORMATION</b>		
Interest received	\$ 89,066	\$ 44,436
Interest paid	\$ 2,318	\$ 73

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

# YUKON UNIVERSITY

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2022, with comparative information for the 9-month period ended March 31, 2021

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### 1. PURPOSE

a) The *Yukon University Act* was proclaimed into force effective February 6, 2020 replacing the *Yukon College Act*. Under the *Yukon University Act*, Yukon College, incorporated under the *Yukon College Act*, continues as a corporation under the name Yukon University. Yukon University (the University) is a post-secondary educational institution. The University is a not-for-profit organization and is a registered charity under the *Income Tax Act* and is therefore exempt from tax. A significant portion of its funding is provided by the Government of Yukon. 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.

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.

(c) During 2020, the University changed its financial year end from June 30 to March 31 to better align with the fiscal year end of existing funders. The effective date of this change was March 31, 2021.

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### 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 the Board of Governors of the University have the ability to be appointed as the majority of the members of the Board of Directors of the Foundation. The President of the University is the only board member in common for the Foundation and the University. 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.

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## YUKON UNIVERSITY

### Notes to the Consolidated Financial Statements

For the year ended March 31, 2022, with comparative information for the 9-month period ended March 31, 2021

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

##### **Financial instruments**

The financial instruments of the University include cash, accounts receivable, restricted cash and cash equivalents, restricted investments, accounts payable and accrued liabilities, employee accrued liabilities and loan payable.

All of the University's financial instruments are assigned to the cost or amortized cost measurement category, except for restricted investments which are assigned to the fair value measurement category.

##### Fair value classification

Restricted 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 restricted 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.

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 less observable, not available or for which observable inputs do not justify most of the instruments' fair value.

##### 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 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.

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## YUKON UNIVERSITY

### Notes to the Consolidated Financial Statements

For the year ended March 31, 2022, with comparative information for the 9-month period ended March 31, 2021

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Construction 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:

	<u>Useful life (years)</u>
Leasehold improvements	20
Equipment general	10
Equipment electronic data processing (EDP)	3
Mobile trailers	20
Furniture and fixtures	10
Vehicles	5

Works of art are capitalized at cost and no amortization is recorded.

#### **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 (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. The pension plan assets are held by a trustee and separate financial statements are prepared for the pension plan.

The University accrues its obligations under the pension plan and the related costs, net of plan assets.

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.

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## YUKON UNIVERSITY

### Notes to the Consolidated Financial Statements

For the year ended March 31, 2022, with comparative information for the 9-month period ended March 31, 2021

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

##### 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 employment.

##### **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 recognized as direct increases in endowment net assets. Interest earned on endowment contributions where a portion of the interest cannot be spent is added to the endowment principal. Interest earned on endowment contributions where the investment income can be spent is deferred until the interest is spent for the specified purposes.

Sales, rentals and services, miscellaneous income, and tuition are reported as revenue at the time the services are substantially provided, or the products are delivered. Tuition fees received in advance of courses being delivered are deferred and recognized as revenue when the courses are delivered.

The University provides education, rentals, research and services to private companies, federal and territorial government departments, agencies, and corporations through contractual arrangements. Payments received under these contracts for which the development and delivery of courses and projects are not completed are recorded as deferred revenue until completion in accordance with the terms of the agreements.

##### **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).

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## YUKON UNIVERSITY

### Notes to the Consolidated Financial Statements

For the year ended March 31, 2022, with comparative information for the 9-month period ended March 31, 2021

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

##### **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 which they become known.

##### **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.

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#### 3. FINANCIAL RISK MANAGEMENT

The University's financial instruments are exposed to the following risks: interest rate risk, foreign exchange 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.

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# YUKON UNIVERSITY

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2022, with comparative information for the 9-month period ended March 31, 2021

### 3. FINANCIAL RISK MANAGEMENT (continued)

#### 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 exposed to interest rate risk on its fixed interest rate for financial instruments, which subject the University to a fair value risk. 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.

#### Foreign exchange risk

Foreign exchange 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 University is not exposed to any significant foreign exchange 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, restricted cash and cash equivalents and restricted investments represents the maximum credit 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:

	<u>2022</u>	<u>2021</u>
Carrying value	\$ 12,750,018	\$ 7,716,264
Allowance for doubtful accounts	275,608	47,170
Accounts receivable % less than 30 days	94 %	93 %
Accounts receivable % over 90 days	3 %	4 %

#### 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, 2022, substantially all of the University's accounts payable and accrued liabilities is due within 6 months of year-end.

#### 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. Other price risk is not considered significant.



## YUKON UNIVERSITY

### Notes to the Consolidated Financial Statements

For the year ended March 31, 2022, with comparative information for the 9-month period ended March 31, 2021

#### 4. CASH

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 (2021 - \$1,000,000) at bank prime. The credit line was unused at both 2022 and 2021. The University's credit facility interest rates are subject to fluctuations in the prime rate.

#### 5. RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash and cash equivalents consists of guaranteed investment certificates of \$nil (2021 - \$818,913) and cash of \$828,695 (2021 - \$292,597).

An amount of \$90,603 (2021 - \$298,450) is externally restricted for certain endowment and deferred contributions. An amount of \$191,851 (2021 - \$270,463) is internally restricted for prepaid employee leave. An amount of \$546,241 (2021 - \$542,597) is internally restricted for investment in capital assets.

#### 6. RESTRICTED INVESTMENTS

	Level	Percentage	2022	2021
Equity securities	1	65.07 %	\$ 4,002,609	\$ 2,978,152
Debt securities	1	32.89 %	2,023,217	1,671,808
Cash and cash equivalents	1	2.04 %	125,389	165,082
		100.00 %	\$ 6,151,215	\$ 4,815,042

Restricted investments are externally restricted.

#### 7. 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 \$3,755,000 (9-month period ended March 31, 2021 - \$3,764,500) and the employer and employee contributions to the pension plan were \$2,214,500 (9-month period ended March 31, 2021 - \$1,812,000) and \$2,172,800 (9-month period ended March 31, 2021 - \$1,797,000), 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. During the year and 9-month period ended March 31, 2021, Group 1 members were required to contribute to the plan at a rate of 10.72% on annual earnings up to the Yearly Maximum Pensionable Earnings (YMPE) plus 13.12% on annual earnings in excess of the YMPE. During the year and 9-month period ended March 31, 2021, Group 2 members were required to contribute to the plan at a rate of 9.43% on annual earnings up to the YMPE plus 11.21% on annual earnings in excess of the YMPE.

Assets in the pension plan are based on fair values as reported by the custodian of the funds as at March 31, 2022. No adjustment is made for contributions/payments in transit at that date.

An actuarial valuation for accounting purposes was performed as at March 31, 2022 using the projected benefits method prorated on services, based on extrapolated employee data as at June 30, 2021.

(continues)

**YUKON UNIVERSITY**

**Notes to the Consolidated Financial Statements**

**For the year ended March 31, 2022, with comparative information for the 9-month period ended March 31, 2021**

**7. EMPLOYEE FUTURE BENEFITS (continued)**

**a) Pension benefits (continued)**

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 and mortality. The assumptions used reflect management's best estimates of these future events. Key assumptions are summarized below:

	<u>Year ended</u> <u>March 31, 2022</u>	<u>9-month period ended</u> <u>March 31, 2021</u>
<u>Weighted-average assumptions for benefit costs</u>		
Discount rate	5.30 %	5.30 %
Expected long-term rate of return on plan assets	5.30 %	5.30 %
Rate of compensation increase	3.40 %	3.40 %
Inflation rate	2.00 %	2.00 %
Expected average remaining service life	10 years	10 years
<u>Weighted-average assumptions of accrued benefit obligation</u>		
Discount rate	5.75 %	5.30 %
Expected long-term rate of return on plan assets	5.75 %	5.30 %
Rate of compensation increase	3.40 %	3.40 %
Inflation rate	2.00 %	2.00 %
	<u>Year ended</u> <u>March 31, 2022</u>	<u>9-month period ended</u> <u>March 31, 2021</u>
<u>Change in accrued benefit obligation:</u>		
Accrued benefit obligation - beginning of period	\$ 95,063,200	\$ 93,159,000
Current service cost, net of employee contributions	2,334,700	1,898,200
Interest cost	5,045,700	3,657,700
Employee contributions	2,172,800	1,797,000
Benefits paid	(3,755,000)	(3,764,500)
Admin expenses	(474,300)	(458,100)
Actuarial gains	(5,247,600)	(1,226,100)
Accrued benefit obligation - end of period	<u>\$ 95,139,500</u>	<u>\$ 95,063,200</u>
	<u>Year ended</u> <u>March 31, 2022</u>	<u>9-month period ended</u> <u>March 31, 2021</u>
<u>Change in plan assets:</u>		
Fair value of plan assets - beginning of period	\$132,505,200	\$113,825,300
Actual return on plan assets	8,597,800	19,293,500
Employer contributions	2,214,500	1,812,000
Employee contributions	2,172,800	1,797,000
Benefits paid	(3,755,000)	(3,764,500)
Admin expenses	(474,300)	(458,100)
Fair value of plan assets - end of period	<u>\$141,261,000</u>	<u>\$132,505,200</u>

*(continues)*

**YUKON UNIVERSITY**

**Notes to the Consolidated Financial Statements**

**For the year ended March 31, 2022, with comparative information for the 9-month period ended March 31, 2021**

**7. EMPLOYEE FUTURE BENEFITS (continued)**

**a) Pension benefits (continued)**

	<b>Year ended March 31, 2022</b>	<b>9-month period ended March 31, 2021</b>
<u>Reconciliation of accrued pension benefit asset - end of period:</u>		
Accrued benefit obligation	\$ (95,139,500)	\$ (95,063,200)
Fair value of plan assets	<u>141,261,000</u>	<u>132,505,200</u>
Pension benefit surplus	46,121,500	37,442,000
Unamortized net actuarial gains	<u>(21,779,000)</u>	<u>(16,912,700)</u>
Accrued pension benefit asset	<b>\$ 24,342,500</b>	<b>\$ 20,529,300</b>
	<b>Year ended March 31, 2022</b>	<b>9-month period ended March 31, 2021</b>
<u>Elements of defined pension plan benefit costs recognized in the period:</u>		
Current service cost	\$ 2,334,700	\$ 1,898,200
Interest cost on benefit obligation	5,045,700	3,657,700
Expected return on plan assets	(7,027,000)	(4,469,800)
Amortization of actuarial (gains)/losses	<u>(1,952,100)</u>	<u>84,800</u>
Net periodic pension (income)/cost recognized	<b>\$ (1,598,700)</b>	<b>\$ 1,170,900</b>
	<b>2022</b>	<b>2021</b>
<u>Based on fair value of plan assets held, the assets were composed of:</u>		
Equity securities	58.00 %	58.00 %
Debt securities	41.00 %	41.00 %
Other	1.00 %	1.00 %
	<b>100.00 %</b>	<b>100.00 %</b>

The net periodic pension (income)/cost of \$1,598,700 income (9-month period ended March 31, 2021 - \$1,170,900 cost) is recognized in salaries, wages and benefits in Note 16 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, 2021 which identified the University's required current service contributions as 101.7% (June 30, 2020 - 100.4%) 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.

The actuarial valuation for funding purposes as at June 30, 2021 for the University had an actual surplus of \$20,340,800 (June 30, 2020 - \$16,005,500) at the measurement date on a going-concern basis and a surplus of \$2,207,300 (June 30, 2020 - \$21,013,500 deficit) if valued on the basis that the pension plan was terminated/wound up as at June 30, 2021. The solvency ratio of the pension plan was 100% as at June 30, 2021. The Government of Yukon provided a pension related contribution to the University during the year as described in Note 17. All required contributions to the pension plan have been made.

*(continues)*

**YUKON UNIVERSITY**

**Notes to the Consolidated Financial Statements**

**For the year ended March 31, 2022, with comparative information for the 9-month period ended March 31, 2021**

7. EMPLOYEE FUTURE BENEFITS *(continued)*

a) Pension benefits (continued)

The *Pension Benefits Standards Act* permits that in lieu of making special solvency payments, letters of credit can be obtained to reduce the solvency deficiency. In May 2011, for the solvency deficiency, the University acquired a letter of credit for the pension plan. The face value of the letter of credit was increased by \$287,097 for the period January 1, 2022 to March 31, 2022. On April 15, 2020 the Federal Government adopted a regulation to provide temporary, short-term solvency funding relief for sponsors of federally regulated defined benefit pension plans and, as a result, no increases to the face value of the letter of credit were required for the period April 1, 2020 to December 30, 2020. The University chose to adopt this moratorium. The face value of the letter of credit as at June 30, 2021 was \$20,433,000. In January 2022 the University renewed the letter of credit to December 31, 2022 for face value of \$23,007,220. The letter of credit is guaranteed by the Government of Yukon.

A new actuarial valuation for funding purposes will be prepared as at June 30, 2022 and will be filed with the regulator prior to December 31, 2022.

The Government of Yukon has issued letters to a bank guaranteeing that, should there be a requirement to draw upon the letter of credit required by the University to address its solvency deficit in its pension plan, the Government of Yukon will provide the necessary support to address any resulting debt, interest and costs that may be required under the federal pension legislation. In January 2022, the guarantee remained in effect to December 31, 2022.

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:

	<u>Year ended</u> <u>March 31, 2022</u>	<u>9-month period ended</u> <u>March 31, 2021</u>
Accrued benefit obligation, end of period	\$ 5,971,500	\$ 6,707,200
Unamortized actuarial gain	<u>1,571,510</u>	<u>266,900</u>
Actuarially determined obligation, end of period	7,543,010	6,974,100
Less: Current portion included in vacation leave and employee future benefits ( <i>Note 12</i> )	<u>(1,112,500)</u>	<u>(680,000)</u>
Non-current portion of obligation, end of period	<u>\$ 6,430,510</u>	<u>\$ 6,294,100</u>

*(continues)*

**YUKON UNIVERSITY**

**Notes to the Consolidated Financial Statements**

**For the year ended March 31, 2022, with comparative information for the 9-month period ended March 31, 2021**

7. EMPLOYEE FUTURE BENEFITS *(continued)*

b) Other non-pension benefits (continued)

The annual benefit plan cost and change in accrued benefit liability are as follows:

	<u>Year ended March 31, 2022</u>	<u>9-month period ended March 31, 2021</u>
Accrued benefit obligation, beginning of period	\$ 6,974,100	\$ 6,637,400
Add: Annual benefit plan cost:		
Current service cost	981,800	706,300
Interest on accrued benefit obligation	201,700	140,400
Amortization of net actuarial gain	<b>(28,280)</b>	-
Total annual benefit plan cost	<b>1,155,220</b>	846,700
Accrued benefit obligation before benefits paid by the University	<b>8,129,320</b>	7,484,100
Less: Benefits paid by the University	<b>(586,310)</b>	(510,000)
Actuarially determined obligation, end of period	<b>7,543,010</b>	6,974,100
Less: Current portion included in vacation leave and employee future benefits	<b>(1,112,500)</b>	(680,000)
Non-current portion of obligation, end of period	<b>\$ 6,430,510</b>	\$ 6,294,100

The significant actuarial assumptions adopted in measuring the University's accrued benefit obligation are as follows:

	<u>Year ended March 31, 2022</u>	<u>9-month period ended March 31, 2021</u>
Weighted average assumptions for benefit costs:		
Discount rate	2.75 %	2.75 %
Rate of compensation increase		
for 10 years	3.40 %	2.75 %
thereafter	3.40 %	3.25 %
Expected average remaining service life	10 years	11 years
Weighted average assumptions for accrued benefit obligation:		
Discount rate	3.80 %	2.75 %
Rate of compensation increase		
for 10 years	3.40 %	2.75 %
thereafter	3.40 %	3.25 %
Expected average remaining service life	10 years	11 years

**YUKON UNIVERSITY**

**Notes to the Consolidated Financial Statements**

**For the year ended March 31, 2022, with comparative information for the 9-month period ended March 31, 2021**

**8. CAPITAL ASSETS**

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Leasehold improvements	\$ 7,055,715	\$ 2,902,108	\$ 4,153,607	\$ 4,504,137
Equipment general	4,025,386	2,304,875	1,720,511	1,886,156
Motor vehicles	582,008	503,554	78,454	33,716
Equipment EDP	986,952	798,307	188,645	120,421
Furniture and fixtures	519,686	255,520	264,166	288,602
Work in progress	733,653	-	733,653	414,611
Mobile trailers	2,150,493	888,956	1,261,537	1,384,234
Works of art	103,448	-	103,448	103,448
	<b>\$ 16,157,341</b>	<b>\$ 7,653,320</b>	<b>\$ 8,504,021</b>	<b>\$ 8,735,325</b>

**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2022	2021
Trades accounts payable	\$ 1,802,590	\$ 1,436,579
Payroll payable	1,297,341	1,116,591
Student deposits	884,252	1,083,111
Accrued accounts payable	483,976	475,901
Other payables	294,373	256,130
	<b>\$ 4,762,532</b>	<b>\$ 4,368,312</b>

**10. DEFERRED REVENUE**

	Contracts	Tuition	Year ended March 31, 2022	9-month period ended March 31, 2021
Balance, beginning of period	\$ 40,424	\$ 164,070	\$ 204,494	\$ 186,790
Additions	1,862,112	2,568,630	4,430,742	3,522,734
Revenue recognized	(1,730,861)	(2,706,565)	(4,437,426)	(3,505,030)
Balance, end of period	<b>\$ 171,675</b>	<b>\$ 26,135</b>	<b>\$ 197,810</b>	<b>\$ 204,494</b>

**YUKON UNIVERSITY**

**Notes to the Consolidated Financial Statements**

**For the year ended March 31, 2022, with comparative information for the 9-month period ended March 31, 2021**

**11. DEFERRED CONTRIBUTIONS**

	Government of Yukon Contributions	Other contributions	Donations and allocated investment income	Year ended March 31, 2022	9-month period ended March 31, 2021
Balance, beginning of period	\$ 7,700	\$ 4,621,971	\$ 921,747	\$ 5,551,418	\$ 3,340,755
Additions	30,915,782	10,346,893	269,350	41,532,025	31,718,464
Revenue recognized	(30,531,755)	(8,274,156)	(538,931)	(39,344,842)	(29,700,992)
Investment income	-	-	467,304	467,304	193,192
Balance, end of period	\$ 391,727	\$ 6,694,708	\$ 1,119,470	\$ 8,205,905	\$ 5,551,419

Government of Yukon contributions (Note 17) includes services received without charge of \$5,073,476 (9-month period ended March 31, 2021 - \$3,821,869) in addition to \$30,531,755 (9-month period ended March 31, 2021 - \$24,849,156) recognized from deferred contributions, for a total of \$35,605,231 (9-month period ended March 31, 2021 - \$28,671,025).

Other contributions is comprised primarily of amounts from the Government of Canada, and also amounts from First Nations and other organizations. Donations revenue is recognized on the Consolidated Statement of Operations within student assistance/scholarships.

**12. VACATION LEAVE AND EMPLOYEE FUTURE BENEFITS**

	2022	2021
Vacation leave liability	\$ 2,712,919	\$ 2,657,383
Current portion of other employee future benefits	1,112,500	680,000
Funds held for income averaging	188,527	271,728
Long service leave liability	169,415	119,537
Compensatory pay liability	19,793	6,865
	\$ 4,203,154	\$ 3,735,513

**13. LOAN PAYABLE**

The University has entered into an agreement with a donor for a non-interest bearing loan that is invested as deemed appropriate by the University. Income from investment is added to a research endowment. The principal will remain invested until it has been gifted to the University at which time it will be added to the research endowment and managed under the terms of the endowment agreement. While the loan is repayable within 90 days on demand, the loan may be converted to a gift at any time by the donor.

**YUKON UNIVERSITY**

**Notes to the Consolidated Financial Statements**

**For the year ended March 31, 2022, with comparative information for the 9-month period ended March 31, 2021**

**14. DEFERRED CAPITAL CONTRIBUTIONS**

The changes in the deferred capital contributions balance are as follows:

	<b>Year ended March 31, 2022</b>	9-month period ended March 31, 2021
Balance, beginning of period	\$ 5,520,768	\$ 5,485,717
Restricted government contributions	258,053	480,964
Amount amortized to revenue	<u>(455,814)</u>	<u>(445,913)</u>
Balance, end of period	<b><u>\$ 5,323,007</u></b>	<b><u>\$ 5,520,768</u></b>

**15. EXTERNALLY RESTRICTED FOR ENDOWMENTS**

	<b>Year ended March 31, 2022</b>	9-month period ended March 31, 2021
Endowment balance, beginning of period	\$ 3,240,606	\$ 3,202,406
Endowment contributions	1,011,500	17,983
Disbursements from endowments	<u>(26,128)</u>	<u>(1,597)</u>
Net investment income	<u>29,264</u>	<u>21,814</u>
Endowment balance, end of period	<b><u>\$ 4,255,242</u></b>	<b><u>\$ 3,240,606</u></b>

**16. EXPENDITURES BY OBJECT**

	<b>Year ended March 31, 2022</b>	9-month period ended March 31, 2021
Salaries, wages and benefits	\$ 30,352,281	\$ 25,620,853
Contract services	4,688,425	3,485,142
Rental of facilities and equipment	3,517,662	2,630,368
Utilities and communications	2,513,239	1,921,408
Material and supplies	1,619,215	1,120,418
Amortization of capital assets	978,379	806,730
Licenses, permits, and memberships	621,996	465,087
Cost of sales and ancillary services	604,716	291,801
Student assistance/scholarships	530,846	401,901
Travel	484,511	208,125
Other	446,168	160,358
Promotion, events and advertising	417,235	374,965
Bank fees and credit card commissions	231,913	193,470
Books and subscriptions	91,668	64,505
Postage and freight	77,490	60,946
	<b><u>\$ 47,175,744</u></b>	<b><u>\$ 37,806,077</u></b>

Fundraising expenses totaling \$141,279 (9-month period ended March 31, 2021 - \$219,460) are included in salaries, wages and benefits, contract services, material and supplies, and promotion, events, and advertising.

*(continues)*



**YUKON UNIVERSITY**  
**Notes to the Consolidated Financial Statements**  
**For the year ended March 31, 2022, with comparative information for the 9-month period**  
**ended March 31, 2021**

**16. EXPENDITURES BY OBJECT** *(continued)*

Services received without charge included in above:

	<u>Year ended</u> <u>March 31, 2021</u>	<u>9-month period ended</u> <u>March 31, 2021</u>
Rental of facilities and equipment	\$ 3,097,491	\$ 2,322,947
Utilities and communication	1,975,985	1,498,922
	<u>\$ 5,073,476</u>	<u>\$ 3,821,869</u>

**17. GOVERNMENT OF YUKON CONTRIBUTIONS**

	<u>Year ended</u> <u>March 31, 2021</u>	<u>9-month period ended</u> <u>March 31, 2021</u>
Operating contributions	\$ 23,394,072	\$ 17,918,612
Contributions other	7,005,463	6,840,931
Services received without charge (Note 16)	5,073,476	3,821,869
Pension funding	132,220	89,613
	<u>\$ 35,605,231</u>	<u>\$ 28,671,025</u>

A significant portion of the University's income is received from the Government of Yukon. For the year ended March 31, 2022, total Government of Yukon contributions made up 69% of total revenues (9-month period ended March 31, 2021 - 73%). For the year ended March 31, 2022, the University received \$132,220 (9-month period ended March 31, 2021 - \$89,613) for pension letter of credit costs.

**18. MISCELLANEOUS INCOME**

	<u>Year ended</u> <u>March 31, 2021</u>	<u>9-month period ended</u> <u>March 31, 2021</u>
Salary, travel and other expense recovery	\$ 388,492	\$ 354,787
Other miscellaneous revenue	379,230	80,221
General student fees	233,259	120,644
Computer lab usage fees	149,811	138,783
Facilities and equipment rental	65,263	24,529
Pension contract recovery	-	1,105
	<u>\$ 1,216,055</u>	<u>\$ 720,069</u>

## YUKON UNIVERSITY

### Notes to the Consolidated Financial Statements

For the year ended March 31, 2022, with comparative information for the 9-month period ended March 31, 2021

#### 19. RELATED PARTY TRANSACTIONS

In addition to those related party transactions disclosed in Note 17, the University enters into transactions with related entities in the normal course of business.

The University receives funds from the Government of Yukon for student training allowances. An amount of \$485,106 (9-month period ended March 31, 2021 - \$334,354) is recognized on the Consolidated Statement of Operations within student assistance/scholarships. Included in the amortization of deferred capital contributions on the Consolidated Statement of Operations is \$306,493 (9-month period ended March 31, 2021 - \$306,493) 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 parties.

At March 31, 2022 there was \$73,301 (2021 - \$159,528) of accounts payable and accrued liabilities and \$10,597,862 (2021 - \$5,273,063) of accounts receivable related to the Government of Yukon. At March 31, 2022 there was \$391,727 (2021 - \$7,700) of deferred contributions and \$4,329,892 (2021 - \$4,378,331) 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 expires June 2022. Lease payments total \$48,425 for 2022, and \$49,194 for 9-month period ended March 31, 2021.

#### 20. 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 Government of			
	Canada	Yukon	Other	Total
2023	\$ 3,538,051	\$ 360,909	\$ 2,429,775	\$ 6,328,735
2024	2,517,592	115,000	2,068,559	4,701,151
2025	1,997,241	15,000	1,407,708	3,419,949
Thereafter	817,815	-	767,605	1,585,420
	<u>\$ 8,870,699</u>	<u>\$ 490,909</u>	<u>\$ 6,673,647</u>	<u>\$ 16,035,255</u>

Government of Canada contributions consist of funds to be received for the Innovation and Entrepreneurship Accelerator, the Industrial Research Chair – Northern Energy Innovation, a Yukon satellite program, Support to UArctic, and various other programs and initiatives such as Climate Change Preparedness in the North, Enhancing Yukon Trade Corridor Resilience to Northern Geohazards, Electric Vehicle and Smart Heating Opportunities in Yukon and NWT and Youth and Employment Skill Strategy.

Government of Yukon contributions consist of funds to be received for the Yukon Research Centre, Yukon First Nations 101 Online Training Course - Health and Social Services, and various programs such as Frontline Supervisor Training, and other initiatives.

Other contributions consist of funds to be received for student support, and Yukon Research Centre programs and initiatives.

**YUKON UNIVERSITY**

**Notes to the Consolidated Financial Statements**

**For the year ended March 31, 2022, with comparative information for the 9-month period ended March 31, 2021**

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**21. CONTRACTUAL OBLIGATIONS**

Leases

The University has operating leases and maintenance service agreements for classroom space, telecommunication, the information system and course curriculum and is committed to basic payment as follows:

	Maintenance Services	Facility Leases	Telecommunication, Course curriculum and Other Contracts	Total
2023	\$ 205,589	\$ 208,975	\$ 739,979	\$ 1,154,543
2024	213,813	-	15,750	229,563
2025	53,453	-	15,750	69,203
	<u>\$ 472,855</u>	<u>\$ 208,975</u>	<u>\$ 771,479</u>	<u>\$ 1,453,309</u>

Capital Assets

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.

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**22. COMPARATIVE FIGURES**

Certain comparative figures for 2021 included in these financial statements, have been reclassified to conform with the 2022 presentation.

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COMPENSATION FUND (YUKON)

FINANCIAL STATEMENTS

December 31, 2021

(audited)

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# Management's Discussion and Analysis

The Management's Discussion and Analysis provides further insight into the financial performance of the Compensation Fund (the Fund), as managed by the Yukon Workers' Compensation Health and Safety Board (the board), for the year ended December 31, 2021. The audited financial statements and supporting notes are integral to this analysis and should be read in conjunction with it. Unless otherwise indicated, all amounts are expressed in Canadian dollars and have been derived from the Fund's annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

## Forward-looking statements

Any forward-looking statements 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. These statements are 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.

## Risk management

In order to identify and manage the many risks that the organization faces, an enterprise risk management system has been implemented over the last few years. Its purpose is to identify risks that could impede the organization'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, the organization formally reviews the risks and corresponding mitigation strategies with the Board of Directors.

The top risks for 2021 were identified as outdated legislation, the disruption of operations by cyber-attacks and the inability to respond to changing stakeholder needs in a rapidly changing environment. Ongoing mitigation of these risks includes the Act Modernization Project, information technology security enhancements and continuing the board's commitment to business process improvements.

## Operating results

In 2021, the Fund incurred an operating surplus of \$19.2 million versus \$2.7 million in 2020, resulting mainly from higher net investment income and assessment revenue compared to 2020.



Total comprehensive income (loss), which includes funding policy surplus distributions or recoveries and the actuarial gain or loss on post-employment benefits, was \$19.2 million (income) in 2021 versus \$7.7 million (loss) in 2020.

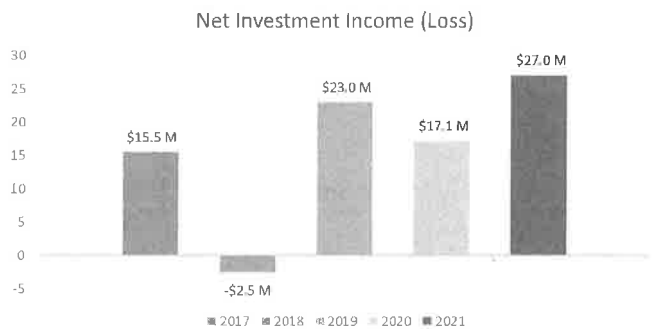


The main difference in total comprehensive income (loss) is due to the \$10.2 million surplus distribution approved by the Board of Directors in 2020 and paid out early in 2021.

## Revenues

The Fund's revenue and income totalled \$60.1 million in 2021 versus \$45.2 million in 2020. The change in overall revenue was mainly due to increased net investment income and higher than anticipated assessment revenue.

Net investment income in 2021 was \$27.0 million versus \$17.1 million in 2020, an increase of \$9.9 million.



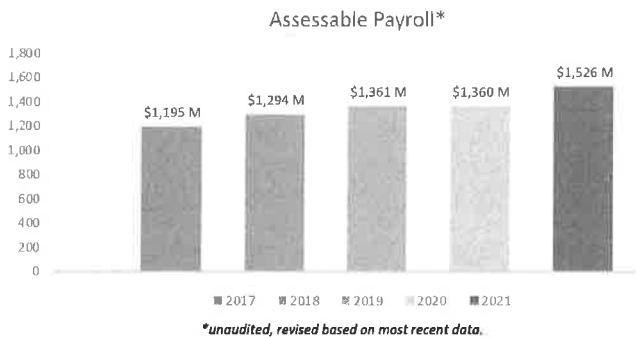
In 2021, the Fund continued to grow due to strong equity markets despite negative fixed income returns, ending the year with an overall return of 12.7% and a four-year annualized return of 7.9%. Both returns exceeded the targeted discount rate of 5.15%. At December 31, 2021, the investment portfolio's asset mix was 41% fixed income and 59% equities. This asset mix reflects the board's conservative approach to managing its investment portfolio.



Assessment revenue in 2021 was \$32.1 million versus \$27.0 million in 2020, a 19% increase, due to an overall increase in assessable payroll.



The increase in assessable payroll was related to an overall increase in economic activity in the Yukon in 2021. Although some sectors continued to struggle due to the global pandemic, others saw strong growth—mining, construction, transportation and government. Also, there was an increase in registered employers from 3,786 in 2020 to 3,924 in 2021.

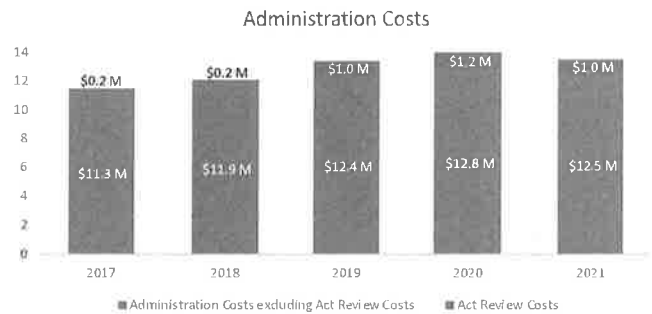


## Expenses

Total claims expenses decreased to \$26.8 million in 2021 from \$27.8 million in 2020. Claims expenses were lower in 2021. A \$6.5 million increase in the current year claims costs and the occupational disease provision was offset by an \$7.5 million decrease in claims costs related to prior year claims. The occupational disease provision increase includes the additional costs resulting from the change to section 17.1 of the *Workers' Compensation Act* (current Act) that expands the number of cancers that are covered for firefighters.



Administration costs decreased to \$13.5 million in 2021 from \$14.0 million in 2020. This decrease was due mainly to lower costs in 2021 related to the Act Modernization Project and a write down in redundant software in 2020.



## Balance sheet

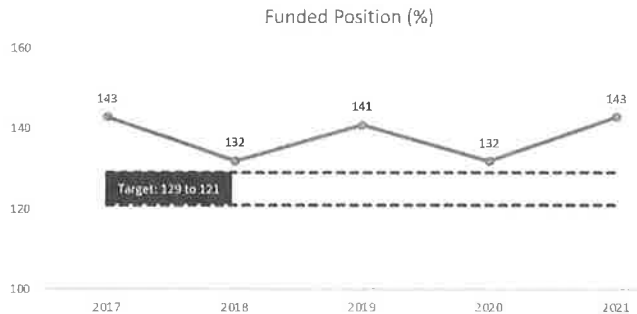
At the end of each fiscal year, the board's actuary calculates the benefits liability for all injuries that have occurred to date. This liability represents the actuarial present value of all future benefits and related administration costs. As at December 31, 2021, this liability was \$179.3 million, an increase of approximately 5.1% over the previous year. The benefits liability increased less than expected due to favourable claims experience, which offset the increase in the occupational disease provision related to the expansion of the listed diseases (cancers) for firefighters.

The total assets of the Fund increased by \$17.6 million, or 7%, in 2021. This increase was mainly attributable to the increased investments balance, which was driven by the strong returns earned in 2021.

## 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 the board can minimize rate volatility, protect the Fund from unforeseen catastrophic events and preserve capital during large downturns in financial markets.

As at December 31, 2021, the funding ratio was 143%, up from 132% in 2020, due to the strong investment returns in 2021.



## Significant changes in accounting standards

IFRS 17 Insurance Contracts, which replaces IFRS 4 Insurance Contracts as of January 1, 2023, will have a significant impact on the board's financial statements, particularly the valuation of the benefits liability. Work on these changes began in 2021 and will continue throughout the next two years.

## A new Act in a year of uncertainty

In terms of COVID-19, 2021 started with much hope and optimism as vaccines were rolled out and restrictions were eased. As the year progressed, this optimism was dampened as the new Delta variant appeared. In the fall, boosters arrived followed by the appearance of the Omicron variant.

Throughout this period of uncertainty, some staff continued to work from home, others worked in the office, and the organization continued to provide services to our clients. Zoom calls were the norm, and our staff functioned well in the second year of the pandemic.

As well as providing our core services to our clients, the organization had a dedicated working group that pushed forward in providing support to the government for the new Act. The Bill was tabled twice and finally the hard work and perseverance paid off—the *Workers' Safety and Compensation Act* (the new Act) received assent on December 2, 2021. This was the culmination of many years of work by staff, the Board of Directors and many stakeholders who provided their views on the proposed Act changes.

The new Act amalgamates the *Workers' Compensation Act* and the *Occupational Health and Safety Act*. The new Act comes into force on July 1, 2022; however, section 224 amended the current Act and was effective immediately upon assent.

Section 224 expanded the listed diseases (cancers) in subsection 17.1(1), Presumption for firefighters of the current Act. It also amended section 24, Canada and Quebec pension plan benefits of the current Act, removing the reduction of earnings loss benefits for workers who also receive Canada Pension Plan disability benefits because of a work-related injury. The financial impact of these changes was an increase of \$3.1 million to the benefits liability.

## Financial strength offers protection

As we progress into 2022, the world faces challenges that have not been seen for a generation. Inflation is at its highest rates in decades, interest rates are about to increase, supply chains are struggling, the COVID-19 pandemic continues and Russia has invaded Ukraine.

During such times, it is important for organizations to have the resiliency and resources to weather the storm. Fortunately, the Fund is in a very strong financial position. This should allow the board to provide stable rates for employers; provide additional resources to deal with more complex claims; ensure future obligations to injured workers will be met; and continue to allow the organization to help monitor the safety of all Yukon workplaces. The last two years have been very challenging for the organization, our clients and our stakeholders. While it appears these challenges will continue into 2022, the board is financially well positioned to provide our services in these turbulent times.



## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The management of the Yukon Workers' Compensation Health and Safety Board (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 assets are safeguarded and controlled; transactions of the Compensation Fund are in accordance with relevant legislation, regulations and Board policies; the Board'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 Compensation 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 International Financial Reporting Standards. 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. She also considers whether the transactions that come to her notice in the course of the audit are, in all significant respects, in accordance with specified legislation.

LifeWorks, an independent consulting actuarial firm, has completed an actuarial valuation of the benefits liability of the Compensation Fund included in the financial statements and reported thereon in accordance with accepted actuarial practice.



Kurt Dieckmann, MBA, CRSP  
President and Chief Executive Officer



Jim Stephens, CPA, CMA, CGA  
Vice President, Operations and Chief Financial Officer

June 17, 2022

## Actuarial Statement of Opinion

I have completed the actuarial valuation of the benefits liability of the Yukon Workers' Compensation Health and Safety Board (the "Board") as at December 31, 2021 (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 to permit a realistic valuation of the benefits liability.
2. The actuarial assumptions adopted in computing the benefits liability are adequate and appropriate for the purpose of the valuation. The economic assumptions are consistent with the funding and investment policies of the board.
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 \$179,275,000. 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 Annuity benefit. It does not include any accrued liability for claims arising from self-insured accounts.
5. The liability as at the valuation date for Annuity 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 and the financial statements fairly present the results of the valuation.
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' Compensation Act of the Yukon Territory, the provisions of Bill 8 which received Royal Assent in December 2021, and on the board's policies and practices in effect on the valuation date.

  
Thane MacKay, F.C.I.A.

*This report has been peer reviewed by Mark Simpson, FCIA.*



## INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Compensation Fund

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of the Compensation Fund, which comprise the statement of financial position as at 31 December 2021, and the statement of operations and comprehensive income, statement of changes in funded position (equity) and statement of cash flows 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 Compensation Fund as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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 Yukon Workers' Compensation Health and Safety 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 IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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.

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

#### *Opinion*

In conjunction with the audit of the financial statements, we have audited transactions of the Compensation Fund coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Workers' Compensation Act* and regulations, the *Occupational Health and Safety Act* and regulations, and the *Financial Administration Act* of Yukon and regulations.

In our opinion, the transactions of the Compensation Fund 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 *Workers' Compensation Act*, we report that, in our opinion, the accounting principles in IFRSs have been applied, after giving retrospective effect to the change in the method of accounting for cash held by investment custodians as explained in Note 5(a) to the financial statements, on a basis consistent with that of the preceding year. In addition, in our opinion, proper books of account have been kept by the Compensation Fund and the financial statements are in agreement therewith.

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

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



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

Edmonton, Canada  
17 June 2022

**Compensation Fund**  
**Statement of Financial Position**  
**As at December 31**

(In Canadian Dollars)

	Note	2021 (\$000s)	2020 (\$000s) Restated - note 5
<b>ASSETS</b>			
Cash		\$ 7,008	\$ 4,997
Accounts receivable	7	3,187	2,683
Prepaid expenses		310	369
Investments	8	244,798	229,950
Property and equipment	9	9,992	9,510
Intangible assets	10	3,067	3,290
<b>Total assets</b>		<b>\$ 268,362</b>	<b>\$ 250,799</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	11	\$ 4,981	\$ 5,079
Surplus distributions payable	15	22	10,220
Deferred portion of government grant	12	-	36
Benefits liability	13	179,275	170,596
Employee benefits	14	3,927	3,956
<b>Total liabilities</b>		<b>188,205</b>	<b>189,887</b>
<b>FUNDED POSITION (EQUITY)</b>			
Reserves	15	80,157	60,912
<b>Total equity</b>		<b>80,157</b>	<b>60,912</b>
<b>Total liabilities and equity</b>		<b>\$ 268,362</b>	<b>\$ 250,799</b>

Commitments and Contingencies (notes 17 and 19)

*The accompanying notes are an integral part of these financial statements.*

Approved by the Yukon Workers' Compensation Health and Safety Board



**Mark Pike**  
**Chair**

**Compensation Fund**  
**Statement of Operations and Comprehensive Income**  
**For the year ended December 31**

(In Canadian Dollars)

	Note	2021 (\$000s)	2020 (\$000s) <small>Restated - note 5(b)</small>
<b>Revenue and Income</b>			
Assessment revenue		\$ 32,085	\$ 27,021
Net investment income	8	26,960	17,084
Recoveries and other receipts		1,048	1,050
		<u>60,093</u>	<u>45,155</u>
<b>Expenses</b>			
Claims expenses	13	26,804	27,834
Administration	18		
General and Administration		9,712	10,067
Occupational Health and Safety		2,188	2,059
Act and Regulation Amendments		965	1,238
Workers' Advocate		330	348
Employer Advisor		146	129
Appeal Tribunal		117	115
Prevention		677	692
		<u>40,939</u>	<u>42,482</u>
<b>Operating surplus</b>		<u>19,154</u>	<u>2,673</u>
Funding policy surplus distributions	15	<u>-</u>	<u>(10,220)</u>
<b>Net surplus (deficit)</b>		<b>\$ 19,154</b>	<b>\$ (7,547)</b>
<b>Other comprehensive income</b>			
All items presented in other comprehensive income will not be reclassified to operating surplus in subsequent periods:			
Actuarial gain (loss) on post-employment benefits	14	<u>91</u>	<u>(117)</u>
<b>Total comprehensive income (loss)</b>		<b>\$ 19,245</b>	<b>\$ (7,664)</b>

*The accompanying notes are an integral part of these financial statements.*



## Compensation Fund

### Statement of Changes in Funded Position (Equity)

For the year ended December 31

(In Canadian Dollars)

	Stabilization Reserve (\$000s)	Adverse Events Reserve (\$000s)	Total (\$000s)
	Restated - note 5(b)	Restated - note 5(b)	Restated - note 5(b)
<b>Balance at January 1, 2020</b>	<b>\$ 43,596</b>	<b>\$ 24,980</b>	<b>\$ 68,576</b>
Net deficit for 2020	(7,547)	-	(7,547)
Other comprehensive loss	(117)	-	(117)
<b>Total comprehensive loss for 2020</b>	<b>(7,664)</b>	<b>-</b>	<b>(7,664)</b>
Transfer to Adverse Events Reserve	(1,154)	1,154	-
<b>Balance at December 31, 2020</b>	<b>\$ 34,778</b>	<b>\$ 26,134</b>	<b>\$ 60,912</b>
Net surplus for 2021	19,154	-	19,154
Other comprehensive gain	91	-	91
<b>Total comprehensive income for 2021</b>	<b>19,245</b>	<b>-</b>	<b>19,245</b>
Transfer to Adverse Events Reserve	(986)	986	-
<b>Balance at December 31, 2021</b>	<b>\$ 53,037</b>	<b>\$ 27,120</b>	<b>\$ 80,157</b>

Capital Management and Reserves (note 15)

*The accompanying notes are an integral part of these financial statements.*

**Compensation Fund**  
**Statement of Cash Flows**  
**For the year ended December 31**

(In Canadian Dollars)

	<b>2021</b>	<b>2020</b>
	(\$000s)	(\$000s)
<b>Operating activities</b>		Restated - note 5 (a)
Cash received from:		
Employers, for assessments	\$ 31,033	\$ 26,596
Investment revenue - interest	2,470	2,581
Investment revenue - dividends	2,665	2,689
Recoveries and other receipts	1,024	1,528
	<u>37,192</u>	<u>33,394</u>
Cash paid:		
To employers, for surplus distributions	(10,166)	-
For claims and claims administration	(18,114)	(17,856)
To employees and suppliers, for administration and prevention	(12,909)	(13,447)
	<u>(41,189)</u>	<u>(31,303)</u>
Total cash (used by) provided by operating activities	<u>(3,997)</u>	<u>2,091</u>
<b>Investing activities</b>		
Net sale of investments	7,700	2,856
Purchases of property and equipment	(1,056)	(480)
Purchases of intangible assets	(636)	(971)
Total cash provided by investing activities	<u>6,008</u>	<u>1,405</u>
<b>Increase in cash</b>	<b>2,011</b>	<b>3,496</b>
Cash, beginning of year	4,997	1,501
<b>Cash, end of year</b>	<b>\$ 7,008</b>	<b>\$ 4,997</b>

*The accompanying notes are an integral part of these financial statements.*

## 1. Reporting Entity

The Compensation Fund (the "Fund") was established by the *Workers' Compensation Act* of Yukon (the "Act") and is administered by the Yukon Workers' Compensation Health and Safety Board (the "Board") pursuant to the Act. In 2008, the Act was amended and received assent in the Legislative Assembly. The effective date of the amended Act was July 1, 2008.

The Fund, as administered by the Board, provides compensation for injury or death by accidents arising out of and in the course of employment. Annual assessments are levied upon employers by applying their industry assessment rate to their actual or estimated payrolls for the year. The assessment and investment revenue pays for all claims, administration and prevention expenses.

Since 1992, the Board has also been responsible for the administration of the *Occupational Health and Safety Act* and Regulations to advance strategies for preventing workplace injuries in the territory.

On December 2, 2021, the *Workers' Safety and Compensation Act* (the "new Act") received assent in the Legislative Assembly. The new Act amalgamates the *Workers' Compensation Act* and the *Occupational Health and Safety Act* of Yukon. The new Act comes into force on July 1, 2022; however, section 224 amended the current *Workers' Compensation Act* and was effective immediately upon assent. Section 224 expanded the listed diseases (cancers) that apply under subsection 17.1(1), Presumption for firefighters, and amended section 24, Canada and Quebec pension plan benefits, which ended the reduction of earnings loss benefits for workers who also receive Canada pension plan disability benefits because of a work-related injury.

The Board, a territorial entity, is domiciled in Canada and has its office at 401 Strickland Street, Whitehorse, Yukon, Canada. 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 International Financial Reporting Standards ("IFRS").

The Board of Directors approved and authorized for issue the 2021 financial statements on June 17, 2022.

### Basis of measurement

These financial statements have been prepared on a historical cost basis, except for the following: investments classified as held-for-trading that are measured at fair value, and the benefits liability and employee benefits which are both 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.

All financial information is presented in Canadian dollars and tabular financial information has been rounded to the nearest thousand dollars, unless otherwise stated.

### 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 the following:

- Note 8 Investments – Valuation of financial instruments
- Note 13 Benefits liability – Determination of discount rates and other assumptions
- Note 13 Benefits liability – Determination of latent occupational disease provision

The major areas of judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are the following:

- Note 8 Investments – Classification of financial instruments
- Note 9 Property and equipment – The degree of componentization
- Note 10 Intangible assets – The determination of development costs eligible for capitalization

### 3. Application of New and Revised IFRS

#### New and revised IFRS issued but not yet effective

The Board reviewed new or revised standards that were issued but yet not effective for 2021 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:

#### **IFRS 17 *Insurance Contracts***

IFRS 17 *Insurance Contracts* ("IFRS 17") was issued in May 2017 to replace IFRS 4 *Insurance Contracts* ("IFRS 4"). In 2020, the effective date was deferred to annual reporting periods beginning on or after January 1, 2023, along with an extension of the temporary exemption from applying IFRS 9 *Financial Instruments* ("IFRS 9"). See discussion on IFRS 9 below.

IFRS 17 is expected to change the way insurance contract liabilities are recognized and measured. It will also change the presentation and disclosures of the Fund's financial statements. The Board is assessing the impact of this standard and anticipates that it may potentially have a significant effect on the Fund's financial statements.

**IFRS 9 *Financial Instruments***

IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking expected credit loss impairment model. The standard was effective for annual periods beginning on or after January 1, 2018; however, amendments were issued to IFRS 4 that provided optional relief to eligible insurers in respect of IFRS 9. The Board evaluated its liabilities and concluded they were predominately connected with insurance. As the Board has not previously applied IFRS 9, the Board is an eligible insurer and, effective January 1, 2018, elected to apply the optional transitional relief under IFRS 4 permitting deferral of the adoption of IFRS 9.

In 2020, the temporary exemption from applying IFRS 9 was extended until annual reporting periods beginning on or after January 1, 2023, to coincide with the deferral of the effective date of IFRS 17. The Board will continue to apply IAS 39 *Financial Instruments: Recognition and Measurement* until the implementation of IFRS 17. The impact of applying IFRS 9 is not expected to have a material impact on the Fund's financial statements.

**4. Significant Accounting Policies**

The following is a summary of the Fund's significant accounting policies:

**(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 Operations and Comprehensive Income.

**(b) Assessments, recoveries and other receipts**

Assessment revenue is calculated monthly on actual or estimated payrolls as reported by the employer, or on provisional assessments as determined by the Board. Separate rates of assessment are established for each industry classification. At year end, assessments receivable and payable are adjusted based on the difference between estimated and actual payrolls.

The Government of Yukon pays certain claims costs to the Compensation Fund for claims prior to 1993 and reimburses the cost of supplementary benefits pursuant to the Yukon Workers' Compensation Supplementary Benefits Ordinance. Under the Ordinance, supplementary compensation benefits are granted to all persons receiving compensation on or after October 1, 1973 for accidents prior to that date. Compensation is increased to the amount that would have been granted had the accident occurred after the Act came into force. The cost of these benefits is recovered from the Yukon Consolidated Revenue Fund.

Effective January 1, 1993, all Government employees were covered by the Fund. The Government also reimburses the Compensation Fund for all claims costs associated with those injured workers, who are designated as workers employed by the Government under section 6 of the Act. These amounts are recorded in recoveries and other receipts in the year in which the related expenses are incurred (note 16(a)).

#### **(c) Recoveries from third parties**

Since July 1, 2008, under section 51 of the *Workers' Compensation Act* (Yukon), 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 benefits liability.

Recoveries from third parties are recognized when their receipt is virtually certain and the amount can be reliably measured. They are recorded as a recovery in the year they are recognized. No provision is made in the benefits liability for possible future third party recoveries because of their contingent nature.

#### **(d) Financial instruments**

##### **Investments**

Investments are classified as held-for-trading because they are acquired for the purpose of selling or repurchasing in the near term and are 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.

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.

#### **Other financial assets and liabilities**

Accounts receivable are classified as loans and receivables. Accounts payable and accrued liabilities, and surplus distributions payable are classified as other financial liabilities. 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 receivable, accounts payable and accrued liabilities, and surplus distributions payable, their carrying values approximate their fair values, which are classified as Level 2 in the fair value hierarchy.

#### **Fair value hierarchy**

The Fund uses the following hierarchy for determining and disclosing the fair value of its financial instruments by valuation technique:

- 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 2021 (2020 – No transfers).

#### **Impairment of financial assets**

The carrying amount of accounts receivable is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. The Board assesses at each reporting date whether a financial asset or group of financial assets is impaired. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in operating surplus or deficit.

#### **Derecognition of financial assets and liabilities**

A financial asset is derecognized when the contractual right to the cash flows from the asset expires or if the Board transfers the financial asset and substantially all risk and rewards of ownership 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 as follows:

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 when it no longer meets these criteria. 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.

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 as follows:

Systems and software	5 – 25 years
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The estimated useful life and amortization period is 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, 2021, 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. The grant is accounted for as income in the period in which the related expenses are incurred (note 12).

In 2011, the Board signed an agreement with the Government of Yukon which provides the Fund with funding for the purpose of upgrading mine safety equipment. The grant has been accounted for as deferred income and released into income over the expected useful life of the equipment. As at December 31, 2021, the deferred income related to the 2011 funding was fully released into income, with a remaining balance of \$nil (note 12).

**(i) Benefits liability**

The benefits liability is determined annually and represents the actuarial present value of all future benefit payments expected to be made for claims which have occurred in the current fiscal year or in any prior year. The benefits liability includes a provision for future payments on claims that have not been finalized to date. It also includes a provision for all benefits provided by current legislation, policies and administrative practices in respect of existing claims as well as future claims management costs. A provision has been made for claims related to known latent occupational diseases which may have occurred in the current or previous years, but which may not be recognized and reported for a number of years due to the extended latency period of such diseases. Due to the nature of the estimated liability for long latent occupational diseases and the extent of related historical claims information available, this liability is more uncertain by its nature than other benefits liabilities (note 13).

The benefits liability is comprised of four liabilities—medical aid, compensation, pension and annuity:

- Medical aid includes benefits for medical aid, emergency transportation, traditional Aboriginal healing, death and funeral expenses, lump sum payments for permanent impairment, and rehabilitation assistance.
- Compensation includes income amounts that are paid to all eligible workers who suffer a work-related injury, incapacity or occupational disease that has resulted in a loss of earnings.
- Pension includes monthly pension benefits indexed annually that are paid to spouses, dependent children and guardians of dependent children of those who die from a work-related injury.
- Annuity includes annuity benefits for workers who have received compensation for the same disability for at least 24 months. An amount equal to 10 per cent of the total compensation payments, plus interest, is set aside to provide a retirement annuity when a worker becomes entitled to apply for Old Age Security benefits.

Many assumptions are required to calculate the benefits liability, including estimates of future inflation, interest rates and mortality rates. The benefits liability is determined annually by an independent actuarial valuation. The Actuarial Statement of Opinion on the adequacy and appropriateness of the benefits liability is attached to these financial statements.

A portion of administration and general expenses is allocated as claims management costs to the current year's claims and the prior years' claims. The amount allocated to claims is reviewed by the independent actuary for reasonableness as part of the annual actuarial valuation of the benefits liability.

**(j) 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 operating surplus or deficit 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.

**(k) 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 payable 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. Accounting Changes

### (a) Classification of Cash Held by Investment Custodians

The Fund re-assessed its accounting policy for cash held by investment custodians for investment purposes. The Fund previously classified its cash held by investment custodians for investment purposes as investments. The Fund elected to change the method of accounting for cash held by investment custodians for investment purposes and classify them as cash. The Fund has applied the above policy retrospectively. The effect of the changes are described below.

#### Statement of Financial Position / As at December 31

	2020 (\$000)		
	As Previously <u>Reported</u>	<u>Restatement</u>	<u>Restated</u>
Cash	4,581	416	4,997
Investments	230,366	(416)	229,950

#### Statement of Cash Flows / For the year ended December 31

	2020 (\$000)		
	As Previously <u>Reported</u>	<u>Restatement</u>	<u>Restated</u>
<b>Investing Activities</b>			
Net sale of investments	2,440	416	2,856
Total cash provided by investing activities	989	416	1,405
Increase in cash	3,080	416	3,496
Cash, end of year	4,581	416	4,997

In addition to the main statement impacts as shown above, where comparative information in note disclosures has also been restated in relation to this accounting change, it has been identified as such within the applicable note.

### (b) Restatement of Benefits Liability

In the prior year, the Fund included a claim in the benefits liability that related to a designated worker employed by the Government under section 6 of the Act. The Fund has restated the benefits liability to remove this claim because claims under section 6 of the Act are recovered from the Government (note 4(b)). As a result of the change to the benefits liability, claims expenses, operating surplus, net deficit, total comprehensive loss, and reserves have also been restated. The effect of the changes are described below.

Compensation Fund  
Notes to the Financial Statements  
December 31, 2021

(in Canadian Dollars)

Statement of Financial Position / As at December 31

	2020 (\$000)		
	As Previously Reported	Restatement	Restated
Benefits liability	171,226	(630)	170,596
Total liabilities	190,517	(630)	189,887
Reserves	60,282	630	60,912
Total equity	60,282	630	60,912

Statement of Operations and Comprehensive Income / For the year ended December 31

	2020 (\$000)		
	As Previously Reported	Restatement	Restated
Claims expenses	28,464	(630)	27,834
Total expenses	43,112	(630)	42,482
Operating surplus	2,043	630	2,673
Net deficit	(8,177)	630	(7,547)
Total comprehensive loss	(8,294)	630	(7,664)

Statement of Changes in Funded Position (Equity) / For the year ended December 31

	2020 (\$000)		
	As Previously Reported	Restatement	Restated
Net deficit for 2020	(8,177)	630	(7,547)
Total comprehensive loss for 2020	(8,294)	630	(7,664)
Stabilization Reserve	34,084	694	34,778
Adverse Events Reserve	26,198	(64)	26,134
Balance at December 31, 2020	60,282	630	60,912

In addition to the main statement impacts as shown above, where comparative information in note disclosures has also been restated in relation to this accounting change, it has been identified as such within the applicable note.

**6. Risk Management**

The Fund has exposure to the following financial risks: credit risk, liquidity risk and market risk (which also includes inflation risk, interest rate risk and currency risk). The Fund's exposure to these risks arises primarily in relation to its investment portfolio, but also in relation to its other financial assets and financial liabilities.

**Compensation Fund**  
 Notes to the Financial Statements  
 December 31, 2021

(In Canadian Dollars)

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.

The following sections present information about the Fund's exposure to each of the above risks and the Board's objectives, policies and processes for measuring and managing each risk. There were no changes to these risks or the Board's objectives, policies and process for managing them during the year ended December 31, 2021.

**Credit risk**

Credit risk on financial instruments arises from the possibility that the issuer of a fixed-term instrument fails to meet its obligations. Excess cash not held for investing purposes is held on deposit with the Government of Yukon's banker. Short-term deposits with this bank are rated as R-1 (high). To manage this 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.

**Fixed Income Portfolio Credit Ratings**

Ratings					31-Dec-21	31-Dec-20
	AAA	AA	A	BBB	(\$000s)	(\$000s)
Fixed Income Securities	\$ 28,516	\$ 22,005	\$ 35,794	\$ 7,201	\$ 93,516	\$ 93,002

The Fund's exposure to credit risk associated with its accounts receivable 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 is \$3,187,000 (2020 -- \$2,683,000).

An estimated allowance for doubtful accounts has been recorded for accounts receivable that may not be collectible as at the reporting date. The amounts disclosed on the Statement of Financial Position are net of these allowances for doubtful accounts. At December 31, 2021, there were no accounts receivable 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 impairment. The Board recognizes a bad debt provision when management considers that the expected recovery is less than the carrying amount receivable.

The Board believes that the credit risk of accounts receivable is mitigated by the following:

- i. 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.
- ii. As at December 31, 2021, approximately 91% (2020 – 93%) of accounts receivable were outstanding for less than 90 days. The Board does not require collateral or other security from employers or customers for accounts receivable.
- iii. The Board has the power and remedies to enforce payment owing to the Fund.

#### Liquidity risk

Liquidity risk is the risk that the Fund is not able to meet its financial obligations as they become due or can do so only at excessive cost. 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 the active management of the assets and liabilities as well as the cash flows.

The Fund has access to the Government of Yukon's overall line of credit facility with the Government's banker. This access provides the Fund with overdraft coverage of \$7,000,000 if needed. As of December 31, 2021, the Fund had used \$nil of the overdraft coverage (2020 – \$nil).

The Fund's accounts payable and accrued liabilities had a carrying value of \$4,981,000 as at December 31, 2021 (2020 – \$5,079,000) and were all payable within a year.

The Fund's surplus distributions payable had a carrying value of \$22,000 as at December 31, 2021 (2020 – \$10,220,000) and relates to amounts as yet unclaimed from the surplus distribution approved in 2020 (note 15).

Liquidity risk related to the benefits liability is included in note 13(f).

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**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 8).

The table below presents the Fund's investment targets and actual asset mix at fair value:

	Target		Actual	
	Minimum	Maximum	31-Dec-21	31-Dec-20
<b>Equities</b>				Restated - note 5(a)
Canadian	0%	25%	18.7%	18.3%
United States	0%	25%	22.0%	19.4%
International	0%	25%	18.6%	20.3%
<b>Fixed Income</b>				
Short-term investments	0%	10%	2.5%	1.6%
Bonds	35%	85%	38.2%	40.4%
			<u>100.0%</u>	<u>100.0%</u>

The table below presents the effect on operating results and equity of a material adverse change in the fair value of each of the categories of equities in the Fund's investments portfolio:

	31-Dec-21		31-Dec-20	
	(\$000s)		(\$000s)	
<b>Percentage decrease in fair value</b>	-10%	-20%	-10%	-20%
<b>Equities</b>				
Canadian	\$ (4,579)	\$ (9,159)	\$ (4,216)	\$ (8,432)
United States	(5,386)	(10,771)	(4,466)	(8,933)
International	(4,561)	(9,121)	(4,662)	(9,323)
Total impact on operating results and equity	<u>\$ (14,526)</u>	<u>\$ (29,051)</u>	<u>\$ (13,344)</u>	<u>\$ (26,688)</u>

**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.

**Interest rate risk**

Interest rate risk is the risk that the value 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.



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The table below presents the effects on operating results and equity of a 50 and 100 basis point ("bp")<sup>(1)</sup> adverse change in the nominal interest rate on the fair value of the bond portfolio.

	31-Dec-21 (\$000s)		31-Dec-20 (\$000s)	
	+50bp	+100bp	+50bp	+100bp
<b>Positive bp change in nominal interest rate</b>				
Bonds	\$ (3,376)	\$ (6,752)	\$ (3,355)	\$ (6,711)
Total impact on operating results and equity	\$ (3,376)	\$ (6,752)	\$ (3,355)	\$ (6,711)

(1) One basis point (bp) equals 1/100 of 1%, 50 bps = 50/100 of 1%, or 0.5%.

In the event the nominal interest rates decrease by 50 and 100 basis points, the impact will be equal and opposite to the above stated values.

The table below presents 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 <sup>(1)</sup>				31-Dec-21 (\$000s)	31-Dec-20 (\$000s)
	< 1 year	1 - 5 years	5 - 10 years	> 10 years	Total	Total
Bonds	\$ 1,671	\$ 41,629	\$ 21,320	\$ 28,896	\$ 93,516	\$ 93,002
Average effective yield	0.52%	1.43%	1.97%	2.39%	1.83%	1.22%

(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 risk that interest rate movements may materially impact the value of its benefits liability (note 13(e)).

**Currency risk**

Currency risk is the risk that the value 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, Japanese yen and Swiss franc.

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The Fund held foreign currency denominated holdings, at fair value, as follows:

<b>Currency</b>	<b>31-Dec-21</b> <b>(\$000s)</b>	<b>31-Dec-20</b> <b>(\$000s)</b>
US dollar	\$ 58,241	\$ 48,257
Euro	\$ 15,956	\$ 13,740
British pound	\$ 6,891	\$ 6,696
Japanese yen	\$ 6,382	\$ 6,434
Swiss franc	\$ 5,267	\$ 7,502

The sensitivity analysis below presents the effect on operating results and equity of a 10 per cent appreciation in the Canadian dollar as compared to the US dollar, Euro, British pound, Japanese yen and Swiss franc.

<b>Currency</b>	<b>31-Dec-21</b> <b>(\$000s)</b>	<b>31-Dec-20</b> <b>(\$000s)</b>
US dollar	\$ (5,295)	\$ (4,387)
Euro	\$ (1,451)	\$ (1,249)
British pound	\$ (626)	\$ (609)
Japanese yen	\$ (580)	\$ (585)
Swiss franc	\$ (479)	\$ (682)

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.

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7. Accounts Receivable

	31-Dec-21 (\$000s)	31-Dec-20 (\$000s)
<b>Assessments</b>		
Assessed and due from employers	\$ 3,127	\$ 2,703
Allowance for doubtful accounts	(156)	(135)
	<u>\$ 2,971</u>	<u>\$ 2,568</u>
<b>Other</b>		
Other receivables and recoveries	\$ 243	\$ 139
Allowance for doubtful accounts	(27)	(24)
	<u>216</u>	<u>115</u>
	<u>\$ 3,187</u>	<u>\$ 2,683</u>

Included in other receivables and recoveries are amounts due from related parties, which are disclosed in note 16.

**Reconciliation of allowance for doubtful accounts**

The allowance for doubtful accounts is a provision for potential credit losses and amounts are subsequently written off once reasonable collection efforts have been made. The allowance details are as follows:

	31-Dec-21 (\$000s)	31-Dec-20 (\$000s)
Balance, beginning of year	\$ 159	\$ 113
Accounts written off	(21)	(23)
Recoveries and other adjustments	(4)	(5)
Current year provision	49	74
Balance, end of year	<u>\$ 183</u>	<u>\$ 159</u>

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**8. Investments**

The Board of Directors has established an Investment Policy for the management of the investment process, utilizing external investment managers. The investment managers' compliance with this Investment Policy is monitored on a regular basis.

	31-Dec-21 (\$000s)	31-Dec-20 (\$000s)
	Fair Value	Fair Value
		Restated - note 5(a)
<b>Fixed-term securities</b>		
Federal bonds	\$ 34,300	\$ 23,809
Provincial bonds	22,806	25,259
Corporate bonds	36,410	43,934
	<u>93,516</u>	<u>93,002</u>
<b>Equities</b>		
Canadian	45,793	42,158
United States	53,856	44,664
International	45,606	46,616
	<u>145,255</u>	<u>133,438</u>
<b>Other investments</b>		
Short-term investments	5,701	3,089
Accrued interest receivable	493	512
	<u>6,194</u>	<u>3,601</u>
Investments, sub-total	244,965	230,041
Management fee accrual	(167)	(91)
Total investments	<u>\$ 244,798</u>	<u>\$ 229,950</u>

The total funds held by investment custodians is \$245,403 (2020 - \$230,366) which includes the investments above and cash on account of \$605 (2020 - \$416).

Net investment income for the year ended December 31 consisted of the following:

	2021 (\$000s)	2020 (\$000s)
Interest	\$ 2,463	\$ 2,587
Dividends	2,665	2,689
Realized gains in the year	14,876	5,475
Unrealized gain in fair value in the year	7,755	7,091
Investment management fees	(799)	(758)
	<u>\$ 26,960</u>	<u>\$ 17,084</u>

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**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 classification reflects public daily market or quote pricing in active markets.

Level 2 classification 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 classification is used when a security has no public pricing and poor to non-existent liquidity.

As at December 31, 2021, the Fund held the following financial instruments measured at fair value:

	Level 1 (\$000s)	Level 2 (\$000s)	Level 3 (\$000s)	Total (\$000s)
Other	\$ 326	\$ -	\$ -	\$ 326
Short-term investments	5,701	-	-	5,701
Bonds	19,264	74,252	-	93,516
Equities	65,754	-	-	65,754
Pooled funds	-	79,501	-	79,501
<b>Total investments</b>	<b>\$ 91,045</b>	<b>\$ 153,753</b>	<b>\$ -</b>	<b>\$ 244,798</b>

As at December 31, 2020, the Fund held the following financial instruments measured at fair value (Restated – note 5(a)):

	Level 1 (\$000s)	Level 2 (\$000s)	Level 3 (\$000s)	Total (\$000s)
Other	\$ 421	\$ -	\$ -	\$ 421
Short-term investments	3,089	-	-	3,089
Bonds	9,770	83,232	-	93,002
Equities	58,900	-	-	58,900
Pooled funds	-	74,538	-	74,538
<b>Total investments</b>	<b>\$ 72,180</b>	<b>\$ 157,770</b>	<b>\$ -</b>	<b>\$ 229,950</b>

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9. Property and Equipment

	Land (\$000s)	Buildings & Fixtures (\$000s)	Furniture & Equipment (\$000s)	Computer & Equipment (\$000s)	Assets under construction (\$000s)	Total (\$000s)
<b>Cost</b>						
At January 1, 2020	\$ 1,045	\$ 10,487	\$ 1,557	\$ 972	\$ 162	\$ 14,223
Additions	-	-	2	197	264	463
Disposals	-	-	(4)	(105)	-	(109)
Transfers	-	171	-	96	(267)	-
At December 31, 2020	\$ 1,045	\$ 10,658	\$ 1,555	\$ 1,160	\$ 159	\$ 14,577
<b>Depreciation</b>						
At January 1, 2020	\$ -	\$ 2,897	\$ 1,061	\$ 723	\$ -	\$ 4,681
Depreciation	-	240	123	132	-	495
Disposals	-	-	(4)	(105)	-	(109)
At December 31, 2020	\$ -	\$ 3,137	\$ 1,180	\$ 750	\$ -	\$ 5,067
<b>Net book value</b>						
At December 31, 2020	\$ 1,045	\$ 7,521	\$ 375	\$ 410	\$ 159	\$ 9,510
<b>Cost</b>						
At January 1, 2021	\$ 1,045	\$ 10,658	\$ 1,555	\$ 1,160	\$ 159	\$ 14,577
Additions	759	50	48	144	6	1,007
Disposals	-	-	(97)	(67)	-	(164)
Transfers	-	123	-	-	(123)	-
At December 31, 2021	\$ 1,804	\$ 10,831	\$ 1,506	\$ 1,237	\$ 42	\$ 15,420
<b>Depreciation</b>						
At January 1, 2021	\$ -	\$ 3,137	\$ 1,180	\$ 750	\$ -	\$ 5,067
Depreciation	-	265	106	139	-	510
Disposals	-	-	(82)	(67)	-	(149)
At December 31, 2021	\$ -	\$ 3,402	\$ 1,204	\$ 822	\$ -	\$ 5,428
<b>Net book value</b>						
At December 31, 2021	\$ 1,804	\$ 7,429	\$ 302	\$ 415	\$ 42	\$ 9,992

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10. Intangible Assets

	Internal Software Development Costs <sup>(1)</sup> (\$000s)	Software Systems Under Development (\$000s)	Software Costs (\$000s)	Total (\$000s)
<b>Cost</b>				
At January 1, 2020	\$ 9,548	\$ 617	\$ 1,108	\$ 11,273
Additions	585	660	-	1,245
Disposals	(1,417)	(17)	-	(1,434)
Transfers	1,153	(1,203)	50	-
At December 31, 2020	<b>\$ 9,869</b>	<b>\$ 57</b>	<b>\$ 1,158</b>	<b>\$ 11,084</b>
<b>Amortization</b>				
At January 1, 2020	\$ 7,297	\$ -	\$ 854	\$ 8,151
Amortization	699	-	80	779
Disposals	(1,136)	-	-	(1,136)
At December 31, 2020	<b>\$ 6,860</b>	<b>\$ -</b>	<b>\$ 934</b>	<b>\$ 7,794</b>
<b>Net book value</b>				
At December 31, 2020	<b>\$ 3,009</b>	<b>\$ 57</b>	<b>\$ 224</b>	<b>\$ 3,290</b>
<b>Cost</b>				
At January 1, 2021	\$ 9,869	\$ 57	\$ 1,158	\$ 11,084
Additions	247	254	112	613
Disposals	-	-	-	-
Transfers	-	(57)	57	-
At December 31, 2021	<b>\$ 10,116</b>	<b>\$ 254</b>	<b>\$ 1,327</b>	<b>\$ 11,697</b>
<b>Amortization</b>				
At January 1, 2021	\$ 6,860	\$ -	\$ 934	\$ 7,794
Amortization	725	-	111	836
Disposals	-	-	-	-
At December 31, 2021	<b>\$ 7,585</b>	<b>\$ -</b>	<b>\$ 1,045</b>	<b>\$ 8,630</b>
<b>Net book value</b>				
At December 31, 2021	<b>\$ 2,531</b>	<b>\$ 254</b>	<b>\$ 282</b>	<b>\$ 3,067</b>

<sup>(1)</sup> Included in internal software development costs is the claims management system which has a net book value of \$1,194,000 (2020 – \$1,458,000) and a remaining amortization period of 5 years.

System research and analysis costs expensed in 2021 were \$5,000 (2020 – \$18,000).

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**11. Accounts Payable and Accrued Liabilities**

	<u>31-Dec-21</u> ((\$000s))	<u>31-Dec-20</u> ((\$000s))
<b>Payable</b>		
Assessments refundable	\$ 2,147	\$ 2,776
Other payables and accrued liabilities	2,834	2,303
	<u>\$ 4,981</u>	<u>\$ 5,079</u>

Included in other payables and accrued liabilities are amounts due to related parties, which are disclosed in note 16.

**12. Government Grants**

In 2021, the Fund received \$330,000 for the Mine Safety Program Grant (2020 – \$330,000). This was accounted for as income in the period.

The deferred portion of the government grant as at December 31, 2021 was \$nil (2020 – \$36,000) and \$36,000 (2020 – \$36,000) was expensed and released into income during the year.

There are no unfulfilled conditions or contingencies attached to these grants.



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13. Benefits Liability

	2021 (\$000s)					
	Medical Aid	Compensation	Pension	Annuity	Occupational Disease Provision	Total
Balance, beginning of year	\$ 27,401	\$ 80,022	\$ 35,867	\$ 9,651	\$ 17,660	\$ 170,596
Add claims costs incurred:						
Current year injuries	6,103	10,881	1,927	-	-	18,911
Prior years' injuries	(827)	2,986	2,071	-	-	4,230
Latent occupational disease provision	-	-	-	-	3,663	3,663
	<u>5,276</u>	<u>13,867</u>	<u>3,998</u>		<u>3,663</u>	<u>26,804</u>
Less claims payments made:						
Current year injuries	2,731	1,549	-	-	-	4,280
Claims management	410	232	-	-	-	642
Prior years' injuries	2,484	6,664	2,345	79	-	11,572
Claims management	373	906	352	-	-	1,631
	<u>5,998</u>	<u>9,351</u>	<u>2,697</u>	<u>79</u>		<u>18,125</u>
Balance, end of year	\$ 26,679	\$ 84,538	\$ 37,163	\$ 9,572	\$ 21,323	\$ 179,275

	2020 (\$000s)					
	Medical Aid	Compensation	Pension	Annuity	Occupational Disease Provision	Total
Balance, beginning of year	\$ 27,260	\$ 73,372	\$ 34,310	\$ 9,147	\$ 16,570	\$ 160,659
Add claims costs incurred:						
Current year injuries	5,540	9,158	250	-	-	14,948
Prior years' injuries	779	6,908	4,110	(1)	-	11,796
Latent occupational disease provision	-	-	-	-	1,090	1,090
	<u>6,319</u>	<u>16,066</u>	<u>4,360</u>	<u>(1)</u>	<u>1,090</u>	<u>27,834</u>
Less claims payments made:						
Current year injuries	2,247	1,238	20	-	-	3,505
Claims management	337	186	3	-	-	526
Prior years' injuries	3,125	7,029	2,422	(505)	-	12,071
Claims management	469	963	363	-	-	1,795
	<u>6,178</u>	<u>9,416</u>	<u>2,808</u>	<u>(505)</u>		<u>17,897</u>
Balance, end of year	\$ 27,401	\$ 80,022	\$ 35,862	\$ 9,651	\$ 17,660	\$ 170,596

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The following is an actuarial reconciliation of the changes in the benefits liability during the years ended December 31:

	2021 (\$ 000s)	2020 (\$ 000s) <small>Restated - note 5(b)</small>
Balance, beginning of year	<u>\$ 170,596</u>	<u>\$ 160,659</u>
Add:		
Provision for current year's claims	13,989	10,918
Presumptive firefighter coverage expansion	3,159	-
Interest allocated	8,037	8,132
Experience (gain) loss	<u>(3,303)</u>	<u>4,754</u>
	<u>21,882</u>	<u>23,804</u>
Deduct:		
Payments for prior years' claims	13,203	13,867
Balance, end of year	<u>\$ 179,275</u>	<u>\$ 170,596</u>

**(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 provide data on the risks to which 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.

As indicated in note 1, the new Act, which received assent on December 2, 2021, becomes effective July 1, 2022. Benefits changes in the new Act will apply only to injuries incurred on or after that date; however, section 224 of the new Act amended specific sections of the current Act, including the expansion of cancers under the firefighter presumption clause and removal of the Canada Pension Plan offsets from loss of earnings awards. These changes to the current Act were effective immediately upon assent of the new Act. As such, these two changes have been incorporated into the benefits liability as at December 31, 2021 as noted in part (g).

**(c) Concentration of insurance risk**

The Fund's exposure to insurance risk is due to workplace injury caused through an event or disaster that occurred during the reporting period, and/or occupational diseases diagnosed during the reporting period. The Fund's benefits liability includes an amount estimated to cover any such occurrences. This figure is reviewed on an annual basis. The Fund's risk is concentrated by industry as some industries have higher claims experience costs than other industries and is mitigated by higher assessments being charged to industries with proven higher experience costs.

**(d) 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.

**(e) Interest rate risk**

The Fund is exposed to the risk that interest rate movements may materially impact the value of the benefits liability. The discount rate being applied to future claims payments in determining the valuation of the benefits liability is disclosed in part (g) of this note.

The exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets is set out in note 6.

**(f) Liquidity risk**

The Fund's exposure to liquidity risk is set out in note 6.

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.

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Expected timing of future payments for outstanding claims:

	2021	2020
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%
Total	100%	100%

(g) Actuarial assumptions and methods

The key actuarial assumptions used to value the benefits liability are as follows:

	31-Dec-21	31-Dec-20
Discount rate for medical aid benefits - net <sup>(1,3,4)</sup>	0.40%	0.40%
Discount rate for compensation benefits - net <sup>(2,3,4)</sup>	2.90%	2.90%
Discount rate for survivor and other pension benefits - net <sup>(2,4)</sup>	2.90%	2.90%

(1) Net of discount rate attributable to inflation of 4.75% (2020 – 4.75%).

(2) Net of discount rate attributable to inflation of 2.25% (2020 – 2.25%).

(3) The same discount rates are attributable to the applicable components of the occupational disease provision.

(4) The gross discount rate is 5.15% (2020 – 5.15%).

The benefits 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, without margins for adverse deviations, 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. By waiting until a clear trend has emerged, this reduces the likelihood of larger liability adjustments than warranted, both positive and negative, and unstable financial results.

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 Medical Aid liability represents the present value of expected future benefit payments for medical services in respect of all claims arising from injuries that occurred on or before December 31, 2021. Medical services include hospital and physician services, prescription drugs, travel expenses, and other eligible medical services under the Act.

The Short Term Compensation liability represents the present value of expected future short-term loss of earnings payments in the first seven years of a claim for injuries that occurred on or before December 31, 2021. The Short Term Compensation liability is included in the Compensation liability category for financial reporting purposes.

The Medical Aid and Short Term Compensation liabilities are calculated using the loss development method also known as the "claims run-off" approach. In this method, historical paid claims data are summarized by injury year and payment year in order to observe the relationships between payments at different durations for each injury year. Historical factors, at each duration, are developed from prior injury years and are applied to injury years that are not yet fully mature in order to estimate the future timing and amount of remaining benefit payments. A provision with respect to the 10 per cent annuity contribution required on loss of earnings benefits paid beyond 24 months is included in the Short Term Compensation liability.

The Long Term Compensation liability represents the present value of expected future long-term loss of earnings payments for injury years 2015 and prior, including future inflationary adjustments, for individuals still in receipt of a long-term loss of earnings award at December 31, 2021. The Long Term Compensation liability is calculated on a seriatim, or individual basis, using the discounted cash flow method. Loss of earnings benefits are indexed annually in the month following the anniversary of the date of when the injured worker's loss of earnings began. Mortality rates are used to determine the future life expectancy of individuals in receipt of a long-term loss of earnings award. A provision with respect to the 10 per cent annuity contribution required on loss of earnings benefits paid beyond 24 months is included in the Long Term Compensation liability. The Long Term Compensation is included in the Compensation liability for financial reporting purposes.

Effective December 2, 2021, one of the changes to the current Act, on assent of the new Act, was the removal of the deduction of 50% of the gross disability benefit received under the Canada Pension Plan when determining a worker's average pre-injury earnings level. This change impacted only a few claimants receiving Short Term or Long Term Compensation, and those who incurred this offset previously have had it removed and their loss of earnings award increased.

The Pension liability represents the present value of expected future pension payments, including future inflationary adjustments, to individuals who have been approved for a pension or survivor award at December 31, 2021. The Pension liability is calculated on a seriatim basis using the discounted cash flow method. Pension benefits are indexed annually on January 1st of each year. Mortality rates are used to determine the future life expectancy of individuals in receipt of a pension award.

The Future Long Term Compensation liability represents the present value of future long-term loss of earnings awards that have not yet reached long-term status as of December 31, 2021. These future awards are in respect of all claims arising from injuries which occurred on or before December 31, 2021. The estimated number and timing of these future awards has been developed based on the historical emergence of claims. In addition, the expected cost of each claim has been developed based on actual long-term awards approved prior to December 31, 2021. A provision with respect to the 10 per cent annuity contribution required on future loss of earnings benefits paid beyond 24 months following injury is included in the Future Long Term Compensation liability. The Future Long Term Compensation liability is included in the Compensation liability category for financial reporting purposes.

The Occupational Disease provision represents a portion of the present value of the expected future cost of claims that have not yet been filed but are expected to manifest themselves in the future as a result of cumulative exposure to a causative agent in the workplace (i.e. long latency cases). Only a portion of the total provision is held based on the accumulated exposure up to the valuation date relative to total exposure before an occupational disease manifests itself. Occupational diseases differ from 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 workers' compensation claim. Furthermore, while the circumstances of an injury usually make it clear whether it is work-related or not, the link between an occupational disease and the workplace may be difficult to establish. This provision also covers the firefighter presumptive clause which includes nine additional cancers as of December 2, 2021, the assent of the new Act and corresponding changes to the current Act.

The discount rate 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, 2021 is 15% (December 31, 2020 - 15%) and is applied to all liability components with the exception of the Annuity liability.

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 future benefit payments.



The significant changes in the benefits liability for experience gains or losses as at December 31 were:

	Increase (decrease) in benefits liability	
	2021 (\$000s)	2020 (\$000s)
		Restated - note 5(b)
Change in runoff factors	\$ (585)	\$ (616)
Update of inflation	1,035	(607)
Other changes in actuarial assumptions	290	4,854
	<u>\$ 740</u>	<u>\$ 3,631</u>
Favourable claims experience during year	(3,391)	
	<u>\$ (2,651)</u>	<u>\$ 3,631</u>
Actual versus expected claims paid on prior years' injuries	(652)	1,123
	<u>\$ (3,303)</u>	<u>\$ 4,754</u>

#### (h) Liability sensitivity

The most significant assumption in the determination of the benefits 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 benefits liability resulting in an increase in claims expense and benefits liability. An increase in the discount rate would decrease the actuarial present value, resulting in a decrease in claims expense and benefits liability.

Medical benefits represent approximately 15% (2020 – 16%) of the benefits 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 claims expense and the benefits liability as follows:

Percentage change in assumed rates	31-Dec-21 (\$000s)		31-Dec-20 (\$000s)	
	+1%	-1%	+1%	-1%
Increase (decrease) from change in net discount rate	\$ (14,973)	\$ 17,761	\$ (14,289)	\$ 16,927
Increase (decrease) from change in excess medical inflation rate	\$ 4,018	\$ (2,598)	\$ 4,139	\$ (2,617)

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(i) Claims development

The following table shows the development of claims cost estimates for the nine most recent injury years:

Estimate of Ultimate Claim	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Payments (\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)
At end of accident year	24,197	24,513	24,789	19,067	18,609	21,347	25,921	21,877	21,239	29,116	
One year later	25,187	20,973	25,327	14,126	25,298	21,507	26,159	23,627	20,864		
Two years later	22,366	20,821	25,644	20,206	25,963	21,393	26,454	24,671			
Three years later	22,418	20,327	25,866	17,997	25,336	21,396	27,147				
Four years later	22,386	20,675	24,726	17,224	25,446	21,578					
Five years later	23,706	18,187	20,928	16,992	26,207						
Six years later	20,158	16,250	32,213	18,297							
Seven years later	19,655	15,850	30,124								
Eight years later	19,315	16,007									
Nine years later	18,282										
<b>Cumulative Payments</b>											
At end of accident year	4,433	3,438	3,757	3,801	3,879	4,129	4,094	3,821	3,319	4,226	
One year later	7,404	5,113	6,590	6,081	6,673	6,654	6,657	6,323	5,256		
Two years later	8,277	3,910	7,890	6,775	7,856	7,717	7,959	7,614			
Three years later	8,991	6,394	9,018	7,725	8,473	8,332	8,644				
Four years later	9,540	6,719	9,870	7,590	9,340	8,843					
Five years later	10,073	6,840	10,623	7,889	9,971						
Six years later	10,359	7,055	11,171	8,205							
Seven years later	10,685	7,246	11,708								
Eight years later	10,962	7,443									
Nine years later	11,207										
<b>Estimate of Future Payments</b>											
	7,075	8,565	18,616	10,044	16,235	12,734	18,503	17,667	14,979	24,892	148,748
2011 and prior claims											107,804
Effect of Discounting											(116,888)
Effect of Admin Expenses											18,488
Occupational Disease											21,323
Balance Sheet Liability											\$ 179,275

During the year ended December 31, 2021, 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 benefits liability.



**14. Employee Benefits**

	<b>31-Dec-21</b> <b>(\$000s)</b>	<b>31-Dec-20</b> <b>(\$000s)</b>
Short-term employee benefits	\$ 798	\$ 725
Other long-term employee benefits (a)	1,200	1,221
Post-employment benefits (b)	1,929	2,010
	<u>\$ 3,927</u>	<u>\$ 3,956</u>

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.

The balance in the liability accrual for accumulating sick and special leave benefits and long service vacation for the year was:

	<b>31-Dec-21</b> <b>(\$000s)</b>	<b>31-Dec-20</b> <b>(\$000s)</b>
Long service vacation benefits	\$ 50	\$ 62
Accumulating sick and special leave benefits	1,150	1,159
Total	<u>\$ 1,200</u>	<u>\$ 1,221</u>

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The movement in the accrual for other long-term benefits for the year was:

	2021 (\$000s)	2020 (\$000s)
Benefits, beginning of the year	\$ 1,221	\$ 1,081
Current service cost	100	85
Payments made during the year	(71)	(72)
Interest cost	23	29
Other changes	(71)	31
Actuarial (gain) loss	(2)	67
Benefits, end of the year	<u>\$ 1,200</u>	<u>\$ 1,221</u>

Actuarial (gain) loss remeasurements:

	2021 (\$000s)	2020 (\$000s)
Effect of changes in financial assumptions	\$ (56)	\$ 67
Effect of changes in demographic assumptions	54	-
Remeasurements (gain) loss in surplus or deficit	<u>\$ (2)</u>	<u>\$ 67</u>

**(b) Post-employment Benefits**

**(i) Retirement and Severance Benefit**

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.

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The movement in the accrual for retirement and severance benefits for the year was:

	2021 (\$000s)	2020 (\$000s)
Benefits, beginning of the year	\$ 2,010	\$ 1,743
Current service cost	108	93
Payments made during the year	(230)	-
Interest cost	38	51
Other changes	94	6
Actuarial (gain) loss	(91)	117
Benefits, end of the year	<u>\$ 1,929</u>	<u>\$ 2,010</u>

Actuarial (gain) loss remeasurements:

	2021 (\$000s)	2020 (\$000s)
Effect of changes in financial assumptions	\$ (91)	\$ 117
Remeasurements (gain) loss in OCI	<u>\$ (91)</u>	<u>\$ 117</u>

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 2.60% (2020 – 1.90%) 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 is 2.0% for 2022 and beyond (2020 – 1.75% for 2021 and 2.0% for 2022 onwards) based on management's best estimate.

The expected Fund contributions for retirement and severance for the next year are \$461,000 (2020 – \$437,000). The weighted average duration of the retirement and severance benefit is 6.6 years (2020 – 7.0 years).

**(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 as follows:

Percentage change in assumed rates	31-Dec-21 ((\$000s))		31-Dec-20 ((\$000s))	
	+1%	-1%	+1%	-1%
Discount rate	\$ (116)	\$ 132	\$ (130)	\$ 147
Wage inflation rate	\$ 132	\$ (118)	\$ 145	\$ (131)

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.

The employer contribution rates effective for the year were as follows:

Contribution rate for the year	2021		2020	
	Up to Maximum	Above Maximum	Up to Maximum	Above Maximum
For employees eligible before January 1, 2013	1.01	3.59	1.01	3.80
For employees eligible after January 1, 2013	1.00	3.59	1.00	3.80
Maximum salary limit	\$ 181,600	No limit	\$ 173,000	No limit

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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 Public Service Pension Plan by the Fund and the employees for the year were as follows:

	2021 (\$000s)	2020 (\$000s)
Employees' contributions	\$ 849	\$ 791
Fund contributions	\$ 853	\$ 800

The expected contributions to the Plan for the next year are \$734,000 (2021 – \$764,000) employee contributions and \$780,000 (2021 – \$785,000) Fund contributions.

### (c) Benefit expense

Benefit expense recognized in salaries and benefits within administration expenses in the Statement of Operations and Comprehensive Income for other long-term employee benefits and post-employment benefits was \$1,143,000 in 2021 (2020 – \$1,162,000).

## 15. Capital Management, Surplus Distributions and Reserves

### (a) Capital management

The *Workers' 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 assessment revenues, combined with investment returns from the Fund's assets, are designed to provide the foundation for the Fund to meet all current and future obligations for injured workers.

The Board of Directors considers that capital is the net difference between assets and liabilities. There have been no changes in the objectives and definition of capital from the previous period. The Fund does not have any external capital requirements. The reserves are established to protect the fully funded position of the Fund and to stabilize the effect of fluctuations in the employer assessment rates and investment returns. At the end of the fiscal year, once the benefits liability is determined, the net difference between the Fund's assets and liabilities is allocated to reserves.

The Board of Directors uses the Funding Ratio (Assets/Liabilities) to manage capital. At December 31, 2021, the Funding Ratio was 143% (2020 – 132%). Management’s funding target ratio is between 121% and 129%, which ensures that the Fund remains fully funded plus sustains the Adverse Events and Stabilization Reserves’ target funding levels. 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.

**(b) Surplus Distributions**

In 2021, no surplus distribution was approved. In 2020, in order to bring the funding ratio closer to target, the Board of Directors approved a surplus distribution of \$10,220,000 which was paid in 2021 to eligible employers. Distributions paid are conditional upon employers being compliant with the *Workers’ Compensation Act* and *Occupational Health and Safety Act*. In 2021 and 2020, no recoveries occurred related to previously approved surplus distributions.

Reconciliation of surplus distributions payable:

	31-Dec-21 (\$000s)	31-Dec-20 (\$000s)
Surplus distributions payable, beginning of year	\$ 10,220	\$ -
Amounts paid for prior year surplus distributions	(10,166)	-
Prior year surplus distribution adjustments	(32)	-
Current year surplus distributions approved	-	10,220
Surplus distributions payable, end of year	<u>\$ 22</u>	<u>\$ 10,220</u>

**(c) Reserves**

Under the current Funding Policy, two reserves are established as follows:

(i) Stabilization Reserve

The Stabilization Reserve is to protect the fully funded position of the Fund and to stabilize the effect of fluctuations on employer assessment rates. The target level for this reserve is equal to 10 per cent of the benefits liability. In 2021, the benefits liability was \$179,275,000 (2020 – \$170,596,000; restated – note 5(b)). The target was \$17,927,000 as at December 31, 2021 (2020 – \$17,060,000; restated – note 5(b)). The operating range for this reserve is determined as the target-level balance plus or minus three and a half per cent of the benefits liability. At December 31, 2021, the Stabilization Reserve had a balance of \$53,037,000 (2020 – \$34,778,000; restated – note 5(b)).

This reserve is considered to have a surplus when its balance exceeds the top of the operating range and a deficit if the reserve balance is below its target level. The funding policy requires that any deficiency or surplus at the end of a fiscal year be amortized over a period not exceeding 10 years from the year in which the deficiency or surplus arose.



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A rebate in 2021 was included in the assessment rates as required by the Funding Policy based on the 2020 funded position.

### (ii) Adverse Events Reserve

The Adverse Events Reserve is to provide funding for infrequent, unexpected adverse claims experience and catastrophic events to protect employers from the sudden impact of the costs of these types of events. In addition, latent occupational disease costs may be charged to this reserve. No such charges occurred in 2021 and 2020.

In 2021, the target level for this reserve was \$27,120,000 (2020 – \$26,134,000; restated - note 5(b)), which has been set at 100 times the maximum wage rate plus 10 per cent of the benefits liability and is calculated annually upon completion of the actuarial valuation of the benefits liability. This reserve is limited to its target level, and transfers cannot be made from this reserve to any other temporary fund or reserve if the transfer will reduce this reserve below its target level. Funds in excess of the target level are transferred to the Stabilization Reserve, with \$nil funds transferred in 2021 and 2020.

At December 31, 2021, the Adverse Events Reserve had a balance of \$27,120,000 (2020 – \$26,134,000; restated – note 5(b)).

## 16. 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. 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.

Included in the Fund's accounts receivable and accounts payable as of December 31, 2021 are amounts owing to and from the Government and its related entities as follows:

	31-Dec-21 (\$000s)	31-Dec-20 (\$000s)
Due to the Government and its related entities	\$ (2,278)	\$ (1,354)
Due from the Government and its related entities	744	674
Net amount due	<u>\$ (1,534)</u>	<u>\$ (680)</u>

During 2021, the Compensation Fund paid the Government and its related entities \$358,000 (2020 – \$225,000) for computer, office supplies, payroll processing, recruitment and training. The Fund also reimbursed the Government for payroll costs of \$10,938,000 (2020 – \$10,584,000).

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Revenues and recoveries from the Government and its related entities for the year ended December 31, 2021, totalled \$10,205,000 (2020 – \$8,318,000), including assessment premiums of \$9,270,000 (2020 – \$7,492,000), the Mine Safety Program Grant \$330,000 (2020 – \$330,000) (note 12), and reimbursements for claims costs received from the Government of \$326,000 (2020 – \$348,000) (note 4(b)).

In 2021, the Board accrued \$nil (2020 – \$2,485,000) in surplus distributions to the Government.

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 shall be paid out of the Compensation Fund. In 2021, the Fund reimbursed the Government \$330,000 (2020 – \$348,000) for the Workers' Advocate Office expenses.

**(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 during the period was:

	2021 (\$000s)	2020 (\$000s)
Short-term employee compensation and benefits	\$ 1,452	\$ 1,262
Other long-term employee benefits	2	29
Post employment benefits	179	199
Total remuneration	<u>\$ 1,633</u>	<u>\$ 1,490</u>

Contributions made to the Public Service Pension Plan by the Fund for key management personnel in 2021 were \$132,000 (2020 – \$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.



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**17. Commitments**

As of December 31, 2021, the Fund had entered into the following contractual commitments for the next five years:

	Contribution agreements (\$000s)	Computer systems support (\$000s)	Professional services (\$000s)	Building maintenance (\$000s)	Other (\$000s)	Total (\$000s)
2022	\$ 708	\$ 45	\$ 771	\$ 61	\$ 33	\$ 1,618
2023	-	46	386	55	44	531
2024	-	-	57	39	44	140
2025	-	-	-	-	12	12
2026	-	-	-	-	-	-
	<u>\$ 708</u>	<u>\$ 91</u>	<u>\$ 1,214</u>	<u>\$ 155</u>	<u>\$ 133</u>	<u>\$ 2,301</u>

**18. Administration Expenses**

	2021 (\$000s)	2020 (\$000s)
Salaries and benefits	\$ 10,456	\$ 10,491
Consulting and professional	1,295	1,683
Amortization - intangible assets	836	779
Computer systems support and licences	815	699
Depreciation - property and equipment	510	495
Building maintenance	460	398
Statutory funding obligations	446	463
General administration	329	611
Communications	225	239
Automobile and travel	88	83
Board expenses	81	99
Staffing and recruitment	73	116
Printing and publications	70	40
Supplies and stationery	38	55
System development analysis expense	5	18
Furniture and equipment	4	8
	<u>\$ 15,731</u>	<u>\$ 16,277</u>
Less: claims administration expense transferred to claims expenses (note 13)	<u>(2,273)</u>	<u>(2,321)</u>
	<u>\$ 13,458</u>	<u>\$ 13,956</u>

#### 19. 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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