

**CREE-QUEBEC FORESTRY BOARD**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
MARCH 31, 2005**

# CREE-QUEBEC FORESTRY BOARD

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May 6, 2005

## 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, 2005 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, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



**CHARTERED ACCOUNTANTS**



*Laberge Lafleur*

S.E.N.C. DE COMPTABLES AGRÉÉS

## CREE-QUEBEC FORESTRY BOARD

### STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED MARCH 31, 2005

	2 0 0 5			2 0 0 4	
	Funds			Total (12 months)	Total (7 months) (unaudited)
	Operating	Capital asset	Reserve		
	\$	\$	\$	\$	\$
<b>REVENUES</b>					
Partners contributions -					
Québec Government	200,000	-	-	200,000	825,000
Grand Council of the Crees (Eeyou Istchee)	200,000	-	-	200,000	180,000
Interests	12,872	-	-	12,872	-
	412,872	-	-	412,872	1,005,000
<b>EXPENSES (schedule)</b>					
Salaries	255,641	-	-	255,641	70,788
Internal management	89,913	23,191	-	113,104	76,195
Board meetings	27,017	-	-	27,017	11,295
Service contracts	89,110	-	-	89,110	16,018
	461,681	23,191	-	484,872	174,296
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	(48,809)	(23,191)	-	(72,000)	830,704
<b>FUND BALANCES, BEGINNING</b>	105,450	80,254	645,000	830,704	-
Interfund transfer - Investment in capital assets	(20,044)	20,044	-	-	-
<b>FUND BALANCES, ENDING</b>	36,597	77,107	645,000	758,704	830,704

**EXPENSES INCLUDE THE FOLLOWING :**

Amortization of capital assets	23,191	16,103
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# CREE-QUEBEC FORESTRY BOARD

## BALANCE SHEET

AS AT MARCH 31, 2005

	2005			2004	
	Funds			Total	Total (unaudited)
	Operating	Capital asset	Reserve		
	\$	\$	\$	\$	\$
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	54,329	-	-	54,329	86,575
Accounts receivable (note 3)	19,704	-	-	19,704	184,591
Prepaid expenses (note 4)	3,902	-	-	3,902	-
	77,935	-	-	77,935	271,166
<b>INTERFUND ACCOUNTS</b>					
<b>RECEIVABLE</b> (note 5)	(645,000)	-	645,000	-	-
<b>INVESTMENTS</b> (note 6)	612,872	-	-	612,872	500,000
<b>CAPITAL ASSETS</b> (note 7)	-	77,107	-	77,107	80,254
	45,807	77,107	645,000	767,914	851,420
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable (note 8)	9,210	-	-	9,210	20,716
<b>FUND BALANCES</b>					
Invested in capital assets	-	77,107	-	77,107	80,254
Internally restricted	-	-	645,000	645,000	645,000
Unrestricted	36,597	-	-	36,597	105,450
	36,597	77,107	645,000	758,704	830,704
	45,807	77,107	645,000	767,914	851,420

**COMMITMENTS** (note 9)

**SIGNED ON BEHALF OF THE BOARD**

\_\_\_\_\_, director

\_\_\_\_\_, director

# CREE-QUEBEC FORESTRY BOARD

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED MARCH 31, 2005**

	2 0 0 5	2 0 0 4
	(12 months)	(7 months)
	\$	(unaudited) \$
<b>OPERATING ACTIVITIES</b> (note 10)		
Excess (deficiency) of revenues over expenses	(72,000)	830,704
Adjustment for :		
Amortization	23,191	16,103
Funds generated from (used in) operations	(48,809)	846,807
Changes in funds other than cash resources -		
Accounts receivable	164,887	(184,591)
Prepaid expenses	(3,902)	-
Accounts payable	(11,506)	20,716
	100,670	682,932
<b>INVESTING AND FINANCING ACTIVITIES</b>		
Purchase of investments	(112,872)	(500,000)
Purchase of capital assets	(20,044)	(96,357)
	(132,916)	(596,357)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(32,246)	86,575
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	86,575	-
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	54,329	86,575
<b>CASH AND CASH EQUIVALENTS INCLUDE :</b>		
Cash	54,329	86,575

# CREE-QUEBEC FORESTRY BOARD

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2005

### 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 Cree participation 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 of directors can, to its 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-QUEBEC FORESTRY BOARD

### NOTES TO FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED MARCH 31, 2005

#### 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>Méthods</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. ACCOUNTS RECEIVABLE

	2 0 0 5	2 0 0 4
	\$	(unaudited) \$
Grand Council of the Crees (Eeyou Istchee)	-	180,000
Goods and services tax	19,704	4,591
	19,704	184,591

#### 4. PREPAID EXPENSES

	2 0 0 5	2 0 0 4
	\$	(unaudited) \$
Computer expenses	1,749	-
Fringe benefits	1,349	-
Insurance	804	-
	3,902	-

#### 5. INTERFUND ACCOUNTS RECEIVABLE

The interfund accounts receivable are without interest and repayment terms.

#### 6. INVESTMENTS

	2 0 0 5	2 0 0 4
	\$	(unaudited) \$
Money market (market value : 2005 - \$ 612,872 ; 2004 - \$ 500,000)	612,872	500,000
	612,872	500,000

## CREE-QUEBEC FORESTRY BOARD

### NOTES TO FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED MARCH 31, 2005

#### 7. CAPITAL ASSETS

	2 0 0 5		2 0 0 4	
	Cost	Accumulated depreciation	Net value	Net value (unaudited)
	\$	\$	\$	\$
Office equipment	26,071	5,257	20,814	13,252
Computer equipment	40,780	14,771	26,009	28,847
Leasehold improvements	49,550	19,266	30,284	38,155
	116,401	39,294	77,107	80,254

#### 8. ACCOUNTS PAYABLE

	2 0 0 5	2 0 0 4
	\$	\$ (unaudited)
Accounts payable	3,225	13,005
Wages and fringe benefits	5,985	-
Ministère des Ressources naturelles et de la Faune	-	7,711
	9,210	20,716

#### 9. COMMITMENTS

The organization leases equipment and office space under operating leases which expire in October, 2006 and March, 2009. The future minimum lease payments are as follows :

Year ending March 31, 2006	45,908
2007	45,113
2008	44,000
2009	44,000
	\$ 179,021

#### 10. CASH FLOWS

Cash flows related to interest received are \$ 12,872.

#### 11. FINANCIAL INSTRUMENTS

Financial instruments include cash, accounts receivable and accounts payable. These financial instruments have a fair value comparable to their book value.

The fair value of investments is approximately equal to their quoted market value as at March 31, 2005.

**CREE-QUEBEC FORESTRY BOARD****NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2005****12. COMPARATIVE FIGURES**

Figures for 2004 have been reviewed by another public accountants firm and are not subject to the auditor's report.

Certain figures for 2004 have been reclassified to make their presentation identical to that adopted in 2005.

**CREE-QUEBEC FORESTRY BOARD****SCHEDULE****EXPENSES****FOR THE YEAR ENDED MARCH 31, 2005**

	2005			2004	
	Funds			Total (12 months)	Total (7 months) (unaudited)
	Operating	Capital asset	Reserve		
	\$	\$	\$	\$	\$
<b>SALARIES</b>					
Wages and fees	222,069	-	-	222,069	60,218
Fringe benefits	33,572	-	-	33,572	10,035
Training	-	-	-	-	535
	<u>255,641</u>	<u>-</u>	<u>-</u>	<u>255,641</u>	<u>70,788</u>
<b>INTERNAL MANAGEMENT</b>					
Rent	43,226	-	-	43,226	41,843
Travelling	22,616	-	-	22,616	2,827
Representation	2,065	-	-	2,065	1,063
Maintenance and repair	508	-	-	508	120
Stationery and office supplies	10,787	-	-	10,787	6,633
Telecommunications	7,867	-	-	7,867	2,511
Insurance	212	-	-	212	889
Equipment rental	2,051	-	-	2,051	868
Moving expenses	-	-	-	-	3,338
Bank charges	581	-	-	581	-
Amortization of capital assets	-	23,191	-	23,191	16,103
	<u>89,913</u>	<u>23,191</u>	<u>-</u>	<u>113,104</u>	<u>76,195</u>
<b>BOARD MEETINGS</b>					
Translation	20,853	-	-	20,853	7,393
Meetings expenses	6,164	-	-	6,164	3,902
	<u>27,017</u>	<u>-</u>	<u>-</u>	<u>27,017</u>	<u>11,295</u>
<b>SERVICE CONTRACTS</b>					
Wildlife habitats	26,441	-	-	26,441	-
Forestry	430	-	-	430	5,500
Communications	37,582	-	-	37,582	2,097
Web site	5,375	-	-	5,375	-
Conciliation	4,838	-	-	4,838	-
Administration	9,584	-	-	9,584	4,176
Documentation and archives	3,466	-	-	3,466	4,000
Computer expenses	1,394	-	-	1,394	245
	<u>89,110</u>	<u>-</u>	<u>-</u>	<u>89,110</u>	<u>16,018</u>