

**YUKON FISH AND WILDLIFE
ENHANCEMENT TRUST**

FINANCIAL STATEMENTS

March 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of Yukon Fish and Wildlife Enhancement Trust

Opinion

We have audited the financial statements of Yukon Fish and Wildlife Enhancement Trust, which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in trust equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Basis for opinion

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

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT, continued

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

M. McKay & Associates

M. McKay & Associates Ltd.
Chartered Professional Accountants

Whitehorse, Yukon
October 19, 2023

YUKON FISH AND WILDLIFE ENHANCEMENT TRUST
STATEMENT OF OPERATIONS
For the year ended March 31, 2023

	<u>2023</u>	<u>2022</u>
REVENUES		
Gain on sale of investments	\$ 131,763	\$ 147,213
Dividend income	100,766	140,302
Interest income	41,938	40,153
Donations and other income	<u>565</u>	<u>10</u>
	<u>275,032</u>	<u>327,678</u>
EXPENSES		
Projects (note 8)	176,624	189,845
Trust Manager Fees	49,354	47,388
Investment management fees	33,832	36,555
Professional fees	6,947	6,190
Investment custodian fees	6,501	6,943
Advertising and promotion	3,911	3,119
Office and general	989	802
Telephone	963	1,230
Travel	620	1,290
Meeting Expenses	212	225
Bank charges	<u>107</u>	<u>148</u>
	<u>280,060</u>	<u>293,735</u>
(Deficiency) excess of revenues over expenses before unrealized gain/loss on investments	(5,028)	33,943
Unrealized gain (loss) on investments (note 4)	<u>(257,446)</u>	<u>116,542</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	<u><u>\$ (262,474)</u></u>	<u><u>\$ 150,485</u></u>

See accompanying notes to the financial statements

3.
M. McKay & Associates Ltd.
Chartered Professional Accountants

YUKON FISH AND WILDLIFE ENHANCEMENT TRUST
STATEMENT OF CHANGES IN TRUST EQUITY
For the year ended March 31, 2023

	<u>2023</u>		
	<u>Total</u>	<u>Unrestricted Surplus</u>	<u>Surplus, Other Income</u>
Balance, beginning of year	\$ 5,203,623	\$ 4,164,659	\$ 1,038,964
Deficiency of revenues over expenses	<u>(262,474)</u>	<u>(5,028)</u>	<u>(257,446)</u>
Balance, end of year	<u><u>\$ 4,941,149</u></u>	<u><u>\$ 4,159,631</u></u>	<u><u>\$ 781,518</u></u>
	<u>2022</u>		
	<u>Total</u>	<u>Unrestricted Surplus</u>	<u>Surplus, Other Income</u>
Balance, beginning of year	\$ 5,053,138	\$ 4,130,716	\$ 922,422
Excess of revenues over expenses	<u>150,485</u>	<u>33,943</u>	<u>116,542</u>
Balance, end of year	<u><u>\$ 5,203,623</u></u>	<u><u>\$ 4,164,659</u></u>	<u><u>\$ 1,038,964</u></u>

See accompanying notes to the financial statements

4.
M. McKay & Associates Ltd.
Chartered Professional Accountants

YUKON FISH AND WILDLIFE ENHANCEMENT TRUST
STATEMENT OF FINANCIAL POSITION
March 31, 2023

ASSETS		<u>2023</u>	<u>2022</u>
CURRENT			
Cash		\$ 18,902	\$ 17,820
GST receivable		<u>1,883</u>	<u>2,508</u>
		20,785	20,328
INVESTMENTS (notes 3 and 4)		<u>4,946,752</u>	<u>5,214,429</u>
		<u><u>\$ 4,967,537</u></u>	<u><u>\$ 5,234,757</u></u>
LIABILITY			
CURRENT			
Accounts payable and accrued liabilities		<u>\$ 26,388</u>	<u>\$ 31,134</u>
NET ASSETS			
UNRESTRICTED SURPLUS		4,159,631	4,164,659
SURPLUS, OTHER INCOME		<u>781,518</u>	<u>1,038,964</u>
		<u>4,941,149</u>	<u>5,203,623</u>
		<u><u>\$ 4,967,537</u></u>	<u><u>\$ 5,234,757</u></u>

Approved on behalf of the Trustees:

 Trustee

 Trustee

See accompanying notes to the financial statements

5.
M. McKay & Associates Ltd.
Chartered Professional Accountants

YUKON FISH AND WILDLIFE ENHANCEMENT TRUST
STATEMENT OF CASH FLOWS
For the year ended March 31, 2023

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES		
Cash receipts from receivables and donations	\$ 449	\$ 4,010
Cash receipts from GST refunds	3,144	1,822
Cash disbursed for operating expenses	<u>(245,511)</u>	<u>(233,428)</u>
Cash flow to operating activities	(241,918)	(227,596)
INVESTING ACTIVITY		
Cash transferred from investments	<u>243,000</u>	<u>225,897</u>
NET INCREASE (DECREASE) IN CASH	1,082	(1,699)
CASH, beginning of year	<u>17,820</u>	<u>19,519</u>
CASH, end of year	<u><u>\$ 18,902</u></u>	<u><u>\$ 17,820</u></u>

See accompanying notes to the financial statements

6.
M. McKay & Associates Ltd.
Chartered Professional Accountants

YUKON FISH AND WILDLIFE ENHANCEMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2023

1. Nature of operations

Yukon Fish and Wildlife Enhancement Trust was established in February 1995 under the provisions of the Umbrella Final Agreement between the Council of Yukon First Nations, Government of Canada, and Government of the Yukon. Their objective is to restore, enhance, and protect the Yukon fish and wildlife populations and their habitat. The organization is a registered Canadian charity for taxation purposes.

2. Significant accounting policies

The trust follows accounting principles generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

(a) Revenue recognition

Dividend Income is recognized when the right to receive payment is established.

Interest income is recognized on an accrual basis.

Realized trading gains or losses are recognized on the concluded sale of investments. It represents the difference between the amounts received through the sale of investments and their respective cost base. This year, the realized gains amounted to \$131,763 (2022:\$147,213)

Unrealized gains or losses on investments are recognized in the Statement of Operations. It represents the difference between the cost as of March 31, 2023 and the fair market value. This year, the unrealized loss amounted to \$257,446 (2022: unrealized gain \$116,542)

Donations are recognized as revenue when received.

(b) Contributed services

Volunteers contribute many hours per year to assist the Trust in carrying out its activities. Because of the difficulty in quantifying the fair value of contributed services, such are not reported nor recognized in the financial statements.

(c) Investments

Investments are initially recorded at fair value at the date of acquisition and subsequently measured at fair value based on quoted market prices.

(d) Capital assets

The Trust expenses its capital assets. Capital expenditures incurred during the year amounted to \$0 (2022: Nil).

YUKON FISH AND WILDLIFE ENHANCEMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2023

2. Significant accounting policies, continued

(e) Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions relating to reported amounts of assets and liabilities at the financial statement date, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses for the fiscal year covered. Actual results may differ from those reported.

3. Financial instruments

The Trust's activities are exposed to a variety of financial risks: currency risk, market risk, credit risk and interest rate and liquidity risk. The Trust is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the custodian, in the events of its failure, the ability of the Trust to transfer securities might be temporarily impaired.

(a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The trust is exposed to foreign exchange risk in United States dollars and other currencies as it holds US equities and international equities.

(b) Market risk

The Trust is exposed to market risk as the investments in publicly traded securities are subject to fluctuations due to price changes on the market. The prices can also be affected by changes in interest rates and foreign currency exchange rates.

(c) Credit risk

Credit risks arise from cash, accounts receivable, goods and services tax recoverable and investments in debt securities. Cash are deposited with reputable, major financial institutions to limit the credit risk exposure. The credit risk from counter parties not paying accounts receivable and goods and services tax recoverable is not considered to be significant. The Trust maintains diversity in its portfolio investments to minimize exposure to credit risk. The Trust's target investment allocation over a 3 year period are as follows: fixed income - 40%, Canadian equities - 30% and foreign equities - 30%.

(d) Liquidity risk

Liquidity risk is the risk that the Trust cannot repay its obligations when they become due to its creditors. Liquidity risk exposure is dependent on the receipt of investment income to enable the Trust to pay its liabilities as they become due.

YUKON FISH AND WILDLIFE ENHANCEMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2023

3. Financial instruments, continued

(e) Interest rate risk

The Trust is exposed to interest rate risk with respect to the following financial instruments: cash and investments in interest bearing securities. Changes in interest rates can affect the fair value of investments and the cash flows related to interest income.

4. Investments

	<u>2023</u>	<u>2022</u>
	\$ -	\$ -
Cash & Cash Equivalents and Canadian Fixed Income	1,425,744	1,249,159
Canadian Equities	1,451,294	1,746,909
US Equities	852,576	999,030
International Equities	667,818	676,929
Other Assets	541,652	535,000
Interest accrued	7,668	7,402
	<u>\$ 4,946,752</u>	<u>\$ 5,214,429</u>

The table above presents the fair market value of the Trust's investments as at March 31, 2023 together with the change in fair value from their cost base. The fair value of the investments were determined by reference to published price quotations in an active market provided by Fiduciary Trust Canada and RBC Investor Services. Recent events in the financial markets will have an effect on the fair value of the investments.

5. Investment account activity

	<u>2023</u>	<u>2022</u>
Opening Balance at Cost	\$ 4,168,061	\$ 4,108,786
Income from Investment	274,608	329,439
Management and Custodian Fees	(42,150)	(44,267)
Fund Transfers	(242,956)	(225,897)
Closing Balance at Cost	4,157,563	4,168,061
Unrealized Gain	781,521	1,038,967
Accrued Interest	7,668	7,401
Fair Market Value	<u>\$ 4,946,752</u>	<u>\$ 5,214,429</u>

YUKON FISH AND WILDLIFE ENHANCEMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2023

6. Surplus, other income

Surplus, other income is the accumulated increase (decrease) from cost to the fair market value of the investments. It represents the unrealized portion of the gain (loss) on investments.

7. Related party transactions

The Yukon Fish and Wildlife Enhancement Trust (the Trust) Trustees also sit as Board members for the Yukon Fish and Wildlife Management Board (the board). Business related to the trust is an agenda item at the regular meetings of the Fish and Wildlife Management Board. Details of any projects funded by the Trust to the Board are outlined in note 8.

8. Project expenses

	<u>2023</u>
2022-23-01 Wood Street Centre ES 11 (Wood Street)	\$ 2,772
2022-23-02 Wildlife Conservation Society Canada (WCS)	15,000
2022-23-04 Yukon Fish & Game Association	2,000
2022-23-05 Tr'ondek Hwech'in First Nation (TH)	5,000
2022-23-06 Individual Learning Centre	3,300
2022-23-08 St. Elias School	1,502
2022-23-09 Wildlife Conservation Society Canada (WCS)	10,000
2022-23-10 Fishing Around Research and Consulting	14,000
2022-23-11 Society of Yukon Bird Observatories	10,000
2022-23-12 Centre for Human/Wildlife Conflict Solutions (A.Cassandra)	6,950
2022-23-13 Bluemoon Trapping Products (F. Johnstone)	10,000
2022-23-14 Centre for Human/Wildlife Conflict Solutions	14,500
2022-23-15 Teslin Renewable Resources Council	14,300
2022-23-16 Elijah Smith Elementary School (Elijah Smith)	4,200
2022-23-17 Alsek Renewable Resources Council	13,900
2022-23-19 Yukon Fish & Wildlife Management Board (YFWMB)	2,000
2022-23-20 Yukon Fish & Wildlife Management Board (YFWMB)	50,000
2021-22-06 Yukon Outfitters Association(YOA)	<u>(2,800)</u>
	<u>\$ 176,624</u>

YUKON FISH AND WILDLIFE ENHANCEMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2023

9. Project expenses (continued)

	<u>2022</u>
2021-22-01 Wood Street Centre ES 11 (Wood Street)	\$ 4,000
2021-22-02 River to Ridge	14,000
2021-22-04 Wildlife Conservation Society Canada (WCS)	15,000
2021-22-05 Porter Creek Secondary School (PCSS)	4,347
2021-22-06 Centre for Human/Wildlife Conflict Solutions (WildWise Youth)	10,531
2021-22-07 Northern Polich Analytics(L. Fressigne)	15,000
2021-22-08 Society of Yukon Bird Observatories	10,000
2021-22-10 Zimmermann, Dennis	2,300
2021-22-11 Zimmermann, Dennis	2,000
2021-22-12 Department of Geography	10,900
2021-22-13 CPAWS Yukon	8,000
2021-22-15 St. Elias School	2,400
2021-22-16 Shannon Powell Consultants	3,000
2021-22-18 Kluane First Nation	14,000
2021-22-19 Teslin Renewable Resources Council	14,000
2021-22-20 Elijah Smith Elementary School (Elijah Smith)	4,994
2021-22-21 Yukon Outfitters Association (YOA)	10,000
2021-22-23 Bluemoon Trapping Products (F. Johnstone)	10,000
2021-22-24 Tr'ondek Hwech'in First Nation (TH)	4,709
2021-22-25 Yukon Fish & Wildlife Management Board (YFWMB)	1,000
2020-21-06 Yukon Outfitters Association (YOA)	14,000
2020-21-04 Individual Learning Centre	(337)
2020-21-09 Dawson Fur Show (DRRC)	11,000
2020-21-04 ILC Culture/Subsistence Camp(ILC)	5,000
	<u>\$ 189,844</u>

9. Comparative amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.