

CREE-QUÉBEC FORESTRY BOARD

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
MARCH 31, 2006**

CREE-QUÉBEC FORESTRY BOARD

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May 2, 2006

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, 2006 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, 2006 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-QUÉBEC FORESTRY BOARD

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED MARCH 31, 2006

	2 0 0 6			2 0 0 5	
	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	18,547	-	-	18,547	12,872
	<u>418,547</u>	<u>-</u>	<u>-</u>	<u>418,547</u>	<u>412,872</u>
EXPENSES (schedule)					
Salaries	300,330	-	-	300,330	255,641
Internal management	109,728	22,839	-	132,567	113,104
Board meetings	29,828	-	-	29,828	27,017
Service contracts	99,821	-	-	99,821	89,110
	<u>539,707</u>	<u>22,839</u>	<u>-</u>	<u>562,546</u>	<u>484,872</u>
DEFICIENCY OF REVENUES OVER EXPENSES	(121,160)	(22,839)	-	(143,999)	(72,000)
FUND BALANCES - BEGINNING	36,597	77,107	645,000	758,704	830,704
Interfund transfer (note 3)	293,136	6,864	(300,000)	-	-
FUND BALANCES - ENDING	<u>208,573</u>	<u>61,132</u>	<u>345,000</u>	<u>614,705</u>	<u>758,704</u>

EXPENSES INCLUDE THE FOLLOWING :

Amortization of capital assets	22,839	23,191
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CREE-QUÉBEC FORESTRY BOARD

BALANCE SHEET

AS AT MARCH 31, 2006

	2 0 0 6			2 0 0 5	
	Funds			Total	Total
	Operating	Capital asset	Reserve		
	\$	\$	\$	\$	\$
A S S E T S					
CURRENT ASSETS					
Cash	96,648	-	-	96,648	54,329
Accounts receivable (note 4)	13,407	-	-	13,407	19,704
Prepaid expenses (note 5)	3,759	-	-	3,759	3,902
	113,814	-	-	113,814	77,935
INTERFUND ACCOUNTS					
RECEIVABLE (note 6)	(345,000)	-	345,000	-	-
INVESTMENTS (note 7)	456,372	-	-	456,372	612,872
CAPITAL ASSETS (note 8)	-	61,132	-	61,132	77,107
	225,186	61,132	345,000	631,318	767,914
L I A B I L I T I E S					
CURRENT LIABILITIES					
Accounts payable (note 9)	16,613	-	-	16,613	9,210
F U N D B A L A N C E S					
Invested in capital assets	-	61,132	-	61,132	77,107
Internally restricted	-	-	345,000	345,000	645,000
Unrestricted	208,573	-	-	208,573	36,597
	208,573	61,132	345,000	614,705	758,704
	225,186	61,132	345,000	631,318	767,914

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, 2006

	2 0 0 6	2 0 0 5
	\$	\$
OPERATING ACTIVITIES (note 11)		
Deficiency of revenues over expenses	(143,999)	(72,000)
Adjustment for :		
Amortization	22,839	23,191
Funds used in operations	(121,160)	(48,809)
Changes in funds other than cash resources -		
Accounts receivable	6,297	164,887
Prepaid expenses	143	(3,902)
Accounts payable	7,403	(11,506)
	(107,317)	100,670
INVESTING AND FINANCING ACTIVITIES		
Purchase of investments	(278,500)	(512,872)
Proceeds from disposal of investments	435,000	400,000
Purchase of capital assets	(6,864)	(20,044)
	149,636	(132,916)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	42,319	(32,246)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	54,329	86,575
CASH AND CASH EQUIVALENTS - END OF YEAR	96,648	54,329
CASH AND CASH EQUIVALENTS INCLUDE :		
Cash	96,648	54,329

CREE-QUÉBEC FORESTRY BOARD

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2006

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'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, 2006

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. INTERFUND TRANSFER

During the year, the board's appointed officers authorized the transfer of an amount of \$ 300,000 from Reserve fund to Operating fund and \$ 6,864 (2005 - \$ 20,044) from Operating fund to Capital asset fund.

4. ACCOUNTS RECEIVABLE

	2 0 0 6	2 0 0 5
	\$	\$
Goods and services tax	13,407	19,704

5. PREPAID EXPENSES

	2 0 0 6	2 0 0 5
	\$	\$
Telecommunications	1,539	-
Fringe benefits	1,460	1,349
Computer expenses	-	1,749
Insurance	760	804
	3,759	3,902

6. INTERFUND ACCOUNTS RECEIVABLE

The interfund accounts receivable are without interest and repayment terms.

7. INVESTMENTS

	2 0 0 6	2 0 0 5
	\$	\$
Money market (market value : 2006 - \$ 456,372 ; 2005 - \$ 612,872)	456,372	612,872

CREE-QUÉBEC FORESTRY BOARD

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2006

8. CAPITAL ASSETS

	2 0 0 6		2 0 0 5	
	Cost	Accumulated depreciation	Net value	Net value
	\$	\$	\$	\$
Office equipment	27,401	9,552	17,849	20,814
Computer equipment	46,314	23,404	22,910	26,009
Leasehold improvements	49,550	29,177	20,373	30,284
	<u>123,265</u>	<u>62,133</u>	<u>61,132</u>	<u>77,107</u>

9. ACCOUNTS PAYABLE

	2 0 0 6	2 0 0 5
	\$	\$
Accounts payable	9,240	3,225
Wages and fringe benefits	7,373	5,985
	<u>16,613</u>	<u>9,210</u>

10. 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, 2007	45,113
2008	44,000
2009	44,000
	<u>\$ 133,113</u>

11. CASH FLOWS

Cash flows related to interest received are \$ 18,547 (2005 - \$ 12,872).

12. 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, 2006.

CREE-QUÉBEC FORESTRY BOARD**SCHEDULE****EXPENSES****FOR THE YEAR ENDED MARCH 31, 2006**

	2006			2005	
	Funds			Total	Total
	Operating	Capital asset	Reserve		
\$	\$	\$	\$	\$	
SALARIES					
Wages and fees	257,937	-	-	257,937	222,069
Fringe benefits	37,735	-	-	37,735	33,572
Training	4,658	-	-	4,658	-
	<u>300,330</u>	<u>-</u>	<u>-</u>	<u>300,330</u>	<u>255,641</u>
INTERNAL MANAGEMENT					
Rent	44,016	-	-	44,016	43,226
Travelling	43,395	-	-	43,395	22,616
Advertising and representation	1,548	-	-	1,548	2,065
Maintenance and repair	282	-	-	282	508
Stationery and office supplies	9,401	-	-	9,401	10,787
Telecommunications	7,216	-	-	7,216	7,867
Insurance	1,118	-	-	1,118	212
Equipment rental	1,880	-	-	1,880	2,051
Bank charges	872	-	-	872	581
Amortization of capital assets	-	22,839	-	22,839	23,191
	<u>109,728</u>	<u>22,839</u>	<u>-</u>	<u>132,567</u>	<u>113,104</u>
BOARD MEETINGS					
Translation	26,689	-	-	26,689	20,853
Meetings expenses	3,139	-	-	3,139	6,164
	<u>29,828</u>	<u>-</u>	<u>-</u>	<u>29,828</u>	<u>27,017</u>
SERVICE CONTRACTS					
Wildlife habitats	48,846	-	-	48,846	26,441
Forestry	8,454	-	-	8,454	430
Communications	19,354	-	-	19,354	37,582
Web site	5,190	-	-	5,190	5,375
Conciliation	-	-	-	-	4,838
Administration	8,465	-	-	8,465	9,584
Reference centre	5,370	-	-	5,370	-
Documentation and archives	402	-	-	402	3,466
Computer expenses	3,740	-	-	3,740	1,394
	<u>99,821</u>	<u>-</u>	<u>-</u>	<u>99,821</u>	<u>89,110</u>