

YUKON UNIVERSITY

Consolidated Financial Statements

Year Ended March 31, 2026

YUKON UNIVERSITY
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Year Ended March 31, 2026

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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Yukon University are the responsibility of management and have been approved by the Board of Governors.

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards for government not-for-profit organizations. The consolidated financial statements include some amounts that are necessarily based on management's best estimates and judgment. Management has determined such amounts on a reasonable basis.

Management maintains a system of internal accounting and administrative controls designed to provide reasonable assurance as to the reliability of financial information and the safeguarding of assets.

The Board of Governors (the Board) is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board meets on a periodic basis with management and the external auditor to review the scope and results of the annual audit, and to review the consolidated financial statements and related financial reporting matters. The Board of Governors has reviewed and approved the consolidated financial statements.

These consolidated financial statements have been independently audited by the Auditor General of Canada, and her report is included with these consolidated financial statements.



Dr. Shelagh Rowles
Interim President



Andrea McIntyre, CPA, CA
Vice President Finance and Administration

September 25, 2026



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of Yukon University

Opinion

We have audited the consolidated financial statements of Yukon University and its controlled entity (the Group), which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of operations, consolidated statement of changes in net assets, consolidated statement of remeasurement gains and losses and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

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

we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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



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

Vancouver, Canada
25 September 2026

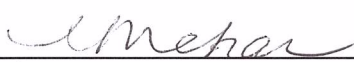
YUKON UNIVERSITY
Consolidated Statement of Financial Position
As at March 31

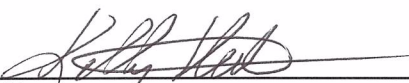
	Notes	2026	2025
ASSETS			
CURRENT			
Cash		\$ 32,762,191	\$ 37,149,798
Accounts receivable	3	8,317,386	3,320,511
Inventories		73,122	161,995
Prepaid expenses		1,384,183	861,434
Total Current Assets		<u>42,536,882</u>	<u>41,493,738</u>
NON-CURRENT			
Investments	5	6,926,318	7,406,608
Accrued pension benefit asset	6a	38,509,600	37,914,800
Capital assets	7	28,932,618	12,236,078
Total Non-current Assets		<u>74,368,536</u>	<u>57,557,486</u>
TOTAL ASSETS		\$ 116,905,418	\$ 99,051,224
LIABILITIES AND NET ASSETS			
CURRENT			
Accounts payable and accrued liabilities	8, 21	\$ 5,989,777	\$ 3,205,549
Accrued payroll and benefits	21	4,210,072	1,686,826
Deferred revenue	9	321,893	505,487
Deferred contributions	10	13,817,833	11,039,234
Vacation leave and employee future benefits	11	2,523,820	2,564,404
Total Current Liabilities		<u>26,863,395</u>	<u>19,001,500</u>
NON-CURRENT			
Deferred capital contributions	12	31,634,677	24,275,249
Other employee future benefits	6b	8,362,400	7,947,510
Total Non-current Liabilities		<u>39,997,077</u>	<u>32,222,759</u>
		<u>66,860,472</u>	<u>51,224,259</u>
NET ASSETS			
Unrestricted		8,290	(506,308)
Invested in capital assets		3,072,031	3,505,429
Externally restricted for endowments	13	5,784,101	5,694,008
Internally restricted for pension		38,509,600	37,914,800
Internally restricted for capital assets		3,207,272	1,883,555
		<u>50,581,294</u>	<u>48,491,484</u>
Accumulated remeasurement losses		(536,348)	(664,519)
		<u>50,044,946</u>	<u>47,826,965</u>
TOTAL LIABILITIES AND NET ASSETS		\$ 116,905,418	\$ 99,051,224

Contractual rights, Contractual obligations and Contingencies (Notes 18, 19, 20)

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

ON BEHALF OF THE BOARD


Chair


Member

YUKON UNIVERSITY
Consolidated Statement of Operations
For the year ended March 31

	Notes	2026	2025
REVENUES			
Government of Yukon contributions	15	\$ 44,272,394	\$ 40,580,695
Other contributions	10	13,515,433	11,754,997
Contracts	9	3,347,798	2,970,943
Tuition	9	3,705,877	3,436,694
Sales, rental and fees	16, 21	1,774,388	2,045,483
Interest income		943,228	1,086,130
Amortization of deferred capital contributions	12	650,725	495,284
Miscellaneous income	21	641,762	311,352
Fundraising and donations revenue		392,959	233,412
		<u>69,244,564</u>	<u>62,914,990</u>
EXPENSES			
	14		
Direct instruction		\$ 21,158,634	\$ 16,651,406
Direct instructional support		13,123,299	10,176,160
General administration		12,312,197	11,279,783
Research		8,825,902	8,466,673
Service received without charge	10	6,020,450	5,623,326
Facility services and utilities		2,613,153	2,881,066
Amortization of capital assets	7	1,474,967	1,553,661
Cost of sales		1,392,552	1,341,490
Student assistance/scholarships		238,016	155,109
Miscellaneous		85,677	68,587
		<u>67,244,847</u>	<u>58,197,261</u>
EXCESS OF REVENUES OVER EXPENSES		<u>\$ 1,999,717</u>	<u>\$ 4,717,729</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

	Unrestricted	Invested in Capital Assets	Externally Restricted for Endowments	Internally Restricted for Pension	Internally Restricted for Capital Investments	Accumulated Remeasurement (Losses) Gains	2026	2025
NET ASSETS - BEGINNING OF YEAR	\$ (506,308)	\$ 3,505,429	\$ 5,694,008	\$ 37,914,800	\$ 1,883,555	\$ (664,519)	\$ 47,826,965	\$ 43,046,959
Excess of revenues over expenses	1,348,392	-	-	594,800	56,525	-	1,999,717	4,717,729
Capital assets acquired net of disposals	(18,171,507)	18,171,507	-	-	-	-	-	-
Deferred capital contributions invested in capital assets	17,780,663	(17,780,663)	-	-	-	-	-	-
Amortization of capital assets	1,474,967	(1,474,967)	-	-	-	-	-	-
Amortization of deferred capital contributions	(650,725)	650,725	-	-	-	-	-	-
Transfer to internally restricted for capital	(1,267,192)	-	-	-	1,267,192	-	-	-
Transfer (to)/from deferred contributions	-	-	70,369	-	-	-	70,369	-
Remeasurement gains/(losses)	-	-	-	-	-	128,171	128,171	(514,386)
Endowment contributions - net of disbursement	-	-	(141,995)	-	-	-	(141,995)	15,089
Net investment income	-	-	161,719	-	-	-	161,719	561,574
NET ASSETS - END OF YEAR	\$ <u>8,290</u>	\$ <u>3,072,031</u>	\$ <u>5,784,101</u>	\$ <u>38,509,600</u>	\$ <u>3,207,272</u>	\$ <u>(536,348)</u>	\$ <u>50,044,946</u>	\$ <u>47,826,965</u>

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

YUKON UNIVERSITY
Consolidated Statement of Remeasurement Gains and Losses
For the year ended March 31

	2026	2025
Accumulated remeasurement losses, beginning of year	\$ (664,519)	\$ (150,133)
Unrealized gains/(losses) attributable to: Investments	128,171	(514,386)
Accumulated remeasurement losses, end of year	<u>\$ (536,348)</u>	<u>\$ (664,519)</u>

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

YUKON UNIVERSITY
Consolidated Statement of Cash Flows
For the year ended March 31

	2026	2025
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 1,999,717	\$ 4,717,729
Amortization of capital assets	1,474,967	1,553,661
Amortization of deferred capital contributions	(650,725)	(495,284)
Loss on disposal of capital assets	93,635	-
(Increase)/decrease in accounts receivable	(4,996,875)	2,030,333
Increase/(decrease) in accounts payable	3,110,102	(1,405,078)
Increase/(decrease) in accrued payroll and benefits	2,523,246	(801,895)
Decrease in deferred revenue	(183,594)	(254,470)
Increase in deferred contributions	2,848,968	913,691
Decrease in inventories	88,873	27,718
(Increase)/decrease in prepaid expenses	(522,749)	67,937
Decrease in vacation leave and employee future benefits	(40,584)	(913,148)
Increase in accrued pension benefit asset	(594,800)	(4,011,900)
Increase in non-current other employee future benefits	414,890	1,101,000
Cash provided by operating activities	<u>5,565,071</u>	<u>2,530,294</u>
INVESTING ACTIVITIES		
Decrease/(Increase) in investments	<u>608,461</u>	<u>(1,094,834)</u>
Cash provided by/(used for) investing activities	<u>608,461</u>	<u>(1,094,834)</u>
CAPITAL ACTIVITIES		
Capital assets acquired	<u>(18,591,016)</u>	<u>(1,971,010)</u>
Cash used for capital activities	<u>(18,591,016)</u>	<u>(1,971,010)</u>
FINANCING ACTIVITIES		
Net investment income from endowments	161,719	561,574
Repayment of loan payable	-	(966,431)
Endowment (disbursements)/contributions	(141,995)	15,089
Receipt of deferred capital contributions	<u>8,010,153</u>	<u>17,029,332</u>
Cash provided by financing activities	<u>8,029,877</u>	<u>16,639,564</u>
(DECREASE)/INCREASE IN CASH	(4,387,607)	16,104,014
Cash - beginning of year	<u>37,149,798</u>	<u>21,045,784</u>
CASH - END OF YEAR	\$ 32,762,191	\$ 37,149,798
Interest received	\$ 943,228	\$ 1,086,130
Interest paid	\$ 1,308	\$ 963

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

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2026

1. PURPOSE

a) Yukon University (the University) is a post-secondary educational institution under the *Yukon University Act*. The University is a not-for-profit organization and is a registered charity under the *Income Tax Act* and is therefore exempt from tax. The purpose of the University is to offer a balance of educational programs. Programs include baccalaureate, masters and doctoral degree programs, certificate, and diploma programs, and continuing and adult basic education. The University also undertakes and maintains research, scholarly activities and other learning and training activities for these purposes. It is expected that the ongoing operations of the University will depend on continued financial support from the Government of Yukon.

b) The Yukon University Foundation (the Foundation) is incorporated as a not-for-profit organization under the *Canada Not-For-Profit Corporations Act*. The Foundation is a registered charity under the *Income Tax Act* and is therefore exempt from tax. The Foundation was established:

- to fund, facilitate, promote, and carry out activities which are consistent with the objectives of the University and to provide support for its educational facilities, educational programs, and education services;
- to fund the provision of bursaries, scholarships and prizes granted by the University for any purpose for students in attendance at facilities owned and/or operated by the University;
- to receive bequests, legacies, donations, gifts, funds, and property from all sources and to hold and invest such funds and property and to administer and distribute such funds and property for the purposes of the Foundation; and
- to do all such other things as are incidental and ancillary to the attainment of the foregoing purposes and the exercise of the power of the Foundation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The University has elected to apply the Section 4200 series for government-not-for-profit organizations.

Basis of consolidation

The consolidated financial statements include the accounts of the University and its controlled entity, the Foundation. All inter-entity transactions and balances have been eliminated on consolidation.

The University controls the Foundation as it has the ability to appoint the Board of Governors of the University as the majority of the members of the Board of Directors of the Foundation. The President is an ex-officio member of the Board of Directors of the Foundation and a non-voting member of the Board of Governors of the University. The Foundation operates out of the University's main campus building with the assistance of University employees in the advancement office.

Trusts administered by the University on behalf of others are excluded from these consolidated financial statements.

Financial instruments

The financial instruments of the University include cash, accounts receivable, investments, accounts payable and accrued liabilities and accrued payroll and benefits.

All of the University's financial instruments are assigned to the cost or amortized cost measurement category, except for investments which are assigned to the fair value measurement category.

Fair value classification

Investments includes equity and debt instruments that are quoted in an active market. They are initially recognized at fair value and subsequently carried at fair value. Unrealized changes in fair value are recognized in the Consolidated Statement of Remeasurement Gains and Losses until they are realized. Realized changes in fair value of investments are recorded as deferred contributions, where they remain deferred until the restriction on use is fulfilled, and at that time the amount is transferred to the Consolidated Statement of Operations. Transaction costs are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the Consolidated Statement of Operations.

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2026

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value classification (continued)

The University classifies, for financial reporting purposes, fair value measurements using a fair value hierarchy made up of three levels, according to the inputs used in making the measurements.

Level 1: This level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in an active market that the University can access at the measurement date.

Level 2: This category includes measurements that use, either directly or indirectly, observable inputs other than quoted prices included in level 1.

Level 3: The measurements in this category depend upon inputs that are not based on observable market data.

Amortized cost classification

These financial instruments are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. Transaction costs are added to the cost of the instrument.

Writedowns are recognized when the amount of the loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are written down to net recoverable value with the writedown recognized in the Consolidated Statement of Operations. Accounts receivable are recorded at cost less valuation allowances. Valuation allowances are calculated by examining amounts overdue 90 days or more and/or accounts where there is no longer reasonable assurance of timely collection to estimate amounts deemed to be uncollectible.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the time of contribution.

When conditions indicate that an asset no longer contributes to the University's ability to provide its services, the carrying value of the capital asset is reduced to reflect the decline in the asset's value.

Work in progress costs are capitalized as incurred. These amounts are transferred to various categories of capital assets and are amortized on a basis consistent with similar assets once the assets are placed in service.

Capital assets are amortized on a straight-line basis over their estimated useful lives, which are estimated as follows:

	Useful life (years)
Leasehold improvements	20
Equipment, general	5-10
Equipment, electronic data processing (EDP)	3-5
Mobile trailers	5-20
Furniture and fixtures	10
Vehicles	5

Works of art are capitalized at cost and no amortization is recorded.

Asset retirement obligations

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

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

The estimate of the asset retirement obligation includes costs directly attributable to the asset retirement activities and is recorded as a liability and increase to the related tangible capital assets. As at March 31, 2026, the University determined that there were no significant asset retirement obligations associated with its tangible capital assets.

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2026

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Inventories

Inventories consist of items for resale in the bookstore and food service operations and are valued at the lower of cost and net realizable value. Cost is determined on a first-in first-out basis.

Contributed services

The University benefits from services provided by volunteers in assisting the institution in carrying out its activities. The fair value of these services is not reliably estimable and accordingly is not recognized in the consolidated financial statements.

Employee future benefits

Pension benefits

Yukon University Employees' Pension Plan (the pension plan) is a contributory defined benefit pension plan. The pension plan provides mandatory pension benefits for all full-time employees and optional benefits for part-time employees of the University after 24 months of continuous service. The University's pension plan provides for defined retirement benefits based on an employee's years of service and average final earnings, in accordance with the federal *Pension Benefits Standards Act*, and is indexed in accordance with the change in Consumer Price Index for 12 months ending September 30th. In general, pension benefits are based on 2% of the best five years of continuous service minus any adjustments required by the Canada Pension Plan. Plan members can accumulate up to 35 years of continuous service. The University has contracted with external organizations to provide the services of trustee, administration, consulting, and investment management for the pension plan. Separate financial statements are prepared for the pension plan.

The University accrues for its pension benefit asset under the pension plan, net of related costs and pension obligations.

The cost of pension benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of expected plan investment performance, inflation rates, salary escalation, and retirement ages of employees.

Past service costs from plan amendments are accounted for in the period of the plan amendments.

Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the related employee group.

Other non-pension benefits

The cost of the benefit plan, other than pension, including severance benefits, non-vesting but accumulating sick leave and special leave and managers' accrued leave, payable upon termination of employment, death or retirement, is actuarially determined using the projected accrued benefit method prorated on employment services using management's best estimate of inflation rates, salary escalation, and retirement ages of employees, and is recognized over the period in which the benefits are earned (i.e. the period the employee renders service to the University). Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the related employee group. The University accrues other vacation and leave benefits for employees as earned based on their respective terms of

Revenue recognition

The University follows the deferral method of accounting for contributions. Restricted contributions are deferred and recognized as revenue on the same basis and in the same periods as expenses under the terms of the restrictions. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Unrestricted contributions, such as operating grants, are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recorded as direct increases in net assets. Investment income earned on restricted endowments which is required to remain in the endowment is added to the endowment principal. Investment income earned on restricted endowment contributions that is not required to remain in the endowment is deferred until a specified expense is incurred.

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2026

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Revenue recognition (*continued*)

Tuition and Contracts related to program delivery represent revenues for programs offered by the University and are considered revenue arising from exchange transactions with performance obligations. Such transactions are recognized as revenue over time when or as the University fulfils its performance obligation(s) by delivering the programs. If the performance obligation is outstanding at year end, the remaining revenue is deferred.

Sales, rental and fees represent revenues such as campus store sales, cafeteria sales, housing rentals, general student fees, and computer lab usage fees. Sales revenues are considered exchange transactions and are recognized as revenue when or as the University fulfils its performance obligation(s) and transfers control of the promised goods or services to the payor. Housing rentals are considered revenue arising from exchange transactions and are recognized as revenue over the duration of the housing rental agreement. Fees are nonexchange transactions without a performance obligation and are recognized when the University has the authority to claim or retain the revenue.

Allocation of expenses

The University allocates the majority of its expenses by function. General administration expenses are not allocated to other functions but are disclosed separately. Fundraising expenses incurred during the year are included in general administration expenses.

Internally restricted net assets

Net assets invested in capital assets represents the amount the University has spent on capital assets using its own funding sources. Net assets internally restricted for pension represents the amounts restricted in order to meet future pension obligations. Net assets internally restricted for capital assets represents the amounts restricted in order to invest in capital assets (replacement and purchase of new assets).

Related party transactions

The University is related to all Government of Yukon departments, corporations, agencies, and the University's key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the University. Significant transactions with related parties and balances at year-end are disclosed separately in the consolidated financial statements and notes thereto.

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions are recorded on a gross basis and are measured at the carrying amount, except for when inter-entity transactions are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length, or where costs provided are recovered, they are measured at the exchange amount.

Related party transactions other than inter-entity transactions are recorded at the exchange amount.

The University receives certain services provided by the Government of Yukon without charge. The majority of the services received without charge represent costs associated with facilities provided by the Government of Yukon at a reduced, or no, charge. These services are recognized as expenses with an offsetting credit to revenues in order to reflect the full cost of the University's operations in its consolidated financial statements. These services are recorded at amounts based on the Government of Yukon's amortization expense (for the main campus), and on fair value for the rental of other facilities.

Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards applicable for government not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses for the year. Significant areas requiring the use of management estimates relate to the determination of the accrued pension benefit asset and the liabilities for other employee future benefits, and the estimated useful lives of capital assets. Actual results could differ significantly from those estimated. Estimates are reviewed annually and as adjustments become necessary, they are recorded in the consolidated financial statements in the period in which they become known.

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2026

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Contingent liabilities

Contingent liabilities may arise from time to time in the normal course of operations. Liabilities on any litigation are recognized in the consolidated financial statements when it is likely that a future event will confirm that a liability has been incurred at the date of the consolidated financial statements and the amount can be reasonably estimated. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingent liability is disclosed in the notes to the consolidated financial statements and no liability is accrued.

3. FINANCIAL RISK MANAGEMENT

The University's financial instruments are exposed to the following risks: interest rate risk, currency risk, credit risk, liquidity risk and other price risk. The University manages these risk exposures on an ongoing basis. The University is not party to any financial derivatives.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The University is not exposed to any significant interest rate or fair value risk because its fixed interest rate financial instruments are not considered significant. Investments are monitored by the Board of Governors and managed by investment managers, subject to asset mix and performance benchmarks contained in the investment policies. The investment managers report on a regular basis to the Board of Governors.

Currency risk

Currency risk is the risk that the fair value or future cash flows of financial assets and liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates. The University is not exposed to any significant currency risk because instruments held in foreign currency are not considered significant.

Credit risk

Credit risk arises from the possibility that the issuer of a financial instrument fails to meet its obligation. The carrying amount of cash, accounts receivable, and the portion of investments related to debt securities and cash represents the maximum credit risk exposure. The credit risk associated with these instruments is considered to be minimal due to the nature of the instruments and the fact that the majority of the accounts receivable are due from the federal, territorial, first nation and municipal governments.

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

	2026	2025
Carrying value	\$ 8,317,386	\$ 3,320,511
Allowance for doubtful accounts	\$ 558,261	424,236
Accounts receivable % less than 30 days	83%	74%
Accounts receivable % over 90 days	14%	20%

Liquidity risk

Liquidity risk is the risk that the University will not be able to meet its financial obligations as they become due.

The University manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the University's reputation. As at March 31, 2026, the University's financial liabilities includes Accounts payable and accrued liabilities of \$5,989,777 (2025 - \$3,205,549) and Accrued payroll and benefits of \$4,210,072 (2025 - \$1,686,826). The University's cash balance as at March 31, 2026 of \$32,762,191 (2025 - \$37,149,798), less deferred contributions of \$13,817,833 (2025 - \$11,039,234) and unspent deferred capital contributions of \$5,774,090 (note 12) (2025 - \$15,544,599), exceeds the total balance of all financial liabilities by nearly \$3,000,000, thereby reducing exposure to any significant amount of liquidity risk.

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2026

3. FINANCIAL RISK MANAGEMENT (continued)

The University has, if needed, an operating demand line of credit with its banker that allows the University to borrow up to \$1,000,000 (2025 - \$1,000,000) at bank prime. The credit line was unused during 2026 and 2025. The University's credit facility interest rates are subject to fluctuations in the prime rate.

Other price risk

Other price risk is the risk that changes in financial or market conditions impair the value of the University's assets, or that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The University's investments are managed by investment managers in accordance with the University's Investment Governance Policy. The University is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

4. TRUSTS UNDER ADMINISTRATION

The University administers trust accounts on behalf of employees who are participating in income averaging plans, which are not included in the University's assets. The balance in these trusts as at March 31, 2026 was \$159,441 (2025 - \$189,365).

5. INVESTMENTS

	Level	Percentage	2026	2025
Equity securities	1	57.84%	\$ 4,006,031	\$ 4,409,168
Debt securities	1	39.63%	2,744,691	2,844,304
Cash and cash equivalents	1	2.53%	175,596	153,136
			<u>\$ 6,926,318</u>	<u>\$ 7,406,608</u>

The University has designated \$5,784,101 (2025 - \$5,694,008) for endowments.

6. EMPLOYEE FUTURE BENEFITS

a) Pension benefits

Yukon University Employees' Pension Plan is a defined-benefit pension plan, which requires the employer and the employee to make annual contributions to an employee's retirement account. Plan administrators hire an actuary to calculate the future benefits that the plan must pay an employee and the amount that the employer and employee must contribute to provide those benefits. During the year, the pension benefits paid by the pension plan were \$5,894,800 (2025 - \$6,353,200) and the employer and employee contributions to the pension plan were \$325,000 (2025 - \$1,471,100) and \$332,000 (2025 - \$1,538,700), respectively.

The pension plan has two groups of members. Group 1 is for members with a start date prior to July 1, 2013. Group 2 is for members with a start date on or after July 1, 2013. The age at which a member can retire without a reduced pension is age 60 for Group 1 and age 65 for Group 2. Effective January 1, 2026, Group 1 members were required to contribute to the plan at a rate of 9.77% on annual earnings up to the Yearly Maximum Pensionable Earnings (YMPE) plus 12.17% on annual earnings in excess of the YMPE (2025 - 8.97% on annual earnings up to the YMPE plus 11.37% on annual earnings in excess of the YMPE). Effective January 1, 2026, Group 2 members were required to contribute to the plan at a rate of 7.73% on annual earnings up to the YMPE plus 9.51% on annual earnings in excess of the YMPE (2025 - 6.98% on annual earnings up to the YMPE plus 8.76% on annual earnings in excess of the YMPE). An actuarial valuation for accounting purposes was performed as at March 31, 2026 using the projected benefits method prorated on services, based on extrapolated employee data as at June 30, 2025.

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2026

6. EMPLOYEE FUTURE BENEFITS (continued)

a) Pension benefits (continued)

The pension plan exposes the University to risk such as investment risk and actuarial risk. Investment risk is the risk that the assets invested will be insufficient to meet expected benefits. Actuarial risk is the risk that benefits paid will be more than expected.

In February 2025, the University entered into an annuity buy-in agreement with a third party. The buy-in relates to the University's accrued benefit obligation for retired members and surviving spouses in receipt of a pension as at June 30, 2023. The University transferred the related pension plan assets of \$62,705,460, which was equal to the applicable portion of the accrued benefit obligation as at the same date, to the third-party. The University realized a gain of \$11,275,513 upon redemption of the transferred assets, which is included in the actual return on pension plan assets as at March 31, 2025, of \$14,486,800. All pension plan assets and accrued benefit obligations remain part of the pension plan and are reported in these consolidated financial statements.

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover. The assumptions used reflect management's best estimates of these future events. Key assumptions are summarized below.

	2026	2025
<u>Weighted-average assumptions for benefit costs</u>	5.33%	6.20%
Discount rate	5.33%	6.20%
Expected long-term rate of return on plan assets		
Rate of compensation increase		
Group 1:	3.00%	3.00%
Group 2:	4.00%	4.00%
Inflation rate	2.00%	2.00%
Expected average remaining service life	13 years	12 years
<u>Weighted-average assumptions of accrued benefit obligation</u>		
Discount rate	5.72%	5.33%
Expected long-term rate of return on plan assets	5.72%	5.33%
Rate of compensation increase		
Group 1:	3.00%	3.00%
Group 2:	4.00%	4.00%
Inflation rate	2.00%	2.00%
<u>Change in accrued benefit obligation:</u>	2026	2025
Accrued benefit obligation - beginning of year	\$ 113,276,300	\$ 96,075,600
Current service cost, net of employee contributions	4,209,600	2,617,400
Interest cost	5,978,800	5,865,300
Employee contributions	332,000	1,538,700
Benefits paid	(5,894,800)	(6,353,200)
Admin expenses	(767,700)	(749,400)
Actuarial (gain)/losses	(480,600)	14,281,900 ¹
Accrued benefit obligation - end of year	\$ 116,653,600	\$ 113,276,300

¹ The actuarial loss is primarily related to the change in the discount rate from 6.20% in 2024 to 5.33% in 2025.

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2026

6. EMPLOYEE FUTURE BENEFITS (continued)

a) Pension benefits (continued)

	2026	2025
<u>Change in plan assets:</u>		
Fair value of plan assets - beginning of year	\$ 159,423,400	\$ 149,029,400
Actual return on plan assets	7,402,200	14,486,800
Employer contributions	325,000	1,471,100
Employee contributions	332,000	1,538,700
Benefits paid	(5,894,800)	(6,353,200)
Admin expenses	(767,700)	(749,400)
Fair value of plan assets - end of year	\$ 160,820,100	\$ 159,423,400
	2026	2025
<u>Reconciliation of accrued pension benefit asset - end of year:</u>		
Accrued benefit obligation	\$ (116,653,600)	\$ (113,276,300)
Fair value of plan assets	160,820,100	159,423,400
Pension benefit surplus	44,166,500	46,147,100
Unamortized net actuarial gains	(5,656,900)	(8,232,300)
Accrued pension benefit asset	\$ 38,509,600	\$ 37,914,800
	2026	2025
<u>Elements of defined pension plan benefit costs recognized in the year:</u>		
Current service cost	\$ 4,209,600	\$ 2,617,400
Interest cost on benefit obligation	5,978,800	5,865,300
Expected return on plan assets	(8,334,000)	(8,627,000)
Amortization of actuarial gains	(2,124,200)	(2,396,500)
Net periodic pension income recognized	\$ (269,800)	\$ (2,540,800)

The fair value of the pension plans' equity securities, debt securities and other assets are based on market values as reported by the pension plans' trustee as at each applicable Statement of Financial Position date. The value of the annuity buy-in is valued by present valuing expected future cash inflows at year-end using the discount rate for the accrued benefit obligation.

	2026	2025
<u>Based on fair value of plan assets held, the assets were composed of:</u>		
Equity securities	30.00%	33.00%
Debt securities	24.00%	27.00%
Annuity buy-in	35.00%	38.00%
Other	11.00%	2.00%
	100.00%	100.00%

The net periodic pension income of \$269,800 (2025 - \$2,540,800) is recognized in salaries, wages and benefits in Note 14 and allocated to expenses by function on the Consolidated Statement of Operations in a manner consistent with the employee allocation to those functions.

Actuarial valuation for funding purposes

An actuarial valuation for funding purposes was performed as at June 30, 2025 which identified the University's required current service contributions as 100% (June 30, 2024 – 100%) of employee contributions. Under economic and demographic assumptions used in these calculations, this level of University contributions, together with the employee contributions, is sufficient to fund the current service costs of the pension plan benefits.

Effective January 1, 2025, University commenced a full contribution holiday. For the period between January 1, 2025 and December 31, 2025, neither the employer nor employees were required to make current service contributions. This decision was based on the pension plan's actuarial valuation as at June 30, 2024 for funding purposes which indicated a surplus in funding above the minimum required threshold. Effective January 1, 2026, University implemented a partial contribution holiday. For the period between January 1, 2026 and December 31, 2026, both the employer and employees are required to contribute at one-third of the otherwise required contribution rates. This decision was based on the pension plan's actuarial valuation as at June 30, 2025 for funding purposes, which indicated a surplus in funding above the minimum required threshold.

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2026

6. EMPLOYEE FUTURE BENEFITS (continued)

a) Pension benefits (continued)

The actuarial valuation for funding purposes as at June 30, 2025 for the University had an actual surplus of \$26,879,500 (June 30, 2024 - \$27,035,000) at the measurement date on a going-concern basis and a surplus of \$26,200,200 (June 30, 2024 - \$17,707,800) if valued on the basis that the pension plan was terminated/wound up as at June 30, 2025. The solvency ratio of the pension plan was 119.6% as at June 30, 2025. The Government of Yukon provided a pension related contribution to the University during the year as described in Note 15. All required contributions to the pension plan have been made.

A new actuarial valuation for funding purposes is currently expected to be prepared as at June 30, 2026 and filed with the regulator prior to December 31, 2026.

b) Other non-pension benefits

The non-pension benefit plan is not funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. The benefits include severance, non-vesting but accumulating sick leave, special leave and other outstanding leave entitlements and will be paid from future sources of revenue.

The actuarial valuation of the accrued benefit liability is:

	<u>2026</u>	<u>2025</u>
Accrued benefit obligation, end of year	\$ 6,699,600	\$ 7,653,000
Unamortized actuarial gain	<u>2,267,300</u>	<u>1,055,710</u>
Actuarially determined obligation, end of year	8,966,900	8,708,710
Less: Current portion included in vacation leave and employee future benefits (Note 11)	<u>(604,500)</u>	<u>(761,200)</u>
Non-current portion of obligation, end of year	<u>\$ 8,362,400</u>	<u>\$ 7,947,510</u>

The annual benefit plan cost and change in accrued benefit liability are as follows:

	<u>2026</u>	<u>2025</u>
Actuarially determined obligation, beginning of year	\$ 8,708,710	\$ 8,007,010
Add: Annual benefit plan cost:		
Current service cost	1,017,300	817,800
Interest on accrued benefit obligation	312,500	324,900
Curtailment/settlement gain	(167,900)	-
Amortization of net actuarial gain	<u>(238,810)</u>	<u>(154,500)</u>
Total annual benefit plan cost	923,090	988,200
Accrued benefit obligation before benefits paid by the University	9,631,800	8,995,210
Less: Benefits paid by the University	<u>(664,900)</u>	<u>(286,500)</u>
Actuarially determined obligation, end of year	8,966,900	8,708,710
Less: Current portion included in vacation leave and employee future benefits	<u>(604,500)</u>	<u>(761,200)</u>
Non-current portion of obligation, end of year	<u>\$ 8,362,400</u>	<u>\$ 7,947,510</u>

The significant actuarial assumptions adopted in measuring the University's accrued benefit obligation are as follows:

	<u>2026</u>	<u>2025</u>
Weighted average assumptions for benefit costs:		
Discount rate	4.50%	4.85%
Rate of compensation increase for 10 years and thereafter		
Group 1:	3.00%	3.00%
Group 2:	4.00%	4.00%

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2026

6. EMPLOYEE FUTURE BENEFITS (continued)

b) Other non-pension benefits (continued)

	2026	2025
Weighted average assumptions for accrued benefit obligation:		
Discount rate	4.90%	4.50%
Rate of compensation increase for 10 years and thereafter		
Group 1:	3.00%	3.00%
Group 2:	4.00%	4.00%
Expected average remaining service life	14.2 years	10 years

Effective July 1, 2025, the personal and travel leave benefit for management was revised. Under the revised policy, managers are provided with ten days of management leave annually, which resets each July 1 and cannot be carried forward, converted to other leave entitlements, or paid out in cash, including upon termination. As a result of this change, the University recognized a gain of \$167,900 during the year from the settlement and curtailment of the related employee future benefit obligation, which has been recognized in the statement of operations.

7. CAPITAL ASSETS

March 31, 2026:	Cost, beginning of year	Acquisitions	Disposals	Transfers	Cost, end of year
Leasehold improvements	\$ 7,090,790	\$ -	\$ (3,430)	\$ -	\$ 7,087,360
Equipment general	6,143,694	376,818	(46,573)	841,335	7,315,274
Equipment EDP	2,471,820	322,436	(22,252)	-	2,772,004
Furniture and fixtures	582,846	16,763	(16,379)	11,878	595,108
Vehicles	1,195,805	-	(9,296)	-	1,186,509
Mobile Trailers	1,883,300	-	-	-	1,883,300
Works of art	103,448	-	-	-	103,448
Work in progress (Note 12)	4,380,777	17,549,125	(93,635)	(853,213)	20,983,054
	<u>\$ 23,852,480</u>	<u>\$ 18,265,142</u>	<u>\$ (191,565)</u>	<u>\$ -</u>	<u>\$ 41,926,057</u>
	Accumulated amortization, beginning of year	Amortization expense	Disposals	Accumulated amortization, end of year	Net book value
Leasehold improvements	\$ 4,046,633	\$ 283,976	\$ (3,430)	\$ 4,327,179	\$ 2,760,181
Equipment general	3,609,448	625,459	(46,573)	4,188,334	3,126,940
Equipment EDP	1,783,594	295,809	(22,252)	2,057,151	714,853
Furniture and fixtures	393,188	41,461	(16,379)	418,270	176,838
Vehicles	760,224	130,580	(9,296)	881,508	305,001
Mobile trailers	1,023,315	97,682	-	1,120,997	762,303
Works of art	-	-	-	-	103,448
Work in progress (Note 12)	-	-	-	-	20,983,054
	<u>\$ 11,616,402</u>	<u>\$ 1,474,967</u>	<u>\$ (97,930)</u>	<u>\$ 12,993,439</u>	<u>\$ 28,932,618</u>

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2026

7. CAPITAL ASSETS (continued)

March 31, 2025:	Cost, beginning of year	Acquisitions	Disposals	Transfers	Cost, end of year
Leasehold improvements	\$ 7,090,790	\$ -	\$ -	\$ -	\$ 7,090,790
Equipment general	5,659,843	483,851	-	-	6,143,694
Equipment EDP	2,019,698	452,122	-	-	2,471,820
Furniture and fixtures	555,541	27,305	-	-	582,846
Vehicles	1,036,114	159,691	-	-	1,195,805
Mobile Trailers	1,873,300	10,000	-	-	1,883,300
Works of art	103,448	-	-	-	103,448
Work in progress (Note 12)	3,383,599	997,178	-	-	4,380,777
	<u>\$ 21,722,333</u>	<u>\$ 2,130,147</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,852,480</u>
	Accumulated amortization, beginning of year	Amortization expense	Disposals	Accumulated amortization, end of year	Net book value
Leasehold improvements	\$ 3,664,952	\$ 381,681	\$ -	\$ 4,046,633	\$ 3,044,157
Equipment general	3,115,999	493,449	-	3,609,448	2,534,246
Equipment EDP	1,350,480	433,114	-	1,783,594	688,226
Furniture and fixtures	350,720	42,468	-	393,188	189,658
Vehicles	653,324	106,900	-	760,224	435,581
Mobile trailers	927,466	95,849	-	1,023,315	859,985
Works of art	-	-	-	-	103,448
Work in progress (Note 12)	-	-	-	-	4,380,777
	<u>\$ 10,062,941</u>	<u>\$ 1,553,461</u>	<u>\$ -</u>	<u>\$ 11,616,402</u>	<u>\$ 12,236,078</u>

Work in progress having a value of \$20,983,054 (2025 - \$4,380,777) have not been amortized. Amortization of these assets will commence when the asset is put into service. The increase in work in progress during the year is primarily attributable to expenditures incurred on the Polaris Project, a major campus infrastructure initiative. Upon completion and commissioning, project costs will be transferred from work in progress to Buildings.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2026	2025
Holdback liability	1,645,861	-
Accrued liabilities	1,847,027	1,855,885
Trades accounts payable	1,543,469	348,604
Student deposits	443,829	580,107
Other payables	509,591	420,953
	<u>(Note 21) \$ 5,989,777</u>	<u>\$ 3,205,549</u>

9. DEFERRED REVENUE

	Contracts	Tuition	2026	2025
Balance, beginning of year	\$ 329,582	\$ 175,905	\$ 505,487	\$ 759,957
Additions	3,313,418	3,556,663	6,870,081	6,153,167
Revenue recognized	(3,347,798)	(3,705,877)	(7,053,675)	(6,407,637)
Balance, end of year	<u>\$ 295,202</u>	<u>\$ 26,691</u>	<u>\$ 321,893</u>	<u>\$ 505,487</u>

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2026

10. DEFERRED CONTRIBUTIONS

	Government of Yukon Contributions	Other contributions	Donations and allocated investment income	2026	2025
Balance, beginning of year	\$ 980,973	\$ 8,449,793	\$ 1,608,468	\$ 11,039,234	\$ 10,125,543
Additions	37,772,380	16,612,417	368,264	54,753,061	47,559,420
Revenue recognized	(38,251,944)	(13,515,433)	(335,389)	(52,102,766)	(47,194,068)
Investment income	-	-	198,673	198,673	548,339
Transfer to endowments	-	-	(70,369)	(70,369)	-
Balance, end of year	\$ 501,409	\$ 11,546,777	\$ 1,769,647	\$ 13,817,833	\$ 11,039,234

Government of Yukon contributions (Note 15) includes services received without charge of \$6,020,450 (2025 - \$5,623,326) in addition to \$38,251,944 (2025 - \$34,957,369) recognized from deferred contributions, for a total of \$44,272,394 (2025 - \$40,580,695).

Other contributions is comprised primarily of amounts from the Government of Canada \$4,219,566 (2025 - \$4,473,543), Mastercard Foundation \$6,105,387 (2025 - \$2,860,939) and Others \$1,221,824 (2025 - \$1,115,311). Donations revenue is recognized on the Consolidated Statement of Operations within fundraising and donations revenue.

11. VACATION LEAVE AND EMPLOYEE FUTURE BENEFITS

	2026	2025
Vacation leave liability	\$ 1,706,472	\$ 1,631,239
Current portion of other employee future benefits	604,500	761,200
Long service leave liability	180,798	154,323
Compensatory pay liability	32,050	17,642
	\$ 2,523,820	\$ 2,564,404

During the year, management identified employee leave that had been taken but remained unprocessed in the system at year-end. An adjustment was recorded to reduce the leave liability to reflect the actual obligation outstanding at year-end.

12. DEFERRED CAPITAL CONTRIBUTIONS

The changes in the deferred capital contributions balance are as follows:

	2026	2025
Balance, beginning of year	\$ 24,275,249	\$ 7,741,201
Restricted contributions from:		
Government of Canada	7,949,011	16,857,981
Government of Yukon	61,142	171,351
Amount amortized to revenue	(650,725)	(495,284)
	\$ 31,634,677	\$ 24,275,249

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2026

12. DEFERRED CAPITAL CONTRIBUTIONS (continued)

The deferred capital contributions ending balance is comprised of:

	<u>2026</u>	<u>2025</u>
Leasehold improvements	\$ 2,156,378	\$ 2,359,952
Equipment general	1,802,436	1,018,854
Vehicles	54,942	69,252
Equipment EDP	109,772	139,710
Furniture and fixtures	9,389	16,626
Work in progress		
Polaris Project	20,983,054	3,433,930
Signage	-	841,335
Mobile trailers	744,617	850,991
Unspent amount - Polaris Project	5,774,089	15,544,599
	<u>\$ 31,634,677</u>	<u>\$ 24,275,249</u>

13. EXTERNALLY RESTRICTED FOR ENDOWMENTS

	<u>2026</u>	<u>2025</u>
Endowment balance, beginning of year	\$ 5,694,008	\$ 5,117,345
Endowment contributions	8,005	15,089
Disbursements from endowments	(150,000)	-
Transfer from deferred contributions	70,369	-
Net investment income	161,719	561,574
Endowment balance, end of year	<u>\$ 5,784,101</u>	<u>\$ 5,694,008</u>

14. EXPENDITURES BY OBJECT

	<u>2026</u>	<u>2025</u>
Salaries, wages and benefits	\$ 43,879,765	\$ 36,194,911
Contract services	7,196,831	7,027,325
Rental of facilities and equipment	3,713,571	3,218,628
Utilities and communications	3,360,391	3,401,156
Material and supplies	2,032,398	2,057,589
Travel	1,985,664	1,759,056
Amortization of capital assets	1,474,967	1,553,661
Licenses, permits, and memberships	1,202,723	946,133
Promotion, events and advertising	726,533	672,869
Goods purchased for resale	405,272	467,213
Books and subscriptions	301,528	225,733
Bank fees and credit card commissions	169,086	203,786
Student assistance/scholarships	238,016	155,109
Postage and freight	77,501	78,087
Other	480,601	236,005
(Note 21)	<u>\$ 67,244,847</u>	<u>\$ 58,197,261</u>

YUKON UNIVERSITY
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2026

14. EXPENDITURES BY OBJECT (continued)

Fundraising expenses totaling \$221,440 (2025 - \$369,768) are included in salaries, wages and benefits, contract services, material and supplies, and promotion, events, and advertising.

Services received without charge included in above:

	2026	2025
Rental of facilities and equipment	\$ 3,209,798	\$ 2,776,216
Utilities and communication	2,810,652	2,847,110
	<u>\$ 6,020,450</u>	<u>\$ 5,623,326</u>

15. GOVERNMENT OF YUKON CONTRIBUTIONS

	2026	2025
Operating contributions	\$ 30,240,595	\$ 27,647,395
Other contributions	7,891,865	7,190,490
Services received without charge (Note 14)	6,020,450	5,623,326
Pension funding	119,484	119,484
	<u>\$ 44,272,394</u>	<u>\$ 40,580,695</u>

A significant portion of the University's revenue is received from the Government of Yukon. For the year ended March 31, 2026, total Government of Yukon contributions made up 64% of total revenues (2025 - 65%).

16. SALES, RENTAL AND FEES

Sales, rental and fees for the year is comprised of the following:

	2026	2025
Rental	\$ 779,617	\$ 888,234
Sales	554,004	718,685
Fees	440,767	438,564
	<u>\$ 1,774,388</u>	<u>\$ 2,045,483</u>

17. RELATED PARTY TRANSACTIONS

The University enters into transactions with related entities in the normal course of business.

In addition to those related party transactions disclosed in Note 15, the University received funds from the Government of Yukon for student training allowances amounting to \$543,601 (2025 - \$447,751). Included in the amortization of deferred capital contributions on the Consolidated Statement of Operations is \$372,366 (2025 - \$303,067) related to the Government of Yukon. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related

At March 31, 2026 there was \$25,710 (2025 - \$71,060) of accounts payable and accrued liabilities and \$2,886,862 (2025 - \$776,424) of accounts receivable related to the Government of Yukon. At March 31, 2026 there was \$501,409 (2025 - \$980,973) of deferred contributions and \$3,247,178 (2025 - \$3,619,544) of deferred capital contributions related to the Government of Yukon. The University has a lease agreement with the Government of Yukon for a building and land lease which expired June 2022. The University continues to incur lease payments for the building and land on a month-to-month basis until updated terms are established and a new agreement is signed. Lease payments of \$53,089 (2025 - \$53,089) were incurred by the University during the year.

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18. CONTRACTUAL RIGHTS

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The University's contractual rights arise because of contracts entered into for undertaking specific programs and projects in the normal course of business. The following table summarizes the contractual rights of the University:

	Government of Canada	Government of Yukon	Others	Total
2027	\$ 8,331,061	1,216,119	9,297,167	18,844,347
2028	2,616,018	52,000	1,913,010	4,581,028
2029	489,267	-	1,284,654	1,773,921
Thereafter	33,542	-	2,302,461	2,336,003
	<u>\$ 11,469,888</u>	<u>\$ 1,268,119</u>	<u>\$ 14,797,292</u>	<u>\$ 27,535,299</u>

Government of Canada contractual rights comprise amounts receivable in respect of the following funded initiatives: Transition off Diesel Hub (Northern Energy Innovation Transition), Empowering Traditions, Enhancing Yukon Trade Corridor Resilience to Northern Geohazards, Polaris – Energy Innovation Program, and Mobilizing Northern Research Leadership at Yukon University.

Government of Yukon contractual rights primarily comprise amounts receivable related to project funding for Climate Resilience Knowledge into Action, Innovation & Entrepreneurship initiatives, and IMPACT Driver's Training.

Other contractual rights consist of amounts receivable from the Mastercard Foundation and for the following initiatives: From Partnership to Impact: Strengthening Person-Centred and Partner-Integrated Youth Services in the Yukon—Exploring the What, How and Where; Yukon's Collaborative Indigenous Teacher Education Initiative; Northern Energy Innovation People and Supporting Equipment Project; Accelerating Community Energy Transformation; and Indigenous Water Governance Policy Research and Education Program Development and Pilot.

19. CONTRACTUAL OBLIGATIONS

	Construction	Information systems, course curriculum and other contracts	Facility leases	Total
2027	\$ 16,487,500	2,651,583	17,767	\$ 19,156,850
2028	3,235,116	964,136	5,571	4,204,823
2029	-	266,778	4,642	271,420
Thereafter	-	23,334	-	23,334
	<u>\$ 19,722,616</u>	<u>\$ 3,905,831</u>	<u>\$ 27,980</u>	<u>\$ 23,656,427</u>

The land and buildings at Ayamdigut Campus and some community campuses are owned by the Government of Yukon and leased to the University at no charge. The Government of Yukon is responsible for major maintenance and upkeep of the buildings and grounds, and the University is responsible for minor interior maintenance and repairs.

The University has entered into contractual agreements for the construction of the Polaris project. The balance disclosed in the construction category above is attributable solely to the Polaris project.

20. CONTINGENCIES

In the normal course of operation, the University is subject to legal claims and possible claims. While the outcome of legal claims or possible claims is subject to future resolution, management's evaluation and analysis of such matters indicates that, individually or in the aggregate, the probable ultimate resolution of all legal claims and possible claims will not have a material financial impact on the University's financial position, results of its operations or its cash flows.

21. RECLASSIFICATION OF COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. These reclassifications had no impact on the previously reported excess of revenue over expenses or net assets.