

CREE-QUÉBEC FORESTRY BOARD

FINANCIAL STATEMENTS

(unaudited)

FOR THE YEAR ENDED

MARCH 31, 2008

CREE-QUÉBEC FORESTRY BOARD

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May 2, 2008

REVIEW ENGAGEMENT REPORT

To the members of
Cree-Québec Forestry Board

We have reviewed the balance sheet of Cree-Québec Forestry Board as at March 31, 2008 and the statements of operations and changes in fund balances and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the organization.

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

Based 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 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

(unaudited)

FOR THE YEAR ENDED MARCH 31, 2008

	2 0 0 8			2 0 0 7	
	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	23 353	-	-	23 353	25 660
	423 353	-	-	423 353	425 660
EXPENSES (schedule)					
Salaries	207 111	-	-	207 111	302 262
Internal management	84 272	21 081	-	105 353	122 624
Board meetings	15 394	-	-	15 394	19 196
Service contracts	57 712	-	-	57 712	64 236
	364 489	21 081	-	385 570	508 318
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	58 864	(21 081)	-	37 783	(82 658)
FUND BALANCES - BEGINNING	343 468	43 579	145 000	532 047	614 705
Interfund transfer (note 3)	(1 913)	1 913	-	-	-
FUND BALANCES - ENDING	400 419	24 411	145 000	569 830	532 047

EXPENSES INCLUDE THE FOLLOWING :

Amortization of capital assets	18 281	20 847
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CREE-QUÉBEC FORESTRY BOARD

BALANCE SHEET

(unaudited)

AS AT MARCH 31, 2008

	2 0 0 8			2 0 0 7	
	Funds			Total	Total
	Operating	Capital asset	Reserve		
	\$	\$	\$	\$	\$
A S S E T S					
CURRENT ASSETS					
Cash	71 380	-	-	71 380	52 368
Accounts receivable (note 4)	9 035	-	-	9 035	12 333
Prepaid expenses (note 5)	4 577	-	-	4 577	4 151
	84 992	-	-	84 992	68 852
INTERFUND ACCOUNTS					
RECEIVABLE (note 6)	(145 000)	-	145 000	-	-
INVESTMENTS (note 7)	496 136	-	-	496 136	449 213
CAPITAL ASSETS (note 8)	-	24 411	-	24 411	43 579
	436 128	24 411	145 000	605 539	561 644
L I A B I L I T I E S					
CURRENT LIABILITIES					
Accounts payable (note 9)	35 709	-	-	35 709	29 597
F U N D B A L A N C E S					
Invested in capital assets	-	24 411	-	24 411	43 579
Internally restricted	-	-	145 000	145 000	145 000
Unrestricted	400 419	-	-	400 419	343 468
	400 419	24 411	145 000	569 830	532 047
	436 128	24 411	145 000	605 539	561 644

COMMITMENTS (note 10)

SIGNED ON BEHALF OF THE BOARD

_____, director

_____, director

CREE-QUÉBEC FORESTRY BOARD

STATEMENT OF CASH FLOWS

(unaudited)

FOR THE YEAR ENDED MARCH 31, 2008

	2 0 0 8	2 0 0 7
	\$	\$
OPERATING ACTIVITIES (note 11)		
Excess (deficiency) of revenues over expenses	37 783	(82 658)
Adjustments for :		
Loss on disposal	2 800	-
Amortization	18 281	20 847
	58 864	(61 811)
Funds generated (used in) from operations		
Changes in funds other than cash resources -		
Accounts receivable	3 298	1 074
Prepaid expenses	(426)	(392)
Accounts payable	6 112	12 984
	67 848	(48 145)
INVESTING AND FINANCING ACTIVITIES		
Purchase of investments	(496 923)	(572 841)
Proceeds from disposal of investments	450 000	580 000
Purchase of capital assets	(1 913)	(3 294)
	(48 836)	3 865
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	19 012	(44 280)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	52 368	96 648
CASH AND CASH EQUIVALENTS - END OF YEAR	71 380	52 368
CASH AND CASH EQUIVALENTS INCLUDE :		
Cash	71 380	52 368

CREE-QUÉBEC FORESTRY BOARD

NOTES TO FINANCIAL STATEMENTS

(unaudited)

FOR THE YEAR ENDED MARCH 31, 2008

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.

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

(unaudited)

FOR THE YEAR ENDED MARCH 31, 2008

2. ACCOUNTING POLICIES (continued)

Financial instruments -

Cash, accounts receivable and accounts payable -

These financial assets and liabilities held for trading are measured at their carrying amount since it is comparable to their fair value due to the approaching maturity of these financial instruments.

Investments -

Investments are classified as available-for-sale financial assets. They are measured at fair value which is equal to their quoted value as March 31, 2008.

3. INTERFUND TRANSFER

During the year, the board's appointed officers authorized the transfer of an amount of \$ 1,931 from Operating fund to Capital asset fund.

4. ACCOUNTS RECEIVABLE

	2 0 0 8	2 0 0 7
	\$	\$
Interests receivable	-	2 768
Goods and services tax	9 035	9 565
	9 035	12 333

5. PREPAID EXPENSES

	2 0 0 8	2 0 0 7
	\$	\$
Fringe benefits	2 452	2 167
Computer expenses	1 430	1 286
Insurance	695	698
	4 577	4 151

6. INTERFUND ACCOUNTS RECEIVABLE

The interfund accounts receivable are without interest and repayment terms.

7. INVESTMENTS

	2 0 0 8	2 0 0 7
	Fair value	Cost
	\$	\$
Money market	496 136	249 213
Cashed during the year	-	200 000
	496 136	449 213

CREE-QUÉBEC FORESTRY BOARD

NOTES TO FINANCIAL STATEMENTS

(unaudited)

FOR THE YEAR ENDED MARCH 31, 2008

8. CAPITAL ASSETS

	2 0 0 8		2 0 0 7	
	Cost	Accumulated depreciation	Net value	Net value
	\$	\$	\$	\$
Office equipment	27 401	15 978	11 423	14 279
Computer equipment	48 227	35 795	12 432	18 837
Leasehold improvements	49 550	48 994	556	10 463
	125 178	100 767	24 411	43 579

9. ACCOUNTS PAYABLE

	2 0 0 8	2 0 0 7
	\$	\$
Accounts payable	9 654	4 300
Wages and fringe benefits	26 055	25 297
	35 709	29 597

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, 2009	45 363
2010	445
	\$ 45 808

11. CASH FLOWS

Cash flows related to interest received are \$ 26,121 (2007 - \$ 22,982).

CREE-QUÉBEC FORESTRY BOARD**SCHEDULE****EXPENSES**

(unaudited)

FOR THE YEAR ENDED MARCH 31, 2008

	2008			2007	
	Funds			Total	Total
	Operating	Capital asset	Reserve		
\$	\$	\$	\$	\$	
SALARIES					
Wages and fees	188 632	-	-	188 632	265 093
Fringe benefits	18 179	-	-	18 179	36 590
Training	300	-	-	300	579
	<u>207 111</u>	<u>-</u>	<u>-</u>	<u>207 111</u>	<u>302 262</u>
INTERNAL MANAGEMENT					
Rent	47 365	-	-	47 365	44 624
Travelling	16 034	-	-	16 034	33 717
Advertising and representation	2 142	-	-	2 142	2 190
Maintenance and repair	590	-	-	590	626
Stationery and office supplies	8 073	-	-	8 073	9 052
Telecommunications	7 290	-	-	7 290	7 948
Insurance	985	-	-	985	1 039
Equipment rental	815	-	-	815	1 704
Bank charges	978	-	-	978	877
Loss on disposal of capital assets	-	2 800	-	2 800	-
Amortization of capital assets	-	18 281	-	18 281	20 847
	<u>84 272</u>	<u>21 081</u>	<u>-</u>	<u>105 353</u>	<u>122 624</u>
BOARD MEETINGS					
Translation	13 073	-	-	13 073	16 040
Meetings expenses	2 321	-	-	2 321	3 156
	<u>15 394</u>	<u>-</u>	<u>-</u>	<u>15 394</u>	<u>19 196</u>
SERVICE CONTRACTS					
Forestry planning	29 367	-	-	29 367	-
Wildlife habitats	-	-	-	-	29 806
Forestry	2 663	-	-	2 663	-
Communications	14 923	-	-	14 923	14 731
Web site	1 561	-	-	1 561	2 293
Administration	5 564	-	-	5 564	7 138
Reference centre	-	-	-	-	6 953
Computer expenses	3 634	-	-	3 634	3 315
	<u>57 712</u>	<u>-</u>	<u>-</u>	<u>57 712</u>	<u>64 236</u>