

CREE-QUÉBEC FORESTRY BOARD

FINANCIAL STATEMENTS

(unaudited)

FOR THE YEAR ENDED

MARCH 31, 2011

CREE-QUÉBEC FORESTRY BOARD

REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of operations and changes in fund balances	2
Balance sheet	3
Statement of cash flows	4
NOTES TO FINANCIAL STATEMENTS	5
SCHEDULE	
Salaries	9
Internal management	9
Board meetings	9
Services contracts	9

April 29, 2011

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, 2011 and the statements of operations and changes in fund balances and statement of 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.*¹

CHARTERED ACCOUNTANTS

¹ CA auditor permit no. 13575

CREE-QUÉBEC FORESTRY BOARD

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES (unaudited)

FOR THE YEAR ENDED MARCH 31, 2011

	2 0 1 1			2 0 1 0	
	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	3,376	-	-	3,376	1,966
	403,376	-	-	403,376	401,966
EXPENSES (schedule)					
Salaries	269,923	-	-	269,923	254,888
Internal management	76,560	4,084	-	80,644	91,841
Board activities	13,304	-	-	13,304	13,194
Services contracts	25,510	-	-	25,510	25,450
	385,297	4,084	-	389,381	385,373
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	18,079	(4,084)	-	13,995	16,593
FUND BALANCES - BEGINNING OF YEAR	415,597	15,450	145,000	576,047	559,454
Interfund transfer (note 3)	(1,200)	1,200	-	-	-
FUND BALANCES - END OF YEAR	432,476	12,566	145,000	590,042	576,047

**EXPENSES INCLUDE THE
FOLLOWING :**

Amortization of capital assets	4,084	5,502
--------------------------------	-------	-------

CREE-QUÉBEC FORESTRY BOARD

BALANCE SHEET (unaudited)

AS AT MARCH 31, 2011

	2 0 1 1			2 0 1 0	
	Funds			Total	Total
	Operating	Capital asset	Reserve		
	\$	\$	\$	\$	\$
A S S E T S					
CURRENT ASSETS					
Cash	65,767	-	-	65,767	51,866
Accounts receivable (note 4)	6,540	-	-	6,540	6,350
Prepaid expenses (note 5)	3,313	-	-	3,313	3,439
	75,620	-	-	75,620	61,655
INTERFUND ACCOUNTS					
RECEIVABLE (note 6)	(145,000)	-	145,000	-	-
INVESTMENTS (note 7)	521,168	-	-	521,168	517,801
CAPITAL ASSETS (note 8)	-	12,566	-	12,566	15,450
	451,788	12,566	145,000	609,354	594,906
L I A B I L I T I E S					
CURRENT LIABILITIES					
Accounts payable (note 9)	19,312	-	-	19,312	18,859
F U N D B A L A N C E S					
Invested in capital assets	-	12,566	-	12,566	15,450
Internally restricted	-	-	145,000	145,000	145,000
Unrestricted	432,476	-	-	432,476	415,597
	432,476	12,566	145,000	590,042	576,047
	451,788	12,566	145,000	609,354	594,906

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, 2011

	<u>2 0 1 1</u>	<u>2 0 1 0</u>
	\$	\$
OPERATING ACTIVITIES (note 11)		
Excess of revenues over expenses	13,995	16,593
Adjustment for :		
Amortization	<u>4,084</u>	<u>5,502</u>
Funds generated from operations	18,079	22,095
Changes in funds other than cash resources -		
Accounts receivable	(190)	1,189
Prepaid expenses	126	567
Accounts payable	<u>453</u>	<u>228</u>
	<u>18,468</u>	<u>24,079</u>
INVESTING ACTIVITIES		
Purchase of investments	(228,367)	(151,952)
Proceeds from disposal of investments	225,000	100,000
Purchase of capital assets	<u>(1,200)</u>	<u>-</u>
	<u>(4,567)</u>	<u>(51,952)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	13,901	(27,873)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>51,866</u>	<u>79,739</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>65,767</u></u>	<u><u>51,866</u></u>
CASH AND CASH EQUIVALENTS INCLUDE :		
Cash	<u><u>65,767</u></u>	<u><u>51,866</u></u>

CREE-QUÉBEC FORESTRY BOARD

NOTES TO FINANCIAL STATEMENTS (unaudited)

FOR THE YEAR ENDED MARCH 31, 2011

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
(unaudited)

FOR THE YEAR ENDED MARCH 31, 2011

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, 2011. Any variation of the fair value is recorded in the statement of changes in fund balances .

3. INTERFUND TRANSFER

During the year, the board's appointed officers authorized the transfer of an amount of \$ 1,200 from Operating fund to Capital asset fund.

4. ACCOUNTS RECEIVABLE

	<u>2 0 1 1</u>	<u>2 0 1 0</u>
	\$	\$
Goods and services tax	<u>6,540</u>	<u>6,350</u>

5. PREPAID EXPENSES

	<u>2 0 1 1</u>	<u>2 0 1 0</u>
	\$	\$
Fringe benefits	-	2,270
Rent	2,223	-
Computer expenses	350	579
Insurance	600	590
Others	<u>140</u>	<u>-</u>
	<u>3,313</u>	<u>3,439</u>

CREE-QUÉBEC FORESTRY BOARD

NOTES TO FINANCIAL STATEMENTS (unaudited)

FOR THE YEAR ENDED MARCH 31, 2011

6. INTERFUND ACCOUNTS RECEIVABLE

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

7. INVESTMENTS

	2 0 1 1	2 0 1 0
	\$	\$
Money market	521,168	517,801

8. CAPITAL ASSETS

	2 0 1 1		2 0 1 0	
	Cost	Accumulated depreciation	Net value	Net value
	\$	\$	\$	\$
Office equipment	27,401	21,553	5,848	7,310
Computer equipment	52,870	46,152	6,718	8,140
Leasehold improvements	49,550	49,550	-	-
	129,821	117,255	12,566	15,450

9. ACCOUNTS PAYABLE

	2 0 1 1	2 0 1 0
	\$	\$
Accounts payable	4,068	8,031
Wages and fringe benefits	15,244	10,828
	19,312	18,859

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, 2012	55,381
2013	55,381
2014	55,381
2015	614
	\$ 166,757

CREE-QUÉBEC FORESTRY BOARD**NOTES TO FINANCIAL STATEMENTS**
(unaudited)**FOR THE YEAR ENDED MARCH 31, 2011****11. CASH FLOWS**

Cash flows related to interest received are \$ 3,376 (2010 - \$ 1,966).

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
(unaudited)

FOR THE YEAR ENDED MARCH 31, 2011

	2011			2010	
	Funds			Total	Total
	Operating	Capital asset	Reserve		
\$	\$	\$	\$	\$	
SALARIES					
Wages and fees	247,754	-	-	247,754	233,316
Fringe benefits	21,819	-	-	21,819	20,790
Training	350	-	-	350	782
	<u>269,923</u>	<u>-</u>	<u>-</u>	<u>269,923</u>	<u>254,888</u>
INTERNAL MANAGEMENT					
Rent	50,845	-	-	50,845	52,088
Travelling	9,076	-	-	9,076	19,298
Advertising and representation	1,227	-	-	1,227	1,382
Maintenance and repair	257	-	-	257	895
Stationery and office supplies	5,762	-	-	5,762	3,948
Telecommunications	6,138	-	-	6,138	5,976
Insurance	829	-	-	829	817
Equipment rental	1,135	-	-	1,135	823
Bank charges	1,291	-	-	1,291	1,112
Amortization of capital assets	-	4,084	-	4,084	5,502
	<u>76,560</u>	<u>4,084</u>	<u>-</u>	<u>80,644</u>	<u>91,841</u>
BOARD ACTIVITIES					
Translation	10,810	-	-	10,810	10,664
Meetings expenses	2,494	-	-	2,494	2,530
	<u>13,304</u>	<u>-</u>	<u>-</u>	<u>13,304</u>	<u>13,194</u>
SERVICES CONTRACTS					
Forestry planning	-	-	-	-	790
Forestry	1,920	-	-	1,920	-
Communications	10,271	-	-	10,271	10,988
Web site	1,417	-	-	1,417	1,978
Administration	8,107	-	-	8,107	8,601
Computing	3,795	-	-	3,795	3,093
	<u>25,510</u>	<u>-</u>	<u>-</u>	<u>25,510</u>	<u>25,450</u>