

CREE-QUÉBEC FORESTRY BOARD

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
MARCH 31, 2007**

CREE-QUÉBEC FORESTRY BOARD

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May 3, 2007

AUDITORS' REPORT

To the members of
Cree-Québec Forestry Board

We have audited the balance sheet of Cree-Québec Forestry Board as at March 31, 2007 and the statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Laberge Lafleur Brown S.E.N.C.R.L.

CHARTERED ACCOUNTANTS

 **Laberge Lafleur Brown**
S.E.N.C.R.L. DE COMPTABLES AGRÉÉS

CREE-QUÉBEC FORESTRY BOARD

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED MARCH 31, 2007

	2 0 0 7			2 0 0 6	
	Funds			Total	Total
	Operating	Capital asset	Reserve		
	\$	\$	\$	\$	\$
REVENUES					
Partners contributions -					
Québec Government	200,000	-	-	200,000	200,000
Grand Council of the Crees (Eeyou Istchee)	200,000	-	-	200,000	200,000
Interests	25,660	-	-	25,660	18,547
	425,660	-	-	425,660	418,547
EXPENSES (schedule)					
Salaries	302,262	-	-	302,262	300,330
Internal management	101,777	20,847	-	122,624	132,567
Board meetings	19,196	-	-	19,196	29,828
Service contracts	64,236	-	-	64,236	99,821
	487,471	20,847	-	508,318	562,546
DEFICIENCY OF REVENUES OVER EXPENSES	(61,811)	(20,847)	-	(82,658)	(143,999)
FUND BALANCES - BEGINNING	208,573	61,132	345,000	614,705	758,704
Interfund transfer (note 3)	196,706	3,294	(200,000)	-	-
FUND BALANCES - ENDING	343,468	43,579	145,000	532,047	614,705

EXPENSES INCLUDE THE FOLLOWING :

Amortization of capital assets	20,847	22,839
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CREE-QUÉBEC FORESTRY BOARD

BALANCE SHEET

AS AT MARCH 31, 2007

	2 0 0 7			2 0 0 6	
	Funds			Total	Total
	Operating	Capital asset	Reserve		
	\$	\$	\$	\$	\$
A S S E T S					
CURRENT ASSETS					
Cash	52,368	-	-	52,368	96,648
Accounts receivable (note 4)	12,333	-	-	12,333	13,407
Prepaid expenses (note 5)	4,151	-	-	4,151	3,759
	68,852	-	-	68,852	113,814
INTERFUND ACCOUNTS					
RECEIVABLE (note 6)	(145,000)	-	145,000	-	-
INVESTMENTS (note 7)	449,213	-	-	449,213	456,372
CAPITAL ASSETS (note 8)	-	43,579	-	43,579	61,132
	373,065	43,579	145,000	561,644	631,318
L I A B I L I T I E S					
CURRENT LIABILITIES					
Accounts payable (note 9)	29,597	-	-	29,597	16,613
F U N D B A L A N C E S					
Invested in capital assets	-	43,579	-	43,579	61,132
Internally restricted	-	-	145,000	145,000	345,000
Unrestricted	343,468	-	-	343,468	208,573
	343,468	43,579	145,000	532,047	614,705
	373,065	43,579	145,000	561,644	631,318

COMMITMENTS (note 10)

SIGNED ON BEHALF OF THE BOARD

_____, director

_____, director

CREE-QUÉBEC FORESTRY BOARD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2007

	2 0 0 7	2 0 0 6
	\$	\$
OPERATING ACTIVITIES (note 11)		
Deficiency of revenues over expenses	(82,658)	(143,999)
Adjustment for :		
Amortization	20,847	22,839
Funds used in operations	(61,811)	(121,160)
Changes in funds other than cash resources -		
Accounts receivable	1,074	6,297
Prepaid expenses	(392)	143
Accounts payable	12,984	7,403
	(48,145)	(107,317)
INVESTING AND FINANCING ACTIVITIES		
Purchase of investments	(572,841)	(278,500)
Proceeds from disposal of investments	580,000	435,000
Purchase of capital assets	(3,294)	(6,864)
	3,865	149,636
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(44,280)	42,319
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	96,648	54,329
CASH AND CASH EQUIVALENTS - END OF YEAR	52,368	96,648
CASH AND CASH EQUIVALENTS INCLUDE :		
Cash	52,368	96,648

CREE-QUÉBEC FORESTRY BOARD

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

1. NATURE OF ACTIVITIES

The organization, constituted by the Québec Government under the terms of article 95.11 of the Forest Act (R.S.Q., c.F-4.1), is an organization of the Québec Government under the terms of article 4 of the Auditor General Act. The mission of the organization is, within the "Agreement concerning a new relationship between le gouvernement du Québec and the Crees of Québec", to ensure that Cree, governments and community forestry stakeholders work together in the different procedures of forest planning and management activities so to implement an adapted forestry regime.

2. ACCOUNTING POLICIES

The organization follows the deferral method of accounting for contributions.

Fund accounting -

Revenues and expenses related to program delivery and administrative activities are reported in the Operating fund.

The Capital asset fund reports the assets, liabilities, revenues and expenses related to organization's capital assets.

The Reserve fund includes the sums reserved for future activities of the organization. The board's appointed officers can, to their judgment, reallocate the use of this fund at other ends according to the needs.

Use of estimates -

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect reported amounts in the financial statements and notes to the financial statements. Actual results may differ from these estimates.

Cash and cash equivalents -

Cash and cash equivalents consist of cash, bank overdrafts, excess of cheques drawn over bank balances and temporary investments maturing in less than three months from the date of acquisition. Temporary investments assigned as a guarantee are excluded from cash and cash equivalents.

Investments -

Investments are accounted for at cost.

CREE-QUÉBEC FORESTRY BOARD

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

2. ACCOUNTING POLICIES (continued)

Capital assets and amortization -

Capital assets are recorded at cost and amortization is calculated using the following methods and rates :

	<u>Methods</u>	<u>Rates</u>
Office equipment	Declining balance	20 %
Computer equipment	Declining balance	30 %
Leasehold improvements	Straight-line	20 %

These rates are reduced by half for acquisitions made during the year.

3. INTERFUND TRANSFER

During the year, the board's appointed officers authorized the transfer of an amount of \$ 200,000 (2006 - \$ 300,000) from Reserve fund to Operating fund and to Capital asset fund.

4. ACCOUNTS RECEIVABLE

	2 0 0 7	2 0 0 6
	\$	\$
Interests receivable	2,768	-
Goods and services tax	9,565	13,407
	12,333	13,407

5. PREPAID EXPENSES

	2 0 0 7	2 0 0 6
	\$	\$
Telecommunications	-	1,539
Fringe benefits	2,167	1,460
Computer expenses	1,286	-
Insurance	698	760
	4,151	3,759

6. INTERFUND ACCOUNTS RECEIVABLE

The interfund accounts receivable are without interest and repayment terms.

CREE-QUÉBEC FORESTRY BOARD

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2007

7. INVESTMENTS

	2 0 0 7	2 0 0 6
	\$	\$
Term deposit, 4 %, maturing in November 2007	200,000	-
Money market (market value : 2007 - \$ 249,213 ; 2006 - \$ 456,372)	249,213	456,372
	449,213	456,372

8. CAPITAL ASSETS

	2 0 0 7		2 0 0 6	
	Cost	Accumulated depreciation	Net value	Net value
	\$	\$	\$	\$
Office equipment	27,401	13,122	14,279	17,849
Computer equipment	49,608	30,771	18,837	22,910
Leasehold improvements	49,550	39,087	10,463	20,373
	126,559	82,980	43,579	61,132

9. ACCOUNTS PAYABLE

	2 0 0 7	2 0 0 6
	\$	\$
Accounts payable	4,300	9,240
Wages and fringe benefits	25,297	7,373
	29,597	16,613

10. COMMITMENTS

The organization leases equipment and office space under operating leases which expire in March and October 2009. The future minimum lease payments are as follows :

Year ending March 31, 2008	45,363
2009	45,363
2010	445
	\$ 91,171

11. CASH FLOWS

Cash flows related to interest received are \$ 22,892 (2006 - \$ 18,547).

CREE-QUÉBEC FORESTRY BOARD**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2007****12. FINANCIAL INSTRUMENTS**

The fair value of cash, accounts receivable and accounts payable is approximately equal to their carrying value due to their short-term maturity date.

The fair value of term deposit is approximately equal to the carrying value due to interest rate and maturity date.

The fair value of money market is approximately equal to their quoted market value as at March 31, 2007.

CREE-QUÉBEC FORESTRY BOARD**SCHEDULE****EXPENSES****FOR THE YEAR ENDED MARCH 31, 2007**

	2007			2006	
	Funds			Total	Total
	Operating	Capital asset	Reserve		
\$	\$	\$	\$	\$	
SALARIES					
Wages and fees	265,093	-	-	265,093	257,937
Fringe benefits	36,590	-	-	36,590	37,735
Training	579	-	-	579	4,658
	<u>302,262</u>	<u>-</u>	<u>-</u>	<u>302,262</u>	<u>300,330</u>
INTERNAL MANAGEMENT					
Rent	44,624	-	-	44,624	44,016
Travelling	33,717	-	-	33,717	43,395
Advertising and representation	2,190	-	-	2,190	1,548
Maintenance and repair	626	-	-	626	282
Stationery and office supplies	9,052	-	-	9,052	9,401
Telecommunications	7,948	-	-	7,948	7,216
Insurance	1,039	-	-	1,039	1,118
Equipment rental	1,704	-	-	1,704	1,880
Bank charges	877	-	-	877	872
Amortization of capital assets	-	20,847	-	20,847	22,839
	<u>101,777</u>	<u>20,847</u>	<u>-</u>	<u>122,624</u>	<u>132,567</u>
BOARD MEETINGS					
Translation	16,040	-	-	16,040	26,689
Meetings expenses	3,156	-	-	3,156	3,139
	<u>19,196</u>	<u>-</u>	<u>-</u>	<u>19,196</u>	<u>29,828</u>
SERVICE CONTRACTS					
Wildlife habitats	29,806	-	-	29,806	48,846
Forestry	-	-	-	-	8,454
Communications	14,731	-	-	14,731	19,354
Web site	2,293	-	-	2,293	5,190
Administration	7,138	-	-	7,138	8,465
Reference centre	6,953	-	-	6,953	5,370
Documentation and archives	-	-	-	-	402
Computer expenses	3,315	-	-	3,315	3,740
	<u>64,236</u>	<u>-</u>	<u>-</u>	<u>64,236</u>	<u>99,821</u>