Yukon Legislative Assembly

Issue 9 | 35th Legislature

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Public Proceedings: Evidence

Wednesday, February 21, 2024 — 1:00 p.m.

Chair: Currie Dixon

STANDING COMMITTEE
ON PUBLIC ACCOUNTS

Chair:	Currie Dixon
Vice-Chair:	Kate White
Members:	Hon. Jeanie McLean Hon. Richard Mostyn Scott Kent
Clerk:	Allison Lloyd, Clerk of Committees
Witnesses:	**Office of the Auditor General of Canada** Normand Lanthier, Principal David Irving, Principal
	Department of Finance Jessica Schultz, Deputy Minister Philippe Mollet, Acting Comptroller

EVIDENCE
Whitehorse, Yukon
Wednesday, February 21, 2024 — 1:00 p.m.

Chair (Mr. Dixon): I will call to order; it's 1:00 p.m. Of course, this is a public hearing of the Standing Committee on Public Accounts of the Yukon Legislative Assembly.

Today, we are continuing the Committee's examination of the Yukon Public Accounts for 2022-23. The Committee previously held a hearing on these Public Accounts on November 24, 2023. At that time, the Committee had not yet had a chance to fully consider the contents of the 2022-23 Public Accounts, as they were not released until November 22.

I would like to thank the witnesses from the Department of Finance for appearing. They are: Jessica Schultz, deputy minister; and Philippe Mollet, Acting Comptroller. I would also like to welcome back the officials from the Office of the Auditor General of Canada. They are: Normand Lanthier, Principal; and David Irving, Principal.

Allow me to now introduce the members of the Public Accounts Committee: I am Currie Dixon, the Chair of the Committee and the Member of the Legislative Assembly for Copperbelt North; to my left is Kate White, who is the Committee's Vice-Chair and the Member for Takhini-Kopper King; to her left is the Hon. Jeanie McLean, Member for Mountainview; to her left is Scott Kent, Member for Copperbelt South; and finally, behind me is the Hon. Richard Mostyn, Member for Whitehorse West.

To begin today's proceedings, Jessica Schultz will make an opening statement on behalf of the Department of Finance. In recognition of the fact that the Auditor General officials provided an opening statement just a few months ago in November, they will not provide an opening statement.

Committee members will then ask questions that the Committee has devised collectively. The questions each member will ask are not just their personal questions on a particular subject but those of the entire Committee. Once those questions have been exhausted, Committee members will be able to ask spontaneous or individual questions as they so desire.

Following this hearing, the Committee will prepare a report of its proceedings, including any recommendations that the Committee wishes to make.

Before we start the hearing, I would like to remind Committee members and the witnesses to wait until they are recognized by the Chair before speaking. That allows us to properly attribute comments in Hansard.

We will now proceed with the opening statement from the Department of Finance.

Ms. Schultz: Good afternoon, Mr. Chair. My name is Jessica Schultz. I am the deputy minister for the Department of Finance, and I am pleased to be back here again after our discussions in November. As introduced, with me today is Philippe Mollet. He is Acting Comptroller for the Government of Yukon.

As Department of Finance officials, we are pleased to once again appear today as witnesses before the Standing Committee on Public Accounts and we thank the Committee for providing us with the opportunity to speak about the Yukon Public Accounts for the year that ended on March 31, 2023.

While I won't repeat many of my remarks from November, I would like to reiterate the importance of the Public Accounts in providing accountability to Yukoners for spending decisions made during the budget cycle. They allow Yukoners to compare the estimates from budgets with the actual amounts spent over the course of the fiscal year. These numbers also help guide future decision-making within the government. So, we are pleased that the Auditor General of Canada has provided an unqualified opinion that the consolidated financial statements present fairly in all material respects the consolidated financial position of the Government of Yukon as at 31 March 2023 and the consolidated results of its operations, its consolidated remeasurement gains and losses, 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.

In other words, there is no material issue with the financial information in these Public Accounts and Yukoners can rely on their accuracy and completeness. This is and always will remain paramount in how we present our finances to Yukoners.

With the 2022-23 Public Accounts now available for review, I would like to state the Department of Finance's regret with not being able to table them until November 22, several weeks later than our usual October 31 deadline. This anomaly, as I explained a few months ago, was the result of the adoption of five new public accounting standards. The standards, as the Committee heard, ended up taking more time to implement than originally anticipated. While the Committee is largely familiar with the reasons for these delays, I want to once again acknowledge the huge effort put forward by the staff of the Office of the Comptroller and the Office of the Auditor General of Canada in preparing the Yukon Public Accounts 2022-23. This was an enormous task and they approached the work with diligence, professionalism, and care.

The Office of the Comptroller, the Office of the Auditor General, and many others put a great deal of work into compiling, reviewing, reconciling, and auditing the government's year-end statements every year. It takes a lot of effort to coordinate financial reporting between various departments and public corporations. I would like to express my gratitude to everyone involved for the long hours and dedication put into producing the Public Accounts.

I would simply like to thank Committee members for the opportunity to speak to the 2022-23 Public Accounts, the Office of the Auditor General of Canada for their ongoing partnership and work in compiling this document, and all of the staff at the Department of Finance and across government who collectively work to assemble this major deliverable for government each and every year. Thank you.

Chair: Thank you very much, Ms. Schultz.

The one thing I omitted to say in my opening remarks is that department officials have provided the Committee with the written response to some of the questions that were put to them by the Committee in advance. That document has been loaded on our website and is available to those who are interested. Witnesses may refer to this document throughout the hearing, so I just wanted to let people know that.

We will proceed with questions now.

Ms. White: Thank you, Mr. Chair. The first questions are for the officials from the Office of the Auditor General of Canada. Did the Yukon's consolidated and financial statements fall within generally accepted accounting principles?

Mr. Lanthier: Thank you for the question. Yes, we outlined this fact in our auditor's report, stating that we conducted our audit in accordance with the Canadian generally accepted auditing standards. We also provided an opinion on the compliance of the consolidated financial statements with the Government of Yukon's reporting framework, the Canadian public sector accounting standards, referred to as PSAS. For the 2022-23 Public Accounts, we have issued an unmodified audit opinion on the consolidated financial statements. This means that the statements are presented fairly in all material respects in accordance with PSAS.

Ms. White: How does the Office of the Auditor General audit key estimates and assumptions, and did you have any key findings?

Mr. Irving: Mr. Chair, the more significant areas that management applied key estimates and assumptions are disclosed in the consolidated financial statements. If you look at page 47 of the Public Accounts and the measurement uncertainty note, it would describe these areas: the post-employment retirement benefits; the environmental liabilities; the asset retirement obligations; the amortization on tangible capital assets; the corporate and personal income tax revenues; and contingencies.

By their nature, these areas have more risk due to complex, subjective, and uncertain elements of these estimates, and the actual results could differ significantly from these estimates. Our response to auditing these key estimate assumptions includes a focus on applying professional scepticism, ensuring that senior members of our auditing team were involved. Some more specific procedures include evaluating the methods and testing the inputs on a sample basis to ensure that they are appropriate.

There are many factors to consider when you look at these estimates. For example, with asset retirement obligations, we would have taken a look at the legislation that could result in legal obligations, testing the accuracy and completeness of the listing of assets with retirement obligations, reviewing the documentation on historical documentation when those assets were acquired, testing the estimates of retirement costs — for example, in the past year, we actually hired an expert to assist us in this area — review management's estimated dates as to when these costs will be incurred, review the inflation rates that were used by management, and test the appropriateness of the discount rate used to present values of these future cash flows.

Now, in our audit, we inquire with management to understand how these are done and whether these are reasonable and then we test them.

The more significant key findings that you asked about, we would highlight the asset retirement obligations and environmental liabilities findings. For asset retirement obligations, as we discussed in the November hearing, it was a challenge for the government and its controlled entities to obtain accurate and complete historical information on buildings. Buildings are long-lived assets with useful lives that can span decades. Many of these buildings were transferred to the government through devolution. It was difficult for the government to provide support for the details and this did cause some delays.

The government did agree to make adjustments to the consolidated statements, with the differences noted in the key assumptions and asset retirement obligations for costing and discount rate. The government will need to reassess these key assumptions on costing, inflation, and discount rates on a yearly basis.

For key findings on environmental liabilities, consistent with prior years, we calculated the government's actual average past remedial costs adjusted for inflation and applied these to the sites that had not been remediated or estimated. Our estimate for the range for this environmental liability was in a range higher than the government's initial estimate. Through discussions with the government, they didn't initially apply an inflation factor, but after further discussions, they did apply an inflation adjustment this year, which did increase the environmental liabilities. This is an improvement and it reduced the difference between our estimate and their estimate for these liabilities. We continue to recommend improvements in the assessment process, but we have concluded that environmental liabilities were not materially understated.

There is one other area in environmental liabilities that is of interest. If you were to take a look at page 78 of the Public Accounts, in note 31, under Subsequent Events, there is a discussion of the Minto Metals Corporation, which ceased operations in May. This was after the year-end, but the government has been subsequently monitoring and maintaining the integrity of the water treatment facilities at the site. A receiver in bankruptcy has been appointed. Given the complex legal issues associated with this, the government was unable to determine the impacts on the government.

Ms. White: The next question is for the Department of Finance.

How much, if any, capital spending has been deferred to meet fiscal goals?

Ms. Schultz: Thank you for the question.

In any fiscal year, some capital projects may advance faster than anticipated, and others may be delayed or deferred for a variety of reasons. These adjustments are generally reflected in the supplementary estimates as part of the budget cycle. The Public Accounts provide a record of the government's operations during a fiscal year and its financial position at a point in time. It does not provide information on all of the government's priorities or fiscal goals. The government's fiscal goals are reflected in its budget, which sets out the amount of operation and maintenance and capital that it is intended to spend during the year to advance the various priorities.

Hon. Ms. McLean: This is a follow-up from the November 24, 2023 hearing. It is directed to the Office of the

Auditor General. We were the first territory to use these new accounting standards at the time of the last hearing. How many other territories have submitted statements to your office since then? Further, did they all meet their deadlines, and how many did not?

Mr. Lanthier: Thank you for the question. The Office of the Auditor General of Canada is the auditor of the three Canadian territories. As of today, both the Government of Yukon and the Government of the Northwest Territories have submitted and tabled their 2022-23 Public Accounts. The audit of the Government of Nunavut's consolidated financial statements continues to be in progress.

As for the second question — did they all meet their deadlines? — the Government of Yukon and the Government of Nunavut did not meet their statutory deadline to table their Public Accounts. For the Government of the Northwest Territories, they did meet the deadline.

Hon. Ms. McLean: Again directed to the Office of the Auditor General, at the last hearing, other jurisdictions had not yet submitted statements. Now that some jurisdictions have submitted statements, what challenges did they face? Further, were they similar to the Yukon's challenges? I will do all three — have you issued any other modified opinions?

Mr. Lanthier: Thank you for the questions.

The first one was: Did they face similar challenges? For the first question, I will define "jurisdictions" as "other provinces". Government in other jurisdictions are also reporting on the public sector accounting standards. As a result, they also had to implement multiple new standards this year, such as the standard on asset retirement obligations and the four new financial instrument standards, which are the financial instruments presentation, foreign currency translation, portfolio investments, and the financial instruments standard.

More specifically, challenges faced would include interpreting and implementing multiple standards in the same year, difficulties in sourcing and compiling accurate and complete historical information for the adoption of the asset retirement obligation standard, and disclosing all new financial instrument information requirements in the notes.

On the second question — were these similar to the Yukon challenges? — we do not audit the provincial government or any provincial entities. As a result, it is difficult for us to provide any certainty to the extent of their challenges implementing these new standards. However, I would say that it would be fair to assume that other jurisdictions would have faced other challenges than what the Yukon government faced.

On the third question — if we have issued any other modified opinion regarding the other jurisdiction — as we do not audit any provincial entities or any provincial government, we have not issued any opinion on them.

Mr. Kent: Mr. Chair, I have some questions on part 1 of the Public Accounts, the financial statement discussion and analysis. The first question that I have is for the Office of the Auditor General. Is the financial statement discussion and analysis audited by the OAG?

Mr. Irving: No, we do not audit the financial statement discussion and analysis, nor do we express any form of assurance conclusion on it. Management is responsible for the financial statement discussion and analysis and our responsibility is clear under the Canadian accounting standards. If you were to take a look at page 31 of the Public Accounts, you will see our auditor's report, and it actually has a section talking about other information. We note that our responsibility is to read the financial statement discussion and analysis and consider whether the information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit appears to be materially misstated. If, based on the work that we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Now, we have concluded in our signed auditor's report that we have nothing to report in that regard.

Mr. Kent: My remaining questions in this set are for the Department of Finance and the government officials. The first one is: Can you tell us what information is contained in this section — again, that is the financial statement discussion and analysis — and has this section changed from previous years?

Ms. Schultz: Thank you, Mr. Chair, and thank you to the member for this question.

The financial statement discussion and analysis referred to as the FSD&A — that's the acronym — is what might be described as a more user-friendly portion of the Public Accounts. It helps Yukoners understand the often technical financial presentation by providing a plain-language executive summary.

Within the FSD&A, readers will find highlights, an evaluation of fiscal well-being, indications of financial and economic status, simplified explanations of financial statements, as well as insights into associated risks and their mitigation strategies. This section also provides information on a number of indicators that are meant to illustrate the fiscal health of government. A brief explanation is provided to give the reader the context necessary to assess the information.

In addition to the explanations, the FSD&A has many charts to show a graphical description of the measures being discussed. Indicators are regularly shown over a 10-year timeline and provide trends and a historic perspective. Some interjurisdictional comparisons are also shown.

The main changes this year include — on page 3 of the Public Accounts, an explanation has been added on how the implementation of new accounting standards impacted the calculation and presentation of the financial statements. All graphical data for 2022 has been restated due to the retroactive adoption of new accounting standards. On page 6, a Caution to Reader section has been included to explain statistical data on GDP being used in assessment of fiscal health.

On page 23, a new section titled "Asset retirement obligations" has been added to outline new liabilities arising from the adoption of PS 3280 asset retirement obligations.

Mr. Kent: On page 4 of the Public Accounts, there is a section on surplus and deficit.

I will just quote quickly from that: "The surplus of $122.9 million for the year is $70.2 million higher than the previous year's restated surplus of $52.6 million, and

$55.9 million higher than the budgeted surplus of $67.0 million."

My question for the department is: Can the government explain why the surplus for the year was more than double the previous year and almost double the budgeted current year's surplus?

Ms. Schultz: You have the details on the surplus deficit for the year on page 36 of the Public Accounts, Consolidated Statement of Operations and Accumulated Operating Surplus. So, the surplus is the difference between revenues and expenses for the year. The surplus is the current year's notable increase, which is attributed to a more substantial increase in revenues — $142 million — compared to expenses, which is an increase of $72 million in contrast to the previous year. It is important to note that our accounting expenses do not include all of the spending in the year on tangible capital assets, which are amortized over their useful life.

In 2022-23, the government recorded tangible capital asset additions of $291.1 million for the acquisition and development of assets such as buildings, transportation infrastructure, information and technology assets, equipment, and vehicles. These compare to $160.4 million in the year previous for 2021-22.

A surplus does not necessarily represent an excess of revenue over total spending, since the spending on tangible capital assets in the year is effectively removed from total expense under standard accounting practices. Expenses saw a moderate change, rising by 4.2 percent, while revenues experienced a more significant increase of 8.05 percent.

Schedule 1, Non-Consolidated Comparative Schedule of Revenues, found on pages 137 to 139 of the Public Accounts, provides a detailed comparison of revenues in 2022-23 and the previous year. The increase is approximately $131 million in revenues from Canada, which resulted in the reported surplus doubling. These additional revenue sources stem from various contributions and agreements. The budgeted amount is established based on known factors at the time the main estimates are prepared; however, it remains subject to change as more revenue sources are confirmed during the year and new expenditures are approved through supplementary estimates. The financial statement actuals are compared against the main estimates.

Hon. Mr. Mostyn: Thank you very much, Mr. Chair. We are going to move on to net financial assets, which are described on page 5. The Public Accounts state that the net financial assets decreased from $98.991 million in 2022 to $10.743 million in 2023. When was the last time this figure was this low?

Ms. Schultz: This is the first time that the net financial assets have reached this amount. The indicator of net financial assets represents the difference between financial assets and all liabilities. It is also important to look at the government's financial position from a global perspective. The Yukon acquired $291 million in new tangible capital assets over this fiscal year. These investments bring new and modern key infrastructure, buildings, and information and communication technology.

This question is related to a certain extent to the former question on surplus. When you add your non-financial assets — which are mostly tangible capital assets — to your financial assets, you get your accumulated surplus. In 2022-23, net financial assets decreased by approximately $88 million; however, your non-financial assets increased by $213 million and your accumulated surplus increased by $125 million.

I will conclude by saying that the Yukon and Nunavut are the only jurisdictions in Canada that are in a net financial asset position.

Hon. Mr. Mostyn: Have we ever been in a position where net financial assets were negative?

Ms. Schultz: No, we haven't. However — and as mentioned under the previous question — the reduction in Yukon government's net financial assets is related to the increase in the tangible capital assets.

Hon. Mr. Mostyn: Is this expected to affect our Standard & Poor's credit rating?

Ms. Schultz: I will start by mentioning that in July 2023, S&P Global Ratings confirmed the Yukon's strong financial position with a AA stable credit rating. 2023 marks the 14th consecutive year in which the agency has maintained the current AA credit rating.

S&P Global Ratings is a credit rating agency that provides an independent assessment of the Yukon's credit worthiness. The financial results of the territory are only one of the several factors that are considered by the credit rating agency. Other factors include but are not limited to the economic environment, the institutional framework, or the budgetary performance. As an independent assessor, the S&P Global Ratings assessment team will determine what effect, if any, the financial results will have on the territory's credit worthiness. The next credit rating for the Yukon will be released in the summer of 2024.

Hon. Mr. Mostyn: Thank you very much, Mr. Chair. I am now going to move to investment in tangible capital assets, which you have been touching on. Page 6 includes a graph on the investment in tangible capital assets. There was $291 million in new acquisitions. Can the government provide information on the significant capital projects this year?

Ms. Schultz: Page 6 of the Public Accounts provides a list of the most significant projects, and this includes the Whitehorse airport runway project, the Whistle Bend school, Dempster fibre project, the Old Crow Health Centre, the Old Crow tenplex, modular trailers at Robert Service School, construction work on various roads and highways, and the bridge work on the Alaska, Klondike, and Robert Campbell highways, including work on the Carmacks bypass and the Nisutlin Bay bridge. These investments bring new and modern key infrastructure and buildings for the territory.

Chair: The next questions will come from me in relation to page 7, Assessment of Fiscal Health.

The accumulated surplus to the territory's nominal GDP chart on page 7 shows that the accumulated surplus is declining in relation to the territory's GDP. Can the department tell us the significance of this graph?

Ms. Schultz: Thank you, Mr. Chair. In the 2022-23 Public Accounts, you can see that the government's tangible assets — highways, airports, schools, et cetera — represent just over 98 percent of the $2-billion accumulated surplus. It's a bit of a simplification, but conceptually, one could say that the $2-billion in assets were purchased with an accumulation of past surpluses over the years. The accumulated surplus is the numerator in this ratio; the denominator is GDP. Ultimately, government operations are funded by its revenue stream, which is either directly or indirectly correlated with the GDP. So, the declining ratio can be indicative of a few things.

Government policy refocusing on current consumption needs, such as affordable daycare, could drive this ratio down. The stock of tangible capital asset is still growing, but if it grows at a slower rate than the GDP, the ratio will fall. This may or may not be a concern, as some assets like highways may be underutilized and would benefit from the scale associated with GDP and population growth. The demand for some assets like schools tend to grow in line with population, which is correlated to GDP to a degree. In some jurisdictions, the declining ratio may be a signal that revenue growth is not keeping up with GDP growth. The government has been making significant capital investments in recent years, and yet this ratio is falling. As our population grows, it is reasonable to expect some economies of scale will be achieved in areas such as usage of roads and airports.

As the note mentions, the number represents the fact that the cumulative result of all the past annual surpluses and deficits is positive. Conceptually, you can think of this as representing the fact that our tangible capital assets — buildings, bridges, airports, et cetera — still have significant value. The reader of the Public Accounts reviewing this chart in conjunction with all of the other data in the Public Accounts can come to the conclusion that the economy is growing faster than the government's accumulated surplus.

I would also like to point out that many of the provinces have accumulated deficits and not the accumulated surplus that we have in the Yukon, so we are still in an enviable position.

Chair: The second chart on page 7 shows the net financial assets to the territory's nominal GDP. The notes suggest that the meaning of this indicator would change if the downward trend continues. What would this ratio going negative mean, and what is the significance of the current trend shown in this graph?

Ms. Schultz: The surplus GDP ratio discussed in question 11 is more of a long-term measure of financial sustainability to be viewed based on trends over time. The net financial assets to GDP ratio is more of a short-term measure about liquidity. "Liquidity" refers to how much cash is readily available or how quickly something can be converted to cash. The exact timing of receipts and disbursement is in many cases difficult to predict. The government has drawn down on its financial resources in order to provide more funding to capital programs intended to reduce an infrastructure deficit. Over the past years, these investments have contributed to the initiation and/or completion of new infrastructure in housing, health, education, and energy. The 2023-24 government five-year capital plan shows a return to sustainable levels of capital spending. This should reduce the downward trend of this ratio.

Chair: Page 8 includes a graph on net financial assets per capita. What is the significance of the trend shown?

Ms. Schultz: Net financial assets are made up of the difference between financial assets and liabilities. When the difference is negative, we talk about "net debt".

Government of Yukon's financial assets include cash receivables from Canada or other third parties, investments, land inventory for sale. Liabilities include payment, debt, environmental and asset retirement obligation liabilities, retirement and post-employment benefits.

This graph is a visual illustration of this key indicator; however, to put it into perspective, first, financial assets increased in 2022-23 by almost $8 million, whereas the liabilities increased by approximately $96 million, mainly due to the increase in payables. This resulted in an overall decrease in net financial assets of $88 million. In the meantime, tangible capital assets — which are non-financial assets — increased by approximately $291 million and the Yukon population by 2.1 percent. This graph shows that the investment in the Yukon government's capital infrastructure — demonstrated by the significant increase in tangible capital assets — resulted in a decrease in our net financial assets per capita.

Ms. White: On page 9, there is a section on flexibility. The note under Own-Source Revenue to the Territory's Nominal GDP reads: "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."

Why has the government's own-source revenue as a percentage of GDP decreased over the last five years? How does this compare to other jurisdictions?

Ms. Schultz: This is a complex question. First, the chart on page 9 of the Public Accounts shows that federal transfers have grown at the same time period as the federal government has made significant investments in programs that the Yukon government has access to, such as the Investing in Canada infrastructure program.

Second, over the years, there will be some variability in the growth rates between the overall economy rate of growth and the rate of growth of the government.

The third point is the government has not raised some taxes and fees with respect to inflation. The Yukon has the lowest fuel tax rate in Canada, and they have been at the current rate for decades.

Ms. White: Both this report and the Public Accounts for 2021-22 state that downward trend in net financial assets to GDP ratio implies there is room for the introduction of further revenue source for the government without causing severe hardship in the economy. In 2022, the Committee asked if there was or would be a comprehensive review of the Yukon's taxation rates. Has there been such a review?

Ms. Schultz: No, a specific review of tax rates has not been conducted. However, there have been some fee changes over the last couple of years, including long-term care and camping fees, for example.

Hon. Ms. McLean: My question will be regarding indicators of financial and economic condition. A graph on page 10 shows a comparison across Canada of net financial assets, or net debt, to GDP ratio. The note states: "Updated information was not available at time of publication so 2021 data is repeated." The question is: When do you expect updated information with current data? Can the department describe the ratio with the most recent available information?

Ms. Schultz: The release of the gross domestic product — GDP — data for the year 2022 occurred on November 8, 2023. The department was not able to access this information during the preparation of the 2022-23 Public Accounts. An updated table has been produced and provided and distributed just before the meeting with the 2022 numbers. So, that chart has been distributed if you want to take a look at that. What the updated chart shows is the Yukon's 2022 net financial assets to GDP ratio of 0.28 percent, which is a decrease from the 4.4 percent recorded in 2021. Despite this reduction, the ratio remains positive. The Yukon is, with Nunavut, the jurisdictions that have a positive ratio.

Chair: Just for the record, as I mentioned before, the document that was just referred to is available on the Committee's website.

Hon. Ms. McLean: The next questions are about the carbon price rebate program. There is a section on the carbon price rebate program on page 13. The overall amount listed for the carbon price rebate program's business allocation liability is $20.518 million. However, there is a note stating: "Fiscal Policy estimates $18,719,260 of this amount has been claimed but has not been confirmed by CRA." What is that amount based on, and when it is expected to be confirmed by the CRA?

Ms. Schultz: I would first like to take this opportunity to quickly just walk through the administrative process. The CRA makes payments on Yukon's behalf to eligible businesses and the Yukon is reimbursing Canada on the basis of estimates. From an accounting perspective, the revolving fund is not debited until after the numbers are reconciled, which takes approximately 15 months after the calendar year ends. So, the revolving fund will always show a surplus in the business balance. This balance represents our estimates of the rebates paid to businesses by CRA on our behalf that are not yet recovered by Canada from the Yukon.

With respect to the second question, we now have confirmed the number for 2022 and it is $21.8 million.

Hon. Ms. McLean: Is there a breakdown by year for those unconfirmed amounts?

Ms. Schultz: The unconfirmed amounts were for 2022 only.

Hon. Ms. McLean: When will the 2019-20 rebates no longer be available to individuals or businesses? Further, what happens to the money that goes unclaimed?

Ms. Schultz: Individuals have four years to claim their rebates. Corporations have either three or four years to claim, depending on the type of corporation. If the business is a mutual fund or a non-Canadian-controlled private corporation, they have four years to apply. A non-CCPC is a private corporation controlled by non-residents. All other corporations have three years to apply.

To ensure that the fund remains revenue neutral, unclaimed money is factored into rebate rates for future years. This is expected to have minimal positive impact on any future years.

Mr. Kent: Thank you, Mr. Chair. I have some questions regarding the impact of COVID-19, on page 14. This section says that the pandemic was, quote, "still significant" for the 2021-22 fiscal year due to — and I quote again: "… several programs aimed at supporting individuals, businesses, and the economy in general." The document also says — and I will quote again: "Some of these programs were ongoing in 2022-23 and will become permanent components of future budgets." Can you tell us which programs will become components of future budgets and what rationale was used to choose them? Why those programs?

Ms. Schultz: For this response, they are sort of combined to follow the questions at once. First, it's important to clarify that funding for programs is always subject to appropriation. That section of the Public Accounts is mainly referring to the paid sick leave program. The budget for the program was $750,000 in years 2021-22 and 2022-23 and 2023-24. The actual amount for 2022-23 was about $952,000.

While not contained within a single program, there are also post-pandemic expenditures in health care. The budget for 2022-23 highlighted an additional $11.6 million in funding for Health and Social Services for pandemic-related health service. The budget for 2023-24 highlighted $3.4 million to address post-public health emergency requirements.

Mr. Kent: I thank the witness. I believe she did answer that final question there too about the budget allocations for these programs, so I appreciate that as well. Thank you.

The next set of questions is with respect to expenses on page 16 of the document.

The first question — five program functions had spending increases, while three had decreases. Can you provide expenditure details for each function and which line items saw the increases and decreases?

Mr. Mollet: Thank you, Mr. Chair, and thank you to the member for the question.

The government's expenses are detailed on pages 80 and 81 in Schedule B, the Consolidated Schedule of Operations by Function, and are categorized into the following components: personnel, contracts, materials and other, government transfers, and amortization expenses.

I can provide a brief summary of major increases and decreases between the two fiscal years. The increased spending in the categories of Health and Social Services, community and transportation and justice, stems from across-the-board increases in each area, except for amortization expenses.

Expenditures in the Education category see a decreasing allocation toward government transfers and amortization expenses with a slight increase in personnel and contracts, material, and other spending. The overall decrease in spending within the natural resources function can primarily be attributed to a reduction in expenditure related to contracts, material, and other resources.

The increased spending in general government function stems from an overall increase in personnel, contracts, and amortization expenses.

The notable increase in spending for business, tourism, and culture functions is attributed to an increase in personnel as well as contracts, material, and other resources.

Mr. Kent: Can the witness tell us what is driving the increase in expenses? Is it inflation, population growth, or are there other forced-growth factors?

Mr. Mollet: Thank you, Mr. Chair, and thank you to the member for the question.

One of the main drivers was the ratification of the collective agreement with the Yukon Employees' Union in June 2023. This resulted in an accrual of retroactive payments to employees for the period from January 2022 to March 2023. The accrual was approximately $26 million in operation and maintenance and $1.2 million in capital. Inflation was also a driver. This is reflected in the collective agreement with the Yukon Employees' Union inflation but also in the other measures, such as the inflation relief rebate, which provided financial relief for the cost of electricity. There were also significant increases in the Department of Health and Social Services, particularly in the areas of community and primary care and continuing care. Fires and floods were another significant driver. In the Yukon, while the level of damage and destruction was not as high as in other jurisdictions, we remain on a high alert in terms of mitigation, evacuation, and suppression activities to keep residents safe. We have seen that all levels of government need to be involved to ensure effective responses, which required adequate funding to implement.

Mr. Kent: I will just combine questions 21 and 22. Can the witnesses tell us what caused the underspending and expenses for education as shown on pages 16 and 17? Why did expenses for natural resources decrease?

Mr. Mollet: Thank you, Mr. Chair, and thank you to the member for this question.

I will start with the first question about education. The assumption is that the question being asked pertains to the following statement on page 16, where it says "… education decreased $2.5 million…" or 1.1 percent.

In 2021-22, actuals included approximately $3.9 million in COVID-19-response one-time expenditures. Such expenditures did not occur in 2022-23. Once you remove these expenditures, education saw an increase of $1.4 million or 0.45 percent.

With regard to the question on the decrease of expenses for natural resources, expenses in 2022-23 for natural resources decreased by $22.8 million. The main variance is related to environmental liabilities that are being captured under the Department of Environment. In 2021-22, the Yukon government recorded two significant one-time increases in environmental liabilities. The main increase was in the amount of $39,048,000 for the Wolverine mine. This amount was based on a 2017 assessment. The other large increase was for the amount of $11 million for the environmental liability for Wolverine. This increase was the result of an updated estimate based on initial design work. Thank you.

Hon. Mr. Mostyn: Mr. Chair, we will now be turning to net financial assets and accumulated surplus.

Net financial assets and accumulated surplus are described on page 18. I have a quote: "This important indicator shows that the Government has minimal financial assets on hand to finance future operations." A drop this large implies that the government is about to move from net financial assets to net debt. What are the plans to finance future operations if this happens?

Mr. Mollet: Thank you, Mr. Chair, and thank you to the member for the question.

I will start by saying that net debt doesn't mean actual debt. Net debt includes financial liabilities that are not meant to be materialized immediately. That being said, the Yukon government has different tools to finance its operations. The first one is cash balance, which means bank account, which is meant to support the day-to-day operations, which includes payments to employees and vendors. There is also a line of credit that the government can use to support temporary cash-flow needs to help pay invoices related to large capital investments. These large capital investment projects usually include a recovery component through federal programs. The use of a line of credit can help bridge the timing gap between the payment of invoices for work being completed in the summer and when recovery funding is received from Canada after the claims have been submitted and approved, which usually takes place during the winter.

Hon. Mr. Mostyn: Thank you for that answer.

The section regarding liabilities starts on page 22. On page 23, it states: "The largest portion of the $24.7 million reported as borrowings relates to the Yukon Hospital Corporation's demand term installment loans totaling $23.6 million." The Yukon Hospital Corporation took on a new $4.8-million loan for pension solvency payments during the 2022-23 fiscal year. The question is — the terms for the new loan are spelled out on page 68. Is this the first time that a loan for pension solvency payments has been required?

Mr. Mollet: Thank you, Mr. Chair, and thank you to the member for the question.

In accordance with the *Pension Benefits Standards Act, 1985*, which is federal legislation from 1985, the Yukon Hospital Corporation is required to make special payments to eliminate pension fund solvency shortfalls for the Yukon Hospital Corporation's employees pension plan. The process is that there is an actuarial evaluation on the plan that is performed annually to determine required payments based on the three-year average of the plan solvency ratio. For example, the average solvency ratio at December 31, 2022 is the arithmetic average of the solvency ratios at the actuarial evaluation date of December 31, 2022, December 31, 2021, and December 31, 2020. When the plan incurs a solvency deficit, the pension benefits standard regulation stipulates that the annual cash special solvency payment shall be the solvency deficit divided by five.

Yes, it was the first time that a bank loan has been used by the Yukon Hospital Corporation for pension solvency in 2022. However, in 2019, the Government of Yukon had loaned the corporation funding in the amount of approximately $3 million to meet solvency requirements.

Chair: Turning now to risks and mitigations, emerging issues, new accounting standards — on page 25, new accounting standards identified as emerging issues under Risks and Mitigations. What future accounting standard or standards do you anticipate that the government will need to prepare for in its consolidated financial statements, and when are they effective?

Mr. Mollet: The Public Sector Accounting Board introduced two new public sector accounting standards that were effective April 1, 2023 which will impact the 2023-24 Yukon Public Accounts. The main change is anticipated to be the implementation of PS 3400, which is related to the treatment and disclosure of revenues from transactions.

This new standard will provide the framework for distinguishing revenue arising from transactions that have performance obligations and those that don't. By "performance obligations", we mean the promise by government to provide services to the payer.

The second standard is the implementation of PS 3160, which contains requirements for recognizing, measuring, and classifying infrastructure procurement through a public/private partnership. The Government of Yukon is currently assessing whether any arrangements fall under this new standard.

Chair: I will turn now to the audited consolidated financial statements and the notes to those, which begin on page 40.

What are the key government estimates and assumptions used in the consolidated financial statements?

Mr. Mollet: The preparation of consolidated financial statements in accordance with the Canadian public sector accounting standards require the government to make estimates and assumptions.

The public sector accounting standards provide broad guidance and factors to consider when making such estimates. This guidance is translated into government accounting policies that are approved by Management Board and form part of the *Financial Administration Manual*.

Estimates are used to quantify items that cannot be measured with precision and are based on historical experience, accounting policies, management judgment, and other relevant information.

At each financial reporting date, estimates undergo a review to ensure ongoing reasonability, accuracy, and the presentation of a fair view of the financial position of government. In instances where the degree of measurement and certainty is high or where a reasonable estimate cannot be made, such disclosures are appropriately included in the notes to the financial statements.

Some common areas where estimates are applied include long-term liabilities where factors outside the government control may influence the actual amount, such as post-employment benefits, compensated absences, and retirement liabilities. The estimation involves numerous assumptions. An actuary considers factors such as retirement timing, discount rates, benefits utilization, and relevant trends such as salary growth when determining liability.

Another item is the asset retirement obligation liabilities, which are contingent on estimating the time and cost of retirement activities. The determination of these costs as well as the choice of discount rate is dependent on prevailing market conditions. Environmental liabilities for contaminated sites include estimates for remediation costs. Other contingent liabilities such as legal claims.

Another area is tangible capital assets. The determination of useful lives for tangible capital assets directly impacts the annual amortization expense and the reported net book value.

Chair: What improvements have been made to the presentation of Public Accounts, and what are some continuing areas for possible improvement?

Mr. Mollet: The presentation of the consolidated financial statements is regulated by the public sector accounting standards, so little opportunity exists for deviations. An area we have continued to make improvements on is the consolidated financial statement discussion and analysis section — FSD&A. The FSD&A section adds insights and explanations to help readers interpret financial results and information included in the financial statements.

PS 1201, around the financial statement presentation, which is effective April 1, 2022, replaced PS 1200, which was used the year before. The notable changes in presentation of consolidated financial statements are a new statement entitled "Consolidated Statement of Remeasurement Gains and Losses" that you can find on page 37 of the 2022-23 Public Accounts. This statement captures the accounting treatment following adoption of PS 3041, portfolio investments, and PS 3450, financial instrument, as of April 1, 2022.

Meanwhile, the implementation of PS 3280, asset retirement obligations, showed the addition of a new liability in the statements of financial positions, changes to the schedule for the tangible capital assets, and the addition of new disclosures in the notes.

Per the recommendation 3 of the Committee from 2021-22 Public Accounts, the department continues to explore ways to provide meaningful cross-jurisdictional comparisons.

Looking ahead, the next major change in presentation of financial statements will be for fiscal years effective April 1, 2026.

In June 2023, the Public Sector Accounting Board approved a new conceptual framework for financial reporting in the public sector and issued a new standard, PS 1202, on the financial statement presentation. Its implementation will require the introduction of new layouts on the financial statements, including new statements.

Chair: How do estimates impact the surplus or deficit?

Ms. Schultz: Estimates involve some degree of measurement uncertainty, as they are forward-looking and they may positively or negatively impact the reported surplus or deficit. This, however, is short-lived, since any new information is incorporated into revisions to estimates at each financial reporting date and any overstatements or understatements are reflected in the financial statements. These estimates and underlying assumptions are audited as part of the annual audit conducted by the Office of the Auditor General. Where an estimate cannot be reasonably made, the information is disclosed in the financial statements.

Ms. White: Regarding the consolidated statement of operations and accumulated operating surplus on page 36, can you please explain the budget versus actual variances for 2023 for expenses outlined in Schedule B?

Mr. Mollet: Thank you, Mr. Chair, and thank you to the member for the question.

The consolidated statement of operations and accumulated operating surplus on page 36 compares amounts for the 2022-23 fiscal year to the budget and the previous fiscal year. Schedule B, also-named the Consolidated Schedule of Operations by Function, on page 80 compares amounts for the 2022-23 fiscal year to the previous fiscal year. The actual total expense was $1,790,000,000. This represents an increase of $16 million, which is approximately 0.9 percent higher than the amount in the main estimates of the budget. As explained in note 1(b) on page 40, the budgeted amounts reflect the operation and maintenance and capital estimates for 2022-23 approved in the Legislative Assembly in April 2022. These figures do not reflect changes from the supplementary estimates approved later in the year.

Ms. White: Note 12(a), starting on page 55, is on investment in government business enterprises and the summary financial statements. On page 55, in the table for summary financial statements, under the Yukon Development Corporation column, can the department explain the $31,137,000 listed as Assets — Regulatory deferral?

Again, I have the same question for the $22,449,000 listed as Liabilities — Regulatory deferral.

Mr. Mollet: Thank you, Mr. Chair, and thank you to the member for the question.

This is a complex question and I will try to be as clear as possible. Regulatory deferrals are an accounting process. The concept is laid out in accounting standards for regulated industries like public utilities, also known as international financial reporting standards, chapter 14.

Regulatory decisions usually have the purpose of rate-smoothing. The general concept is to match expenses and revenues with rates. Regarding the question from the Committee, the Yukon Utilities Board, which is the regulator, provides direction to the Yukon Energy Corporation on what expenses and revenues need to be amortized over time. The rates approved by the Yukon Utilities Board to generate revenue should theoretically match the amortized deferrals over this period of time, plus a reasonable return on investment. The amounts identified as regulatory deferrals are expected to be recovered or refunded in future rates.

For Assets — Regulatory deferral, there are several expenses that the Yukon Utilities Board had directed Yukon Energy Corporation to recognize over a period of time. Some examples include generator overhauls, feasibility studies, and dam safety reviews. Under "Liabilities — Regulatory deferral", the difference is that this relates here to revenues and not expenses. Some examples include insurance proceeds, low water reserve fund, and contracts with customers.

Hon. Ms. McLean: In (b) of that section — inter-entity balances and transactions — on page 56, the table for inter-entity balances and transactions includes an amount entitled "Expenses to", with the Yukon Development Corporation showing $49,889,000. A footnote explains that $17,406,000 of that is for costs of electricity purchased by the Government of Yukon. Can the department provide a breakdown of the balance of that amount?

Mr. Mollet: Thank you, Mr. Chair, and thank you to the member for the question.

The entire amount is related to energy costs, the breakdown for the $49.889 million is: $17.406 million was paid to an unrelated third party, and it is ATCO Electric Yukon; the remaining $32.483 million was paid to the Yukon Energy Corporation. The energy costs are broken down as follows: the Yukon government in the amount of $45.1 million; Yukon Housing Corporation for $2.1 million; Yukon University for $7,000; and Yukon Hospital Corporation for $2.4 million.

Hon. Ms. McLean: In (d) of that section, commitments for the Yukon Development Corporation, under commitments for the Yukon Development Corporation on page 57, it states — quote: "As at March 31, 2023, 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 $75,452,000." In 2022, it shows $24,564,000. What has caused this change?

Mr. Mollet: Thank you to the member for the question.

The change is due to contractual obligations related to large capital projects. Specifically, these projects are the thermal replacement and the battery projects.

Hon. Ms. McLean: Under (f) of that section, "Regulatory Deferral Accounts" for the Yukon Development Corporation, note 12(f) on page 58 explains: "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 operating surplus." What is the significance of this amount being negative?

Mr. Mollet: This amount is shown as a negative because there is a larger change to the liabilities regulatory deferral. Asset regulatory deferral increased by $5.7 million between 2021-22 and 2022-23, whereas liabilities regulatory deferral increased by more than $13 million during the same period.

The primary change in this category is related to the low water reserve fund. The low water reserve fund was established by the Yukon Utilities Board to protect against thermal costs that are greater than average and when there is a shortage of water in the hydro system. Additional revenue is allocated to this fund when the cost of thermal consumed is less than the long-term average.

Mr. Kent: My questions are on page 58, note 13, which is on accounts payable and accrued liabilities. It looks to me like question 34 is repeated in question 36, so I will just ask questions 35 and 36 together, if that is okay with witnesses.

Question 35 is: Can you provide details on the accrued liabilities? This amount is $30,377,000 greater than the previous year. Accounts payable show an increase of $18,193,000, so can you explain this increase for us?

Mr. Mollet: Thank you, Mr. Chair, and thank you to the member for the questions.

I will first start with question 35, the first question on accrued liabilities. The Yukon government's overall increase in accrued liabilities of $30,377,000 is comprised of the following: an increase of $32,089,000 in the Yukon government's accrued liabilities, primarily attributed to a $26-million rise in departmental accruals for retroactive payments to employees as part of the new collective agreement. The remaining — for the $6-million increase in the accrued liabilities — is driven by both volume and timing of activities. There is also, as part of the variance, a decrease of $355,000 in the Yukon Housing Corporation's accrued liabilities, an increase of $566,000 in the Yukon University's accrued liabilities, and a decrease of $1,923,000 in the Yukon Hospital Corporation's accrued liabilities.

With regard to the second question on accounts payable, the overall increase in accounts payable of $18,193,000 is attributable to the following categories, broken down into: an increase of $15.6 million in the Yukon government's accounts payable, an increase of $222,000 in the Yukon Housing Corporation's accounts payable, an increase of $1.2 million in the Yukon University's accounts payable, an increase of $3.5 million in the Yukon Hospital Corporation's accounts payable, and a decrease of $2.4 million in the inter-entity balances.

I may want to go back to question 34 that you didn't ask, because it provides some information with regard to the details with regard to the $18 million. When you combine everything and you look at the $18 million, it was due to the different reasons, but overall, the adjustment has been made also to reflect the reclassification of future period commitments prepaid, and it is what explains the main difference in accounts payable between the two fiscal years. This item was previously included in accounts payable and has now been included under cash and cash equivalents. Future period commitments prepaid pertain mostly to the comprehensive municipal grants and carbon price rebate payments, typically payable on April 1, but we are recording accounts payable with a cut-off date of March 31.

The other $4-million decrease in accounts payable was influenced by both the volume and timing of activities between the two fiscal years.

Hon. Mr. Mostyn: I note that pages 59 to 60 are on environmental liabilities and that is where we are going to pivot now. What does "environmental liabilities" mean? What do they represent?

Mr. Mollet: Thank you, Mr. Chair, and thank you to the member for the question.

Environmental liabilities represent the estimated costs related to remediation and or risk management of contaminated sites for which the government is obligated or will likely be obligated to incur costs. We need to define what "obligated" means. Whether the government is obligated is defined in the *Environment Act* but can be subject to many other legal and ethical considerations.

According to the *Environment Act*, the responsible party is whomever is in control of the substance at the time of the spill or leak; however, the government can — or sometimes must — take responsibility for sites where the responsible party isn't clear or no longer exists but where our obligation to the public and ecosystem still exists. Contaminated sites are sites that contain contaminants in the soil, surface water or groundwater greater than or equal to the standards in the contaminated sites regulation.

Environmental liabilities are recorded when the contamination occurs or when the government becomes aware of the contamination; where the government is obligated to incur such costs; and the cost of the remediation can be reasonably estimated.

PS 3260, liability for contaminated sites, establishes how to account for and report a liability associated with the remediation of contaminated sites. As of March 31, 2023, the liability represents estimated future costs for remediation and other associated costs related to 104 known sites. Sites include costs for various contaminated sites, abandoned mines, and type 2 mine sites.

Hon. Mr. Mostyn: I have a question for the Auditor General's Office and I will just report to the room that we are on the downward slope.

The Government of Yukon has $92,000,000 recorded in environmental liabilities. Can you speak to how this amount is audited?

Mr. Irving: As mentioned previously in question 2, environmental liabilities is a key estimate, a very significant measurement of uncertainty for the government financial statements. Now, as part of auditing this, we develop an understanding and evaluate the reasonableness of the government's methodology for determining their environmental liabilities. We review the key assumptions and test, on a sample basis, the underlying data and documentation to determine whether they are reasonable, appropriate, or properly supported. We review and assess the government's updated analysis and conclusions for recognizing environmental liabilities. In other words, we do take a look at the specific sites — the documentation to them. We will take a look at the government's costing and we will compare that to current documentation or, if there isn't, take a look at similar sites to determine if the costing is appropriate. We will also take a look at any other sites that don't have liabilities. For example, as we were talking, in note 2, there is a subsequent event. You're taking a look to see: Is that complete?

Hon. Mr. Mostyn: Did the government update its environmental liability estimation process, and what were the impacted changes?

Mr. Mollet: The key environmental estimates are disclosed under note 2(b) of the Public Accounts on page 45. The government has begun recording inflation on existing environmental liabilities. The environmental liabilities are calculated by the site assessment and remediation unit in the Department of Environment or SARU.

Environmental liabilities are only recorded in the financial statements when the value of the liability can be determined with reasonable accuracy and the responsibility for performing the remediation lies clearly with government. When governmental liabilities are identified and assessed, they are recorded as a liability at that time.

Historically, those values have only been updated when the new assessment for that site is received. In order to calculate the estimated increased cost due to inflation, we used the last assessment for each site as the cost base going as far back as 2013, and then we calculated inflation annually at two percent for each year. This resulted in an overall $5.2-million increase in environmental liabilities. Since the values are based on estimates and due to the phased approach to assessments, the liability for a site can change over time. When the unit engages in the remediation work for a site, the cost of the remediation work is charged against the liability rather than expensed.

Chair: Further to the questions on page 60 in regard to Wellgreen, on page 60, the liabilities table shows a decrease from 2022 to 2023 for Wellgreen. Can the department explain this decrease? Has work been done on the site to reduce the liability?

Mr. Mollet: No remediation work has been completed at the Wellgreen site. In 2022 and 2023, the design for the remediation was developed. It will now need to be adapted as the department works with Kluane First Nation on remediating the site. When I say "the department", it is the Department of Environment. As design work was included in the estimated cost to remediate, the $1.1-million design expenses reduce the liability.

Chair: With regard to Wolverine, what is the difference between care and maintenance and remediation expenditures?

Mr. Mollet: The Assessment and Abandoned Mines branch in the Department of Energy, Mines and Resources considers care and maintenance to be the minimum acceptable level of site activity required to maintain environmental compliance, to ensure the health and safety of workers and site visitors, and to ensure physical stability of site infrastructure. This cost includes labour to secure the site and to operate the water treatment plant 24 hours a day, 365 days a year. It also includes fuel to run generators for providing all site power, fuel to operate equipment, provision and maintenance of equipment and site infrastructure, and water treatment campaigns for reducing risk of elevated water levels in the tailing storage facility. Also included are costs for environmental monitoring, geotechnical monitoring, small construction work, camp services, and flight services. Care and maintenance expenditures do not reduce the liability cost estimates associated with the Yukon government's long-term ownership of the site.

Alternatively, remediation expenditures improve the environmental and or stability condition of site infrastructure, offsetting the long-term cost of managing the environmental issues and therefore reducing the liability cost estimates associated with the Yukon government's long-term ownership of the site.

Chair: What work has been done at the Wolverine mine site so far to remediate the site, and when is the mine site expected to be fully remediated?

Mr. Mollet: On this question, the department provided information we can share. Most of the Yukon government's activity at Wolverine since retaining ownership from the receiver in autumn 2022 has been for care and maintenance.

In the summer of 2023, a targeted contaminant-removal campaign was implemented to relocate ore stockpiles, ore debris, and ore-contaminated fill from the industrial complex to a lined waste rock storage facility.

In autumn 2023, to advance overall site remediation, the Assessment and Abandoned Mines branch was prepared to release a request for proposals to contract a project design team for a five-year term to develop a remediation plan and associated designs for Yukon government implementation. However, the release of this request for proposals was deferred due to the abandonment of Minto and to allow for internal resources to focus on Minto.

Ms. White: We are going to move to note 26, overexpenditure, and it's on page 74.

What role in oversight does the Department of Finance play with respect to monitoring departmental financial reports to ensure compliance to the *Financial Administration Act* and appropriation acts?

Ms. Schultz: The Department of Finance, primarily through the Office of the Comptroller, is responsible for administering and ensuring the proper implementation of all financial policies and controls for the Government of Yukon.

The Office of the Comptroller also has a leading role in monitoring the compliance of financial management and accounting activities for the Government of Yukon with relevant legislation, especially the *Financial Administration Act* and public sector accounting standards. Management Board Secretariat has a role to review and provide advice to the board on the development of policies and guidelines. It is also responsible for the planning and management of government resources and therefore works closely with departments and corporations on the monitoring of budgetary performance and provides recommendations through analysis during variance exercises.

Ms. White: Note 26 at the bottom of the page says — and I quote: "Section 3 of the *Hospital Standards (Yukon Hospital Corporation) Regulation* states that property or money that is supplied to the Yukon Hospital Corporation by the Government must be used for the purpose for which it was supplied and in accordance with the conditions on which it was supplied. During the year, Yukon Hospital Corporation used $7,300,000 for operational purposes even though it was supplied by the Government solely for the purpose of a capital project."

Did the Yukon Hospital Corporation inform the government of its decision to use capital funds for operations?

Ms. Schultz: The Yukon Hospital Corporation did not inform government of its decision to use capital funds for operations. In the governance and financial management review of the Yukon Hospital Corporation that was conducted by Ernst & Young, they did not observe any formal written notification from the Yukon Hospital Corporation to the Department of Health and Social Services that capital funds were used to meet operating expenses at the time of its occurrence. This use of capital funds for operating purposes was noted in the Yukon Hospital Corporation's 2023 audited financial statements.

Ms. White: Given that this is a violation of the regulations, are there consequences or penalties?

Ms. Schultz: Thank you for the question. An independent governance and financial management review of the Yukon Hospital Corporation was completed in October of 2023 that included recommendations. The Government of Yukon initiated the review to identify opportunities to improve governance, financial management, and internal controls within the Yukon Hospital Corporation and between the Yukon Hospital Corporation and government. New processes, controls, and updates to agreements have resulted from the review. This includes enhanced accountabilities, including more robust internal controls and checks, as well as frequent and more transparent reporting measures that include adherence to regulatory requirements. It also establishes a clear chain of responsibility and full disclosure of any irregularities. The Department of Finance continues to work with Health and Social Services to oversee this process and is providing additional scrutiny to all departments to ensure that department funding is applied appropriately.

Ms. White: I believe the witness just answered what was being done to prevent a violation like this in the future, so I am going to move on to the next question, which is: Given the shortfall for the capital project, what are the consequences for that project?

Ms. Schultz: The Government of Yukon works with the Yukon Hospital Corporation to ensure that core funding needs are identified and met. The shortfall was addressed as part of the 2023-24 first supplementary estimates. Health and Social Services continues to work with the Hospital Corporation to identify future funding requirements and ensure that services and supports are in place. There was no impact to project scope or timelines based on the use of capital funds for operations. As well, Health and Social Services and the Hospital Corporation are holding regular joint executive meetings to ensure coordination and collaboration. The Department of Finance will also continue to work closely with Health and Social Services to ensure that critical projects remain appropriately funded.

Hon. Ms. McLean: Note 28, "Risk management of financial instruments", starts on page 75. On page 76, it states: "Liquidity risk is the risk that the Government will encounter difficulty in meeting obligations associated with financial liabilities. The Government is exposed to liquidity risk on its accounts payable and accrued liabilities, due to Government of Canada, and borrowings." How does moving from net asset to net debt change the current liquidity risk assessment?

Mr. Mollet: Thank you, Mr. Chair, and thank you for the question.

The Yukon is currently in a net financial asset position. Any government could be exposed to liquidity risk whether in a net financial asset or net debt position. The same mitigation tools will be used, which include monitoring actual and forecast cash flow from operating, investing, and financing activities. This also includes the active management of our accounts receivable and timely recoveries from Canada.

Hon. Ms. McLean: What is the appropriate level of risk for this situation, and what changes will be made in operations and financing going forward?

Mr. Mollet: It is important again to highlight that net debt is not actual debt but a difference between financial assets and all liabilities. The government manages closely its overall liquidity risk by managing cash resources, which is achieved by monitoring actual and forecasted cash flow from operating, investing, and financing activities. This work also includes our ongoing efforts to ensure that the recoveries from Canada ~~in~~ on our different programs are handled in a timely manner and monitored.

Hon. Ms. McLean: Further, on page 76, it is noted that — quote: "The carrying amounts of accounts payable and accrued liabilities, as well as due to the Government of Canada, as reported on the consolidated statement of financial position will be settled in the next fiscal year."

Can you explain what is meant by this and provide more details?

Mr. Mollet: This means that the amounts shown for accounts payable and accrued liabilities ~~for~~ represent obligations that the Yukon government owes to its vendors, including the Government of Canada — that these obligations are expected to be paid off or settled within the upcoming fiscal year. Accounts payable represent amounts owed by the organization for goods or services received but not yet paid for. Accrued liability is a key element of accrual method of accounting that recognizes an expense or an obligation that government has incurred but not covered yet. This could include expenses such as the purchase of goods and services, salaries and wages, utilities, taxes, or interest. The statement implies that these obligations are short term in nature and are expected to be settled within the normal operating cycle of the government, which typically spans over one year. It is important for the decision-makers, financial institutions, and the public to understand the timing of when these liabilities are expected to be settled, as these provide insight into the overall government's liquidity and financial health.

Mr. Kent: We are going to move on to part 3, which is the non-consolidated financial statements and other information. That part starts on page 89.

I will take folks to page 123, note 27, on guarantees.

The question I have is this: The Yukon Development Corporation has a credit facility of up to $72,500,000. Can the department tell us what that amount is for and how much is drawn against it?

Mr. Mollet: Thank you, Mr. Chair, and to the member for the question.

The $72,500,000 is a combination of credit facilities for both the Yukon Development Corporation, which holds $7.5 million, and the Yukon Energy Corporation, which holds $65 million. The Yukon Development Corporation holds the line of credit for overdraft purposes. To date, the corporation has not drawn on its line of credit. The Yukon Energy Corporation uses its line of credit for construction financing. At March 31, 2023, the amount drawn on the facility was $16,729,000. Thank you.

Mr. Kent: I will take the witnesses to page 128 now, under "Schedule of Revenues". In that section, under taxes and general revenues, the sale of land, the budget stated revenues would be $19.15 million; however, the actuals are $8.351 million. Can you explain the variance on this and which estimated projects did not proceed for sale?

Mr. Mollet: The decrease in land sales revenues for 2022-23 can primarily be attributed to the timing associated with the release of Whistle Bend lots, resulting in sales being recorded in the fiscal year 2023-24 rather than 2022-23. The bulk of these lots were part of phase 6B and phase 8 developments. There were also a smaller number of rural lots released in early 2023-24 that were also initially forecast for release in 2022-23. These projects progressed as anticipated. The variance highlighted in the schedule doesn't signify a delay in project progression; rather, it indicates that the lots initially projected for release and sale in the fiscal year were ultimately made available the following fiscal year. Thank you.

Hon. Mr. Mostyn: I thought that we had discussed questions 53 and 54, so we will give the questions and the answers will be posted online; is that correct?

Chair: The witnesses provided a written document that is posted on our website which addresses questions 53 and 54, but we were going to offer the opportunity for them to provide further comment if they wish.

Hon. Mr. Mostyn: "Section II Supplementary Financial Information (unaudited) — the following questions are on 'Section II Supplementary Financial Information' in the non-consolidated financial statements."

Schedule 1, Non-Consolidated Comparative Schedule of Revenues — can you provide details of which projects were funded and the expenditure by project for the following agreements under contributions and service agreements on page 137? They include: Investing in Canada infrastructure program, $63,924,000; national trade corridors fund, $48,248,000; small communities fund, $53,134,000; Connect to Innovate fund, $11,415,000; and Yukon Resource Gateway, $14,834,000.

Chair: Mr. Mollet, as I mentioned, there is a fairly detailed document in response to this question available on our website, but if the witnesses would like to provide any additional commentary on it to perhaps guide Committee members as we review it, please feel free.

Mr. Mollet: I will just say a few words here. You have the list of projects and it is separated. We bundled our responses to questions 53 and 54 all together for ease-of-read for the members of the Committee. We added also a few notes that can help provide clarity on some of the projects, because some projects were funded under several funding streams. We can name on this one the Dempster fibre project that was funded under ICIP but also CTI. If there are any questions on this table from the members of the Committee, we are here to respond.

Hon. Mr. Mostyn: I will just follow up with the last question that I have here. Can you also provide a breakdown of how much was funded by Canada, Yukon, and third parties, if applicable, for these expenditures? Again, I think that there is a written answer for that.

Mr. Mollet: I may just add that, for ease of reading, it was easier for us to put in notes when a third source of funding was available for any of the projects. In one instance, there was funding from CIRNAC, and it was for the project related to the White River First Nation community centre under ICIP. The other one was the Dempster fibre project that was funded under two different funding streams. The documents provide the breakdown between the total cost of the projects and the recovery piece. And then, by making the difference between the recovery, whether it is under ICIP or another source, we provide what is the net cost for government.

Chair: Schedule 2, Non-Consolidated Schedule of Revenues by Department, Highways and Public Works, in the Non-Consolidated Schedule of Revenues by Department, under Highways and Public Works, from Canada, Capital, on page 155, please explain why the Airports Capital Assistance Program was almost entirely unspent.

Mr. Mollet: You can find the information on Schedule 2 and the total budget for the Airports Capital Assistance Program was $14,299,000. Approximately $11 million of the initial budget for this program should have been listed under the national trade corridors fund — NTCF — for the Erik Nielsen Whitehorse International Airport agreement. However, it was incorrectly listed under the Airports Capital Assistance Program. Accounting for this adjustment, the total variance would have been $3,164,000. The $3,164,000 was intended to be recovered under the Taxiway A, E, and Apron ACAP agreement; however, the project was deferred.

Ms. White: Schedule 3, Non-Consolidated Comparative Schedule of Expenses, under Environment, in the Non-Consolidated Comparative Schedule of Expenses under Environment on page 167 — I believe what we are going to see is the accounting standards difference — can you please expand on what happened between 2021-22 and 2022-23 to make that $48,000,000 difference in Environmental liabilities?

Mr. Mollet: In 2021-22 — I mentioned it earlier in one of the questions — the Yukon government recorded two large increases in environmental liabilities. The main increase was $39,048,000 for the Wolverine mine. This amount was based on a 2017 assessment. The other large increase was an $11-million increase in environmental liabilities for Wellgreen, the Wellgreen site. This increase was the result of an updated estimate based on initial design work.

The total for these large increases account for close to $50 million. The remaining difference in environmental liabilities is the result of the $5.2-million increase to account for inflation — it was in a previous response to the Committee — and a $1.1-million decrease for expenses related to the design work for the Wellgreen site. It was also in a previous question. Thank you.

Chair: Thank you. Our next question is listed as 57 and is: Can you provide a breakdown of overall capital expenditures for transportation, property management, and capital planning listed under Highways and Public Works on page 170? I would note that this has been answered by written questions, so unless there is any further commentary the witnesses would like to provide, we will move on. Seeing none, okay, Mr. Kent.

Mr. Kent: Thank you, my questions begin on page 181 regarding the schedule of expenses for the Department of Education.

The document shows that: education support services underspent by just over $2 million; Schools and Student Services underspent by just over $4.5 million; and First Nation Initiatives underspent by $1.6 million. Is there an explanation? Can you explain those underexpenditures?

Mr. Mollet: Thank you, Mr. Chair, and thank you to the member for the question.

The information that I will share with you was provided by the Department of Education. I will just first start by correcting a typo in the question by clarifying that the non-consolidated schedule of expenses for the Department of Education shows that Schools and Student Services and not education support services underspent by just over $2 million and Policy and Partnerships underspent by just over $4.5 million and not Schools and Student Services. I know that it is sometimes challenging to read. I will now go more into the details for the variance.

Regarding Schools and Student Services, the main driver for the lapse of $2,070,446 is related to personnel vacancies for teachers, teachers on call, and paraprofessionals. Of note, the department has made significant efforts in recruitment and retention in 2023-24. With reference to Policy and Partnerships, the three main drivers of this $4.5-million lapse are training programs, curriculum and assessment, and early learning and childcare. Within training programs, there were staffing changes in key roles, and with the shift of the labour market unit to the Department of Economic Development, due to succession planning and program implementation, there were some initiatives that were not advanced as the department had originally planned or anticipated.

The lapse in curriculum and assessment was due to personnel vacancies and in program expenditures and contracts. These lapses were mainly driven by capacity within the unit. The department has prioritized addressing these personnel vacancies during 2023-24.

The lapse in Early Learning and Child Care is an anticipated annual risk and the department works closely with the federal government to carry or defer funds when needed. As such, $2 million was reallocated from 2022-23 to 2023-24. As this is a program-based fund, actual expenses are not known until the end of the fiscal year.

With regard to the First Nation initiative, the main driver for the lapse is related to personnel vacancies in Yukon First Nation language teachers.

Mr. Kent: Moving to page 194, in the totals section, it shows that approximately 93 percent of the capital budget was spent when you look at the actuals versus revised estimates. How does this compare to the previous five years? Which projects were affected by the approximately $35.188 million in funds that were not spent?

Ms. Schultz: The 93 percent is comparable to previous years. The percentage was lower during the COVID-19 pandemic at about 81 percent, as many contractors paused operations, but we are seeing the percentage return to more normal levels.

It is understandable to lapse some funds in the capital budget, as some projects are deferred to future years and others move forward faster than expected.

Some of the lapses in 2022-23 were related to projects that reflected the timing of work and cash-flow requirements. Some of those projects were the Selkirk storm drain, the bilingual health centre, Heritage Resources collection facility, the docks and boats launch project, the business incentive program, and the Haines Junction infrastructure upgrades, phase 3.

There were also some lapses related to lower than expected spending in programs such as the Yukon Development Corporation's Arctic energy fund and Community Services' land development funding.

Hon. Mr. Mostyn: In schedule 9, Non-Consolidated Schedule of Other Government Transfers, under Economic Development, on page 206, the Municipality of Skagway is listed with $354,000 and $298,000. Was this the total amount for the design of the marine service platform or did Skagway contribute?

Mr. Mollet: Thank you, Mr. Chair, and thank you to the member for the question.

The total amount for the design work on the Skagway marine service platform was $739,267. $354,011 was provided in 2022-23 for completion of 30 percent and 60 percent of the design work and $297,719 was provided in 2022-23 again for completion of the 90-percent milestone of the design work. The Municipality of Skagway did not contribute toward the cost of the design work.

Hon. Mr. Mostyn: Why was only $300,000 of the $397,000 budgeted transferred to the Yukon Gold Mining Alliance?

Mr. Mollet: Thank you, Mr. Chair, and thank you to the member for the question.

Expenses under the 2022-23 transfer payment agreement were lower due to a scaled-back ~~forecast~~ focus by the Yukon Gold Mining Alliance — YGMA — on these three events and activities. These were the Vancouver Resource Investment Conference, the Prospectors and Developers Association of Canada convention, and the undertaking of Yukon property tours in support of mining investment attraction. In addition, the YGMA didn't undertake initially planned web design or digital marketing activities in that year. YGMA also attended a precious metals summit outside of the transfer payment agreement, which further reduced the expenditures under the agreement.

Chair: I will turn to page 207. Under "Education", the community training fund is shown with a transfer of only $181,000 of the $713,000 budgeted. Can you explain this variance?

Mr. Mollet: Training programs experienced some staffing changes in key roles alongside the transfer of the Labour Market Unit to the Department of Economic Development. As such, due to succession planning and program implementation, there were some initiatives that were not advanced as the department had originally anticipated.

Chair: What accounted for the increase in operation and maintenance from $530,000 to $2.15 million for the Yukon First Nation School Board shown on page 208?

Mr. Mollet: The interim funding agreement with the First Nation School Board was in the amount of $13.1 million. The Department of Education re-profiled existing school budgets. The Department of Education paid for salaries and heating fuel, which totalled approximately $11 million. The remaining funding, which accounts for $2.1 million, was provided to the Yukon First Nation School Board through a transfer payment agreement.

Chair: Why was only $1.4 million of $1.7 million budgeted for the Commission scolaire francophone du Yukon spent?

Mr. Mollet: The development of both the budget and the terms of the transfer payment agreement for the Commission scolaire francophone du Yukon was determined using projected enrolment. Actual enrolment was lower than anticipated, causing a variance. Additionally, the department was to provide funding for new technology, but the commission was not able to spend the funds due to capacity issues and asked to defer this amount to the 2023-24 fiscal year.

Chair: Under "Justice" on page 216, the initial budget for the Indigenous courtworker program was $648,000, revised was $823,000, and the final was $725,000. What happened to cause this much change?

Mr. Mollet: The Department of Justice 2022-23 main estimates budget for the Indigenous courtworker program was $648,000. In July 2022, the minister signed a new access-for-justice agreement with the Government of Canada, which included new funding for the Gladue report-writing initiative in the amount of $175,000. Therefore, in *Supplementary Estimates No. 2*, the Department of Justice requested an increase of $175,000 for the Gladue report-writing agreement. This brought the total budget to $823,000. The actuals for both the Indigenous courtworker program and the Gladue report-writing initiative were reported at approximately $725,000.

The Council of Yukon First Nations, which was the recipient of the Gladue report-writing agreement, spent the entirety of the allocated $175,000. There were 12 First Nations that received funding through the Indigenous courtworker funding. You have the list on page 216 of the Public Accounts. Some of the First Nations were not able to provide all their reporting by March 31 and therefore the Department of Justice was only able to pay out $550,000 out of the $648,000 budgeted amount.

Ms. White: Section III, Supplementary Financial Statements. Section II of the Non-Consolidated Financial Statements, Supplementary Financial Statements, starts on page 225, but we, however, are going to note 6, which is the Yukon Hospital Corporation pension costs and obligation on pages 304 and 305. Note 6 of the Yukon Hospital Corporation's financial statements regarding pension costs and obligation on page 305 states — and I'm quoting: "The Corporation is permitted to cover up to a specified maximum with a conforming letter of credit. As at March 31, 2023 the Corporation has a conforming letter of credit totaling $35,128 (2022 - $33,810). The actuary has determined that the special payment shortfall for calendar 2023 is $2,463 (2022 - $3,767)."

Can you please explain this?

Mr. Mollet: Thank you, Mr. Chair, and thank you to the member for the question.

We started to discuss pension funding, and we all know that these funds are complex. Every year, the pension plan is subject to an actuarial evaluation, which is a year-end evaluation of the pension plan's assets and liabilities in order to determine funding requirements.

The Public Accounts indicate that, as of December 31, 2022, the Yukon Hospital Corporation had a solvency surplus of roughly $8.8 million or 105-percent funded. This is the first surplus since 2003. A solvency surplus is an estimate of how much pension plan assets exceed liabilities in the event that the plan was terminated immediately.

A solvency deficit, on the other side, is an estimate of how much pension plan liabilities exceed assets in the event the plan was terminated immediately, usually caused by the employer ceasing to operate.

Solvency deficits must be eliminated through extra funding. The funding for solvency deficits isn't based on the most recent actuarial valuation but rather based on the average of the past three years of evaluation. In 2022, the plan was roughly 105-percent funded. For 2021, it was 92-percent funded, and in 2020, it was only 83.5-percent funded for solvency purposes. Over the last three years, it was on average of 93.5-percent funded.

Despite the first surplus in 21 years, the Yukon Hospital Corporation is still required to make solvency special payments of $2.46 million, as the plan was only 93.5-percent funded on a three-year average basis. The extra funding can come either by letters of credit of up to a maximum value equal to 15 percent of the pension plan's liabilities or cash contributions. Typically, the deficit has been funded by letter of credit first and only occasionally by cash contributions. The solvency liabilities of the plan fell by $48 million in 2022. Since letters of credit cannot exceed 15 percent of liabilities, this has resulted in a reduction of $7 million in the maximum limit of the letter of credit from $35 million to $28 million.

Effectively, the $2.46 million in cash payment is due to the reduced letter of credit limit as the plan improves. There is currently no indication at this time that similar funding requirements will be needed next year. Thank you.

Ms. White: The Yukon Housing Corporation's financial statements start on page 323. Why is there the large drop in accounts receivable shown on page 331 and then in note 5 on page 346?

Mr. Mollet: Thank you, Mr. Chair, and thank you to the member for the question.

Each fiscal year between 2019-20 and 2029-30, Yukon Housing Corporation recovers funds from the Canada Mortgage and Housing Corporation — CMHC — under the national housing strategy bilateral agreement. This recoverable amount varies each year. Due to the timing of CMHC's disbursement, our accounts receivables can show significant differences in the reporting periods. Of the $4.97 million in accounts receivable for 2021-22, $4,472,000 was due from CMHC under bilateral agreements. This amount was received in April 2022 after the fiscal year. This is the reason why it was accrued.

In 2022-23, the reason why it was in the accounts receivable — in 2022-23, the funds due from CMHC — $4.8 million — under the same agreement were received at the end of March, resulting in the lower accounts receivable balance.

Ms. White: Under revenues listed on page 332, we know that there is nothing budgeted for community housing initiative, social infrastructure fund, or investment in affordable housing. Are the revenues from these initiatives replaced by the northern carve-out?

Mr. Mollet: Thank you, Mr. Chair, and thank you to the member for the question.

The response is no. The northern carve-out is a separate agreement under the national housing co-investment fund and does not replace any of those CMHC-funded programs. Those three revenue streams didn't receive allocated funds in 2022-23.

Mr. Kent: I am going to combine these two questions — 69 and 70 — as they are very similar. This is with respect to note 6, mortgages and loans receivable, on page 347.

Can the government tell us how many loans have been advanced under the owner-build program and under the developer-build program in total? How many are currently outstanding?

Mr. Mollet: Thank you, Mr. Chair, and thank you to the member for the questions.

I will start first with the owner-build program. The owner-build program is a legacy program. It was replaced by the rural — and I put it in a bracket because it was also further replaced — home ownership program. The latter program provides loans to purchase and build primary homes. As of March 31, 2023, 16 loans were on repayment.

Moving to the next question about the developer-build program, since its inception, three applicants successfully accessed the developer-build program, with a total of four loans advanced to date. Three loans have been fully repaid and one is currently active.

Hon. Mr. Mostyn: I am going to cap my contribution to this hearing this afternoon on tangible capital assets. I am going to go to note 13. "Capital tangible assets" is on page 353. My question is: Who is responsible for the operation and maintenance costs of the building formerly owned by Options for Independence Society of Yukon (OFI)?

Mr. Mollet: The Yukon Housing Corporation is responsible for the operations and maintenance costs related to the building formerly owned by the Options for Independence Society.

Chair: On page 355, note 16 is on contractual obligations and contingencies. It states — quote: "If Safe at Home Society is unable to operate and maintain these housing units for 20 years, the Corporation, in consultation with CMHC, would need to determine an appropriate course of action to ensure the Corporation's adherence to any potential obligation arising from this flow through arrangement."

What assurance does the government have that these housing units will be able to operate and be maintained for 20 years?

Mr. Mollet: The Safe at Home Society has obligations not only to the Yukon Housing Corporation but also to all other funders, like the Canada Mortgage and Housing Corporation, to ensure long-term affordability. Each funder seeks to safeguard their interest by executing agreements and security instruments against the property. Their underwriting efforts also evaluate the viability of the project.

Chair: How many housing units is Safe at Home currently operating and maintaining, and how many units were originally contemplated for this project?

Mr. Mollet: The Safe at Home Society currently operates 26 deeply affordable but temporary supportive housing units at the former High Country Inn for 29 tenants. There were 55 units originally contemplated for the project.

Chair: That completes the questions that had been collectively determined by the Committee. We will turn now to any follow-up questions that Committee members may have.

Mr. Kent: This is with respect to question 57 that was provided in writing by the department officials. It talks about a breakdown of overall capital expenditures for transportation, property management, and capital planning listed under Highways and Public Works on page 170. I recognize that obviously this information won't be available today, but I am hoping that we could get a breakdown that is similar to what was provided for the ICIP and national trade corridors and the other funds — a project breakdown rather than — I mean, highway construction, Alaska Highway at $4.142 million — I'm more interested in the next level down of projects under that and similar throughout that document — if we could get that information from the witnesses at some point forwarded to the Committee.

Ms. Schultz: We can reach out to the department to collect that information.

Ms. White: This may be appropriate for the department at the time, but question 42 was around the Wolverine mine, and the witnesses indicated that the request for proposals had been deferred due to the Minto mine situation. Is there an idea of when that remediation plan will go back out for a request for proposals?

Ms. Schultz: That is another question we will have to follow up with the department on.

Chair: I just have one follow-up question, seeing none from my colleagues. I just wanted to follow up on the question that was asked with regard to the carbon price rebate program. I believe that Ms. Schultz provided an updated number for the business allocation as the closing liability. I am just wondering if you can circle back to that and repeat that amount. I think that I missed it earlier.

Ms. Schultz: The amount that we have now confirmed with CRA is $21.8 million.

Chair: Just to follow up, the increase from the March 31 cumulative 2023 number — what would cause that increase from $20.5 million to the number you just provided?

Ms. Schultz: I will have to get back to you on the details.

Chair: Okay. Are there any further questions? Seeing none, I understand that Ms. Schultz may have some closing remarks that I will open up to now.

Ms. Schultz: Thank you, Mr. Chair.

I just wanted to mention that the Department of Finance is always looking to refine our approach to the preparation of the Public Accounts and make it as efficient and transparent as possible to ensure that the information is of use to as many Yukoners as possible, as well as to those who access our documents outside of the territory.

This Committee offers an opportunity to facilitate that with its recommendations and through discussions like those we had today. This Committee also allows us to highlight the collaboration between the Office of the Comptroller, departments, and public corporations to prepare the government financial statements.

I would like to once again thank each and every departmental staff member who works on preparing the annual Public Accounts. I also want to give my thanks to the Office of the Auditor General of Canada once more. Their positive working relationship with the Department of Finance is critical in producing the Public Accounts. Thank you once again to the members of the Committee for your time.

Chair: Thank you. Before I adjourn this hearing, I would like to make a few remarks on behalf of the Standing Committee on Public Accounts. First of all, I would like to thank the witnesses from the Department of Finance and the Office of the Auditor General of Canada. The purpose of the Public Accounts Committee is to help ensure accountability for the use of public funds. These public hearings are an important part of this work. The Committee's report on the Public Accounts will be tabled in the Legislative Assembly, and we invite those who appear before the Committee and other Yukoners to read the report and the Committee's recommendations.

With that, I would like to again thank all of those who have participated in and helped organize this hearing. I now declare this hearing adjourned.

The Committee adjourned at 3:13 p.m.