

**CREE-QUEBEC FORESTRY BOARD**

**FINANCIAL STATEMENTS**

**MARCH 31, 2004**

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## **REVIEW ENGAGEMENT REPORT**

To the members of  
**CREE-QUEBEC FORESTRY BOARD**

We have reviewed the balance sheet of **CREE-QUEBEC FORESTRY BOARD** as at **March 31, 2004** and the statement of income and changes in net assets for the year then ended. Our review was made in accordance with generally accepted standards for review engagements in Canada and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the administrators.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Base on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with generally accepted accounting principles of Canada.

**GIRARD, LAVOIE, MOONEY, HAMEL**  
**Chartered accountants**

Quebec  
May 20, 2004

**BALANCE SHEET**  
**MARCH 31, 2004**  
 « unaudited »

	<b>Funds</b>		<b>Total</b>
	<b>General fund</b>	<b>Fixed assets</b>	
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 86 575	\$ -	\$ 86 575
Accounts receivable (note 3)	184 591	-	184 591
	<u>271 166</u>	<u>-</u>	<u>271 166</u>
<b>INVESTMENT (note 4)</b>	500 000	-	500 000
<b>FIXED ASSETS (note 5)</b>	<u>-</u>	<u>80 254</u>	<u>80 254</u>
	<u>\$ 771 166</u>	<u>\$ 80 254</u>	<u>\$ 851 420</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable (note 6)	\$ <u>20 716</u>	\$ <u>-</u>	\$ <u>20 716</u>
<b>NET ASSETS</b>			
Invested in fixed assets	-	80 254	80 254
Reserve (note 9)	645 000	-	645 000
Unrestricted	105 450	-	105 450
	<u>750 450</u>	<u>80 254</u>	<u>830 704</u>
	<u>\$ 771 166</u>	<u>\$ 80 254</u>	<u>\$ 851 420</u>

APPROVED BY THE BOARD

\_\_\_\_\_  
 Director

**INCOME AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED MARCH 31, 2004**

« unaudited »

	<u>General Fund</u>	<u>Fund invested in fixed assets</u>	<u>Total</u>
<b>REVENUE</b>			
Quebec - Government	\$ 645 000	\$ -	\$ 645 000
Quebec - Government	180 000	-	180 000
Cree Board	<u>180 000</u>	<u>-</u>	<u>180 000</u>
	<u>1 005 000</u>	<u>-</u>	<u>1 005 000</u>
<b>EXPENSES</b>			
Salaries and fringe benefits	70 788	-	70 788
Rent	41 843	-	41 843
General expenses and amortization of fixed assets	10 735	16 103	26 838
Translation	7 393	-	7 393
Forestry contracts	5 500	-	5 500
Rooms and equipment rental	4 770	-	4 770
Telecommunications	4 607	-	4 607
Professional fees	4 000	-	4 000
Travelling	2 827	-	2 827
Representation	1 063	-	1 063
Maintenance and computer support	3 712	-	3 712
Insurance	889	-	889
Interest and bank charges	<u>66</u>	<u>-</u>	<u>66</u>
	<u>158 193</u>	<u>16 103</u>	<u>174 296</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	846 807	( 16 103)	830 704
<b>INTERFUND TRANSFER</b>	<u>( 96 357)</u>	<u>96 357</u>	<u>-</u>
<b>NET ASSETS AT THE END</b>	<u>\$ 750 450</u>	<u>\$ 80 254</u>	<u>\$ 830 704</u>

**NOTES TO THE FINANCIAL STATEMENTS  
AS AT MARCH 31, 2004**

« *unaudited* »

**1. STATUTES AND NATURE OF ACTIVITIES**

The Board constituted under the article 95.11 of the forest Act (L.R.Q., c.F-4.1) by the Government of Quebec, is a governmental organization. It has as its mandate to establish a close consultation between intervening parties during the different steps of planning and the management of forestry activities. It's mandate derives from a new draft agreement between the Government of Quebec and the Cree of Quebec.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**FUND ACCOUNTING**

The Board uses the method of designated funds accounting.

The general fund accounts for the Board's activities with regards to the services rendered and administration.

The fixed assets fund accounts for the assets, the liabilities, the revenues and expenses with regards to fixed assets.

**INVESTMENT**

The investment is accounted at the lower of cost and the fair market value.

**FIXED ASSETS**

Fixed assets are recorded at cost and are depreciated according to expected useful life using the following methods and annual rates :

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

**3. ACCOUNTS RECEIVABLE**

Council of the Crees	\$ 180 000
Sales tax	<u>4 591</u>
	<u>\$ 184 591</u>

**NOTES TO THE FINANCIAL STATEMENTS  
AS AT MARCH 31, 2004**

« *unaudited* »

**4. INVESTMENT**

Money Market Fund (market value of \$ 500 254) \$ 500 000

**5. FIXED ASSETS**

	<u>Cost</u>	Accumu- lated <u>amortization</u>	<u>Net value</u>
Office equipment	\$ 14 724	\$ 1 472	\$ 13 252
Computer equipment	33 938	5 091	28 847
Leasehold improvements	<u>47 695</u>	<u>9 540</u>	<u>38 155</u>
	<u>\$ 96 357</u>	<u>\$ 16 103</u>	<u>\$ 80 254</u>

**6. ACCOUNTS PAYABLE**

Trade and accrued liabilities	\$ 13 005
Quebec's Minister of Natural Resources	<u>7 711</u>
	<u>\$ 20 716</u>

**7. CASH FLOWS**

The cash flows statement has not been prepared because it would not provide any additional useful information in understanding the cash flows for the year.

**8. CONTRACTUAL OBLIGATIONS**

The minimum rentals payable under long-term operating leases totalling \$ 207 500 are as follows :

2005	\$ 41 500
2006	41 500
2007	41 500
2008	41 500
2009	41 500

**NOTES TO THE FINANCIAL STATEMENTS  
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**9. RESERVE**

The amounts received by the Quebec's Minister of Natural Resources, in the amount of \$ 645 000, for which no expense has been incurred at year-end are recorded as reserve for the future activities of the Board. According to the budgetary planning Cree-Quebec Forestry Board, these revenues will be used by the 2007 year end.

**10. FINANCIAL INSTRUMENTS**

Due to the short-term maturities of the financial instruments, that is to say cash, accounts receivable, accounts payable and accrued liabilities, management has assumed that the carrying value of each of these items approximates fair value.