

YUKON FISH AND WILDLIFE
ENHANCEMENT TRUST
FINANCIAL STATEMENTS

March 31, 2017

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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., Chartered Professional Accountants, the trust's independent external auditors. Their report outlines the scope of their examination and their opinion on the financial statements.



Trust Chair

October 2, 2017

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, 2017, and the statements of operations and changes in trust equity 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, 2017, and the results of its operations for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

M. McKay & Associates

M. McKay & Associates Ltd.
Chartered Professional Accountants

Whitehorse, Yukon
October 2, 2017

YUKON FISH AND WILDLIFE ENHANCEMENT TRUST

STATEMENT OF OPERATIONS

For the year ended March 31, 2017

	<u>2017</u>	<u>2016</u>
REVENUES		
Dividend income	\$ 65,283	\$ 72,202
Interest income	61,785	64,782
Gain on sale of investments	<u>10,031</u>	<u>120,543</u>
	<u>137,099</u>	<u>257,527</u>
EXPENSES		
Projects (Note 6)	181,298	150,959
Consulting fees	44,049	43,275
Investment management fees	34,287	34,221
Investment custodian fees	6,833	6,863
Professional fees	6,615	6,824
Advertising and promotion	1,460	1,653
Telephone	1,144	697
Travel	609	460
Office and general	362	992
Bank charges	193	213
Annual report	-	225
Conferences, seminars and training	<u>-</u>	<u>42</u>
	<u>276,850</u>	<u>246,424</u>
Excess of revenues over expenses before other income	(139,751)	11,103
Other income (expense)		
(Decrease) increase in fair market value of investments	<u>361,647</u>	<u>(362,302)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u><u>\$ 221,896</u></u>	<u><u>\$ (351,199)</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, 2017

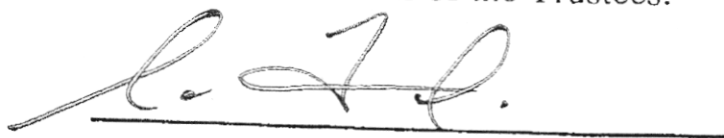
	<u>Unrestricted Surplus</u>	<u>Surplus, Other Income</u>	<u>Total 2017</u>	<u>Total 2016</u>
Balance, beginning of year	\$ 4,139,356	\$ 686,964	\$ 4,826,320	\$ 5,177,519
Excess (deficiency) of revenues over expenses	<u>(139,751)</u>	<u>361,647</u>	<u>221,896</u>	<u>(351,199)</u>
Balance, end of year	<u><u>\$ 3,999,605</u></u>	<u><u>\$ 1,048,611</u></u>	<u><u>\$ 5,048,216</u></u>	<u><u>\$ 4,826,320</u></u>


See accompanying notes to the financial statements

YUKON FISH AND WILDLIFE ENHANCEMENT TRUST
STATEMENT OF FINANCIAL POSITION
 March 31, 2017

ASSETS		<u>2017</u>	<u>2016</u>
CURRENT			
Cash			
Accounts receivable		\$ 117,591	\$ 61,463
Goods and services tax recoverable		-	7,785
		<u>3,342</u>	<u>4,711</u>
		120,933	73,959
RESTRICTED CASH			
INVESTMENTS (note 3)		-	4,804
		<u>4,957,457</u>	<u>4,772,137</u>
		<u>\$ 5,078,390</u>	<u>\$ 4,850,900</u>
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities		\$ 30,174	\$ 19,776
SCHOLARSHIP TRUST LIABILITY (note 7)		-	4,804
		<u>30,174</u>	<u>24,580</u>
EQUITY			
		<u>\$ 5,078,390</u>	<u>\$ 4,850,900</u>

Approved on behalf of the Trustees:

 Trustee

 Trustee

See accompanying notes to the financial statements

YUKON FISH AND WILDLIFE ENHANCEMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2017

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 ("ASNFPO"), 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 represents 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 \$0 (2016: Nil).

YUKON FISH AND WILDLIFE ENHANCEMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2017

2. **Significant accounting policies, continued**

(c) **Use of estimates**

The preparation of financial statements in conformity with ASNFPO 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. **Investments**

	<u>2017</u>	<u>2016</u>
Cash and Equivalents	\$ 31,638	\$ 43,469
Canadian Fixed Income	1,959,893	1,944,799
Canadian Equities	1,395,769	1,282,641
US Equities	785,483	702,915
International Equities	771,399	798,296
Accrued Interest	<u>13,380</u>	<u>13,468</u>
	<u>\$ 4,957,457</u>	<u>\$ 4,772,137</u>

The table above presents the fair market value of the Trust's investments as at March 31, 2017 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>2017</u>	<u>2016</u>
Opening Balance	\$ 4,071,688	\$ 4,089,649
Income from Investment	137,099	254,966
Management and Custodian Fees	(41,313)	(42,653)
Fund Transfers	<u>(272,008)</u>	<u>(230,274)</u>
Closing Balance At Cost	3,895,466	4,071,688
Unrealized Gain	1,048,611	686,964
Accrued Interests	<u>13,380</u>	<u>13,485</u>
Fair Market Value	<u>\$ 4,957,457</u>	<u>\$ 4,772,137</u>

YUKON FISH AND WILDLIFE ENHANCEMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2017

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, 2017

6. **Project expenses**

	2017	2016
Youth Engagement in Fisheries and Fish Health (AICBR)	\$ -	\$ 14,990
Make It Wild! (Yukonstruct)	5,000	-
TKC Beaver Trapping Program for Youth 16-17 (TKC)	7,078	-
Tagish River Cisco Assessment and Restoration (CTRRC)	10,000	-
Characterizing Caribou Use of Burned Areas (K. Russell)	-	14,176
McIntyre Valley Margins Cleanup (YCS/FMS)	-	3,000
Wolf Harvest Management and Trapping Training (CTRRC)	-	13,141
Southern Lakes Wire Recovery (CTFN)	19,023	-
Southern Lakes Wire Recovery (CTRRC)	-	10,000
Relocating Arctic Ground Squirrels (J. Werner)	-	5,400
Ch'gii' Adventures of a Porcupine Calf (B. Hayes)	-	7,000
Teslin Lake Bird Observatory (SYBO)	10,000	10,000
Wolf Pelt Handling Incentive Program (YOA)	15,000	15,000
Fish of the Dempster - Blackstone River Basin (M. McHugh)	8,370	-
Teslin Lake Trout Spawning and Genetics (TRRC)	9,854	-
Herschel Island and Sharing Results (M. Grabowski)	-	5,200
Water Monitoring and Fish Habitat (FNNND)	-	1,400
Teaching Youth to Fish for Whitefish (YFGA)	8,720	-
Investigation of Movement of Arctic Grayling (Al Von Finster)	7,514	-
Turn in Poachers & Polluters (YFGA)	-	5,000
School Bison Hunt (HVS)	3,000	2,000
Location of Downed Wire (G. Stinson-Schroff)	374	-
Fur Trapping Wall Tents for the Elementary School (EVBS)	3,000	-
Kluane FN Wildlife Monitors (KFN)	5,000	-
Humane Wolf Trapping Training (F. Johnstone)	9,990	9,100
Sharing the Land (YFWMB)	1,000	-
Connections: Traditional Teachings of Yukon FN (ESS)	3,000	-
FN Stewardship: Southern Lakes Caribou Monitoring Program. (TTC)	5,000	-
Yukon Stocked Lakes Investigation (EDI)	6,880	-
School Bison Hunt (HFES)	3,000	-
Pine Creek Fish Passage Investigation (ARRC)	14,495	-
Sharp-tailed Grouse Reproductive Success (J. Potie)	10,000	-
Common Nightwalk Habitat and Activity Patterns in the Forest. (A. Sidler)	10,000	-
Alex VanBibber Scholarship (YFWMB)	1,000	-
Harvest Monitor (TH)	5,000	5,625
Prelim. Research for Lake Trout Restoration (YFWET)	-	29,927
	<u>\$ 181,298</u>	<u>\$ 150,959</u>

YUKON FISH AND WILDLIFE ENHANCEMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2017

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>2017</u>	<u>2016</u>
Scholarship in trust , beginning of year	\$ 4,804	\$ 5,804
Scholarship awarded	-	(1,000)
Scholarship disbursed	<u>(4,804)</u>	<u>-</u>
Balance, end of the year	<u>\$ -</u>	<u>\$ 4,804</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.