

**CREE-QUÉBEC FORESTRY BOARD**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
MARCH 31, 2010**

# CREE-QUÉBEC FORESTRY BOARD

|  |   |
|--|---|
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April 21, 2010

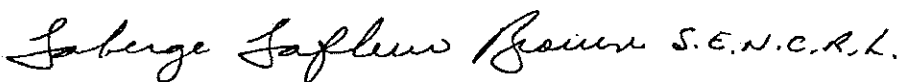
## AUDITORS' REPORT

To the members of  
Cree-Québec Forestry Board

We have audited the balance sheet of Cree-Québec Forestry Board as at March 31, 2010 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, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

 <sup>1</sup>

CHARTERED ACCOUNTANTS

<sup>1</sup> CA auditor permit no. 13575



**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, 2010

|  | 2010           |               |                | 2009           |                      |
|--|----------------|---------------|----------------|----------------|----------------------|
|  | Funds          |               |                | Total          | Total<br>(unaudited) |
|  | Operating      | Capital asset | Reserve        |                |                      |
|  | \$             | \$            | \$             | \$             | \$                   |
| <b>REVENUES</b>  |                |               |                |                |                      |
| Partners' contributions -                                |                |               |                |                |                      |
| Québec Government  | 200,000        | -             | -              | 200,000        | 200,000              |
| Grand Council of the Crees<br>(Eeyou Istchee)            | 200,000        | -             | -              | 200,000        | 200,000              |
| Interests  | 1,966          | -             | -              | 1,966          | 19,760               |
|  | <u>401,966</u> | <u>-</u>      | <u>-</u>       | <u>401,966</u> | <u>419,760</u>       |
| <b>EXPENSES (schedule)</b>                               |                |               |                |                |                      |
| Salaries   | 254,888        | -             | -              | 254,888        | 272,402              |
| Internal management                                      | 86,339         | 5,502         | -              | 91,841         | 91,283               |
| Board meetings   | 13,194         | -             | -              | 13,194         | 16,667               |
| Services contracts                                       | 25,450         | -             | -              | 25,450         | 49,784               |
|  | <u>379,871</u> | <u>5,502</u>  | <u>-</u>       | <u>385,373</u> | <u>430,136</u>       |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUES OVER EXPENSES</b> | 22,095         | (5,502)       | -              | 16,593         | (10,376)             |
| <b>FUND BALANCES - BEGINNING<br/>OF YEAR</b>             | 393,502        | 20,952        | 145,000        | 559,454        | 569,830              |
| <b>FUND BALANCES - END OF<br/>YEAR</b>                   | <u>415,597</u> | <u>15,450</u> | <u>145,000</u> | <u>576,047</u> | <u>559,454</u>       |

**EXPENSES INCLUDE THE  
FOLLOWING :**

|                                |       |       |
|--------------------------------|-------|-------|
| Amortization of capital assets | 5,502 | 6,902 |
|--------------------------------|-------|-------|

## CREE-QUÉBEC FORESTRY BOARD

## BALANCE SHEET

AS AT MARCH 31, 2010

|                                | 2010      |               |         | 2009    |                      |
|--------------------------------|-----------|---------------|---------|---------|----------------------|
|                                | Funds     |               |         | Total   | Total<br>(unaudited) |
|                                | Operating | Capital asset | Reserve |         |                      |
| \$                             | \$        | \$            | \$      | \$      |                      |
| <b>ASSETS</b>                  |           |               |         |         |                      |
| <b>CURRENT ASSETS</b>          |           |               |         |         |                      |
| Cash                           | 51,866    | -             | -       | 51,866  | 79,739               |
| Accounts receivable (note 4)   | 6,350     | -             | -       | 6,350   | 7,539                |
| Prepaid expenses (note 5)      | 3,439     | -             | -       | 3,439   | 4,006                |
|                                | 61,655    | -             | -       | 61,655  | 91,284               |
| <b>INTERFUND ACCOUNTS</b>      |           |               |         |         |                      |
| RECEIVABLE (note 6)            | (145,000) | -             | 145,000 | -       | -                    |
| <b>INVESTMENTS (note 7)</b>    | 517,801   | -             | -       | 517,801 | 465,849              |
| <b>CAPITAL ASSETS (note 8)</b> | -         | 15,450        | -       | 15,450  | 20,952               |
|                                | 434,456   | 15,450        | 145,000 | 594,906 | 578,085              |
| <b>LIABILITIES</b>             |           |               |         |         |                      |
| <b>CURRENT LIABILITIES</b>     |           |               |         |         |                      |
| Accounts payable (note 9)      | 18,859    | -             | -       | 18,859  | 18,631               |
| <b>FUND BALANCES</b>           |           |               |         |         |                      |
| Invested in capital assets     | -         | 15,450        | -       | 15,450  | 20,952               |
| Internally restricted          | -         | -             | 145,000 | 145,000 | 145,000              |
| Unrestricted                   | 415,597   | -             | -       | 415,597 | 393,502              |
|                                | 415,597   | 15,450        | 145,000 | 576,047 | 559,454              |
|                                | 434,456   | 15,450        | 145,000 | 594,906 | 578,085              |

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, 2010**

|   | 2010                 | 2009                 |
|---|----------------------|----------------------|
|   | \$                   | \$<br>(unaudited)    |
| <b>OPERATING ACTIVITIES (note 11)</b>                   |                      |                      |
| Excess (deficiency) of revenues over expenses           | 16,593               | (10,376)             |
| Adjustment for :  |                      |                      |
| Amortization  | 5,502                | 6,902                |
| Funds generated (used in) from operations               | 22,095               | (3,474)              |
| Changes in funds other than cash resources -            |                      |                      |
| Accounts receivable                                     | 1,189                | 1,496                |
| Prepaid expenses  | 567                  | 571                  |
| Accounts payable  | 228                  | (17,078)             |
|   | <u>24,079</u>        | <u>(18,485)</u>      |
| <b>INVESTING AND FINANCING ACTIVITIES</b>               |                      |                      |
| Purchase of investments                                 | (151,952)            | (394,713)            |
| Proceeds from disposal of investments                   | 100,000              | 425,000              |
| Purchase of capital assets                              | -                    | (3,443)              |
|   | <u>(51,952)</u>      | <u>26,844</u>        |
| <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b> | (27,873)             | 8,359                |
| <b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>    | <u>79,739</u>        | <u>71,380</u>        |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>          | <u><u>51,866</u></u> | <u><u>79,739</u></u> |
| <b>CASH AND CASH EQUIVALENTS INCLUDE :</b>              |                      |                      |
| Cash  | <u><u>51,866</u></u> | <u><u>79,739</u></u> |

# CREE-QUÉBEC FORESTRY BOARD

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2010

### 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 purposes in accordance with 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.

#### 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.

**CREE-QUÉBEC FORESTRY BOARD**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2010**

**2. ACCOUNTING POLICIES (continued)**

Financial instruments -

The following policies and assumptions were used to determine the fair value of each class of financial assets and liabilities :

Cash, accounts receivable and accounts payable -

These financial assets and liabilities held for trading are measured at their fair value at each balance sheet date. The fair value of these assets and liabilities is comparable to their book value due to their short term maturity. Any variation of the fair value is recorded in the statement of operations of the current financial year .

Investments -

Investments are classified as available-for-sale financial assets. They are valued at fair value which represents their quoted value as March 31, 2010. Any variation of the fair value is recorded in the statement of changes in fund balances .

**3. CHANGE IN ACCOUNTING POLICIES**

On April 1st, 2009 , the organization applied the recommendations of new Section 1540 "Statement of cash flows", of the CICA Handbook and the series of Sections 4400 regarding the recognition, measurement and presentation for financial information of not-for-profit organizations. The new accounting standard only addresses disclosures and has no impact on the organization's financial results.

**4. ACCOUNTS RECEIVABLE**

|                        | 2010         | 2009<br>(unaudited) |
|------------------------|--------------|---------------------|
|                        | \$           | \$                  |
| Goods and services tax | <u>6,350</u> | <u>7,539</u>        |

**5. PREPAID EXPENSES**

|                   | 2010         | 2009<br>(unaudited) |
|-------------------|--------------|---------------------|
|                   | \$           | \$                  |
| Fringe benefits   | 2,270        | 2,637               |
| Computer expenses | 579          | 790                 |
| Insurance         | <u>590</u>   | <u>579</u>          |
|                   | <u>3,439</u> | <u>4,006</u>        |

**6. INTERFUND ACCOUNTS RECEIVABLE**

The interfund accounts receivable are without interest or terms of repayment.

# CREE-QUÉBEC FORESTRY BOARD

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2010

### 7. INVESTMENTS

|              | 2010    | 2009<br>(unaudited) |
|--------------|---------|---------------------|
|              | \$      | \$                  |
| Money market | 517,801 | 465,849             |

### 8. CAPITAL ASSETS

|                        | 2010    |                             | 2009<br>(unaudited) |              |
|------------------------|---------|-----------------------------|---------------------|--------------|
|                        | Cost    | Accumulated<br>depreciation | Net<br>value        | Net<br>value |
|                        | \$      | \$                          | \$                  | \$           |
| Office equipment       | 27,401  | 20,091                      | 7,310               | 9,138        |
| Computer equipment     | 51,670  | 43,530                      | 8,140               | 11,629       |
| Leasehold improvements | 49,550  | 49,550                      | -                   | 185          |
|                        | 128,621 | 113,171                     | 15,450              | 20,952       |

### 9. ACCOUNTS PAYABLE

|                           | 2010   | 2009<br>(unaudited) |
|---------------------------|--------|---------------------|
|                           | \$     | \$                  |
| Accounts payable          | 8,031  | 8,551               |
| Wages and fringe benefits | 10,828 | 10,080              |
|                           | 18,859 | 18,631              |

### 10. COMMITMENTS

The organization leases equipment and office space under operating leases which expire in March and October 2014. The future minimum lease payments are as follows :

|                            |            |
|----------------------------|------------|
| Year ending March 31, 2011 | 53,147     |
| 2012                       | 53,147     |
| 2013                       | 53,147     |
| 2014                       | 53,147     |
| 2015                       | 611        |
|                            | \$ 213,199 |

### 11. CASH FLOWS

Cash flows related to interest received are \$ 1,966 (2009 - \$ 19,760).

**CREE-QUÉBEC FORESTRY BOARD****NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2010****12. CAPITAL DISCLOSURES**

The organization's capital management objectives are to continue its operations in order to have sufficient liquidity to make contributions in accordance with its mission.

The organization defines its capital as fund balances, cash and investments.

The organization achieves its objectives by investing in appropriate investment vehicle while maintaining sufficient cash to pay its obligations.

The organization is not subject to any capital requirements imposed by a third party.

There was no change in the strategy for managing capital during the year.

## CREE-QUÉBEC FORESTRY BOARD

## SCHEDULE

## EXPENSES

FOR THE YEAR ENDED MARCH 31, 2010

|                                | 2010           |               |          | 2009           |                      |
|--------------------------------|----------------|---------------|----------|----------------|----------------------|
|                                | Funds          |               |          | Total          | Total<br>(unaudited) |
|                                | Operating      | Capital asset | Reserve  |                |                      |
| \$                             | \$             | \$            | \$       | \$             |                      |
| <b>SALARIES</b>                |                |               |          |                |                      |
| Wages and fees                 | 233,316        | -             | -        | 233,316        | 247,829              |
| Fringe benefits                | 20,790         | -             | -        | 20,790         | 23,726               |
| Training                       | 782            | -             | -        | 782            | 847                  |
|                                | <u>254,888</u> | <u>-</u>      | <u>-</u> | <u>254,888</u> | <u>272,402</u>       |
| <b>INTERNAL MANAGEMENT</b>     |                |               |          |                |                      |
| Rent                           | 52,088         | -             | -        | 52,088         | 47,800               |
| Travelling                     | 19,298         | -             | -        | 19,298         | 17,300               |
| Advertising and representation | 1,382          | -             | -        | 1,382          | 1,380                |
| Maintenance and repair         | 895            | -             | -        | 895            | 75                   |
| Stationery and office supplies | 3,948          | -             | -        | 3,948          | 8,001                |
| Telecommunications             | 5,976          | -             | -        | 5,976          | 6,913                |
| Insurance                      | 817            | -             | -        | 817            | 934                  |
| Equipment rental               | 823            | -             | -        | 823            | 812                  |
| Bank charges                   | 1,112          | -             | -        | 1,112          | 1,166                |
| Amortization of capital assets | -              | 5,502         | -        | 5,502          | 6,902                |
|                                | <u>86,339</u>  | <u>5,502</u>  | <u>-</u> | <u>91,841</u>  | <u>91,283</u>        |
| <b>BOARD MEETINGS</b>          |                |               |          |                |                      |
| Translation                    | 10,664         | -             | -        | 10,664         | 15,041               |
| Meetings expenses              | 2,530          | -             | -        | 2,530          | 1,626                |
|                                | <u>13,194</u>  | <u>-</u>      | <u>-</u> | <u>13,194</u>  | <u>16,667</u>        |
| <b>SERVICES CONTRACTS</b>      |                |               |          |                |                      |
| Forestry planning              | 790            | -             | -        | 790            | 7,207                |
| Forestry                       | -              | -             | -        | -              | 18,258               |
| Communications                 | 10,988         | -             | -        | 10,988         | 12,392               |
| Web site                       | 1,978          | -             | -        | 1,978          | 2,147                |
| Administration                 | 8,601          | -             | -        | 8,601          | 6,329                |
| Computing                      | 3,093          | -             | -        | 3,093          | 3,451                |
|                                | <u>25,450</u>  | <u>-</u>      | <u>-</u> | <u>25,450</u>  | <u>49,784</u>        |