

**YUKON FISH AND WILDLIFE
ENHANCEMENT TRUST**

FINANCIAL STATEMENTS

March 31, 2014

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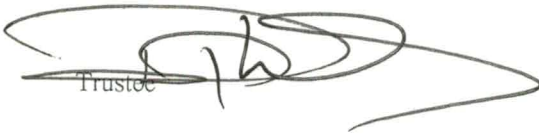
MANAGEMENT RESPONSIBILITY STATEMENT

The management of Yukon Fish and Wildlife Enhancement Trust is responsible for preparing the accompanying financial statements, the notes to the financial statements and all related financial information contained in this annual report.

Management prepares the financial statements in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within the framework of the significant accounting policies adopted by management.

Management, in fulfilling its responsibilities, has developed and maintains a system of internal accounting controls designed to provide reasonable assurance that management assets are safeguarded against loss or unauthorized use, and that the records are reliable for preparing the financial statements.

The financial statements have been reported on by M. McKay & Associates Ltd., Certified General Accountants, the trust's independent external auditors. Their report outlines the scope of their examination and their opinion on the financial statements.


Trustee

September 30, 2014

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Yukon Fish and Wildlife Enhancement Trust

We have audited the accompanying financial statements of Yukon Fish and Wildlife Enhancement Trust, which comprise the statement of financial position as at March 31, 2014, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Yukon Fish and Wildlife Enhancement Trust as at March 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations



M. McKay & Associates Ltd.
Certified General Accountants

Whitehorse, Yukon
September 30, 2014

YUKON FISH AND WILDLIFE ENHANCEMENT TRUST

STATEMENT OF OPERATIONS

For the year ended March 31, 2014

| | <u>2014</u> | <u>2013</u> |
|--|--------------------------|--------------------------|
| REVENUES | | |
| Gain on sale of investments | \$ 168,066 | \$ 79,667 |
| Dividend income | 68,372 | 58,738 |
| Interest income | 52,719 | 55,891 |
| Donations | <u>-</u> | <u>8,600</u> |
| | <u>289,157</u> | <u>202,896</u> |
| EXPENSES | | |
| Projects (Note 6) | 143,474 | 86,794 |
| Investment management fees | 32,258 | 29,540 |
| Consulting fees | 27,286 | 44,547 |
| Professional fees | 7,789 | 5,564 |
| Investment custodian fees | 6,655 | 6,426 |
| Advertising and promotion | 2,727 | 2,634 |
| Annual report | 1,747 | 1,133 |
| Office and general | 893 | 1,262 |
| Travel | 787 | 274 |
| Telephone | 628 | 1,430 |
| Bank charges | 107 | 121 |
| Conferences, seminars and training | 81 | 780 |
| Fund raising contract | <u>-</u> | <u>4,051</u> |
| | <u>224,432</u> | <u>184,556</u> |
| Excess of revenues over expenses before other income | 64,725 | 18,340 |
| Other income | | |
| Increase in fair market value of investments | <u>398,177</u> | <u>252,681</u> |
| EXCESS OF REVENUES OVER EXPENSES | <u><u>\$ 462,902</u></u> | <u><u>\$ 271,021</u></u> |

See accompanying notes to the financial statements

YUKON FISH AND WILDLIFE ENHANCEMENT TRUST
STATEMENT OF CHANGES IN TRUST EQUITY
For the year ended March 31, 2014

| | <u>Unrestricted Surplus</u> | <u>Surplus, Other Income</u> | <u>Total 2014</u> | <u>Total 2013</u> |
|----------------------------------|---------------------------------|----------------------------------|----------------------------|----------------------------|
| Balance, beginning of year | \$ 3,896,351 | \$ 499,609 | \$ 4,395,960 | \$ 4,124,939 |
| Excess of revenues over expenses | <u>64,725</u> | <u>398,177</u> | <u>462,902</u> | <u>271,021</u> |
| Balance, end of year | <u><u>\$ 3,961,076</u></u> | <u><u>\$ 897,786</u></u> | <u><u>\$ 4,858,862</u></u> | <u><u>\$ 4,395,960</u></u> |

See accompanying notes to the financial statements

YUKON FISH AND WILDLIFE ENHANCEMENT TRUST
STATEMENT OF FINANCIAL POSITION
March 31, 2014

| ASSETS | | <u>2014</u> | <u>2013</u> |
|--|--|---------------------|---------------------|
| CURRENT | | | |
| Cash | | \$ 8,755 | \$ 27,722 |
| Accounts receivable | | 4,742 | - |
| Goods and services tax recoverable | | <u>1,568</u> | <u>2,235</u> |
| | | 15,065 | 29,957 |
| RESTRICTED CASH | | 6,804 | 7,804 |
| INVESTMENTS (note 3) | | <u>4,858,773</u> | <u>4,385,460</u> |
| | | <u>\$ 4,880,642</u> | <u>\$ 4,423,221</u> |
| LIABILITIES | | | |
| CURRENT | | | |
| Accounts payable and accrued liabilities | | \$ 14,976 | \$ 19,457 |
| SCHOLARSHIP TRUST LIABILITY (note 7) | | <u>6,804</u> | <u>7,804</u> |
| | | <u>21,780</u> | <u>27,261</u> |
| EQUITY | | | |
| Trust equity | | <u>4,858,862</u> | <u>4,395,960</u> |
| | | <u>\$ 4,880,642</u> | <u>\$ 4,423,221</u> |

Approved on behalf of the Trustees:

 Trustee

 Trustee

See accompanying notes to the financial statements

YUKON FISH AND WILDLIFE ENHANCEMENT TRUST
STATEMENT OF CASH FLOWS
For the year ended March 31, 2014

| | <u>2014</u> | <u>2013</u> |
|---|-------------------------|-------------------------|
| OPERATING ACTIVITIES | | |
| Cash receipts from receivables, refunds and donations | \$ 4,614 | \$ 29,830 |
| Cash disbursed for operating expenses | (198,408) | (149,794) |
| Scholarship trust awarded | <u>(1,000)</u> | <u>-</u> |
| Cash flow to operating activities | (194,794) | (119,964) |
| Cash transferred from investments | <u>174,827</u> | <u>137,465</u> |
| NET (DECREASE) INCREASE IN CASH | (19,967) | 17,501 |
| CASH, beginning of year | <u>35,526</u> | <u>18,025</u> |
| CASH, end of year | <u><u>\$ 15,559</u></u> | <u><u>\$ 35,526</u></u> |
| CASH CONSISTS OF: | | |
| Cash | \$ 8,755 | \$ 27,722 |
| Restricted cash | <u>6,804</u> | <u>7,804</u> |
| | <u><u>\$ 15,559</u></u> | <u><u>\$ 35,526</u></u> |

See accompanying notes to the financial statements

YUKON FISH AND WILDLIFE ENHANCEMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2014

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 Financial Statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNFP"), using accounting policies 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 represent the difference between the amounts received through the sale of investments and their respective cost base.

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 \$1,683 (2013: \$nil).

(e) Use of estimates

The preparation of financial statements in conformity with ASNFP 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.

YUKON FISH AND WILDLIFE ENHANCEMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2014

3. Investments

| | <u>2014</u> | <u>2013</u> |
|-----------------------------------|---------------------|---------------------|
| Cash and Equivalents | \$ 49,187 | \$ 101,355 |
| Canadian Fixed Income | 1,578,983 | 1,404,005 |
| US and International Fixed Income | 293,218 | 105,635 |
| Canadian Equities | 1,376,754 | 1,170,736 |
| US Equities | 761,972 | 763,226 |
| International Equities | 785,715 | 826,737 |
| Accrued Interest | <u>12,944</u> | <u>13,766</u> |
| | <u>\$ 4,858,773</u> | <u>\$ 4,385,460</u> |

The table above presents the fair market value of the Trust's investments as at March 31, 2014 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.

4. Investment account activity

| | <u>2014</u> | <u>2013</u> |
|-------------------------------|---------------------|---------------------|
| Opening Balance | \$ 3,872,055 | \$ 3,852,209 |
| Income from Investment | 289,978 | 193,681 |
| Management and Custodian Fees | (39,193) | (36,360) |
| Fund Transfers | <u>(174,827)</u> | <u>(137,475)</u> |
| Closing Balance At Cost | 3,948,013 | 3,872,055 |
| Unrealized Gain | 897,817 | 513,405 |
| Accrued Interests | <u>12,943</u> | <u>-</u> |
| Fair Market Value | <u>\$ 4,858,773</u> | <u>\$ 4,385,460</u> |

YUKON FISH AND WILDLIFE ENHANCEMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2014

5. Financial instruments

The Trust's activities are exposed to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk 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.

The Trust uses different methods to measure and manage the various type of risks to which it is exposed; these methods are explained below.

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.

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.

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%.

Liquidity risk

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, 2014

6. Project expenses

| | <u>2014</u> | <u>2013</u> |
|---|-------------------|------------------|
| Rainbow Trout Invasive Species (YFGA) | \$ 9,560 | \$ - |
| Freshwater Springs (YFGA) | - | 8,500 |
| Birds of the Old Crow Flats (VGG) | 14,986 | - |
| CTFN - Monitoring Program (CTFN) | 14,500 | - |
| ORV Alliance (YCS) | - | 15,000 |
| McIntyre Creek Trail Mapping (YCS) | 13,500 | - |
| Fish of the Dempster (M. McHugh) | 12,000 | 8,731 |
| Pharmaceuticals at Whitehorse Sewage Lagoon (D. Yacura) | 11,750 | - |
| Relocating Arctic Ground Squirrels (J. Werner) | 11,550 | - |
| Soapberries: Bear Human Conflict (Yukon College/YRC) | 10,000 | - |
| Teslin Bird Observatory | 10,000 | 15,000 |
| Wolf Pelt Handling Incentive Program (YOA) | 7,100 | 15,000 |
| Teslin Advanced Wolf Trapping Program (TTC) | 6,550 | - |
| Live Smart with Yukon Wildlife (CHWCS) | 5,000 | - |
| Spotters Network Training Workshop (YISC) | 5,000 | - |
| Wolf Skinning Workshop (YTC) | 3,150 | - |
| First Trapper Education Program (TH) | 2,828 | 63 |
| Turn in Poachers & Polluters (YFGA) | 6,000 | 6,000 |
| Dawson Fur Show (DRRC) | - | 12,500 |
| Dolly Varden (D. Hope) | - | 6,000 |
| | <u>\$ 143,474</u> | <u>\$ 86,794</u> |

7. Scholarship trust liability

Funds are held in trust for Yukon Fish and Wildlife Management Board for the Sharing the Land Scholarship Fund. The Board may allow one or two \$ 1,000 scholarship annually.

| | <u>2014</u> | <u>2013</u> |
|-----------------------------|-----------------|-----------------|
| Balance , beginning of year | \$ 7,804 | \$ 7,804 |
| Scholarship awarded | <u>(1,000)</u> | <u>-</u> |
| Balance, end of the year | <u>\$ 6,804</u> | <u>\$ 7,804</u> |

8. 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.